TECHBASE INDUSTRIES BERHAD
(FORMERLY KNOWN AS PROLEXUS BERHAD)
(Incorporated in Malaysia)
[Registration No. 199201019353 (250857-T)]

Annual Report 2024

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NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Second (32nd) Annual General Meeting ("**AGM**") of the Company will be held and conducted by way of virtual meeting entirely through live streaming via a Remote Participation and Voting ("**RPV**") Facilities from the Broadcast Venue at Unit 702, Level 7, Tropicana Gardens Office Tower, No. 2A, Persiaran Surian, 47810 Petaling Jaya, Selangor on Friday, 17 January 2025 at 11.00 a.m. or at any adjournment thereof for the following businesses:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 July 2024 together with the Reports of the Directors and Auditors thereon. — Explanatory Note A

2. To re-elect the following Directors who retire in accordance with Article 107 of the Constitution of the Company and being eligible, have offered themselves for re-election: -

   a) Datuk Low Chin Koon — Ordinary Resolution 1

   b) Mr Au Yee Soon — Ordinary Resolution 2

3. To approve the payment of Directors' fees amounting to RM500,000 for the period from the date of the 32nd AGM until the conclusion of the next AGM of the Company. — Ordinary Resolution 3

4. To approve the payment of Directors' benefits amounting to RM200,000 for the period from the date of the 32nd AGM until the conclusion of the next AGM of the Company. — Ordinary Resolution 4

5. To re-appoint Messrs. Morison LC PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. — Ordinary Resolution 5

Special Business

To consider and, if thought fit, to pass with or without modifications the following resolutions: -

6. **Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016** — Ordinary Resolution 6

   Waiver of pre-emptive rights over new ordinary shares or other convertible securities in the Company under Section 85(1) of the Companies Act 2016 read together with Article 59 of the Company's Constitution

NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING *cont'd*

"THAT subject to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), the Company's Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue new shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer at any time and from time to time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, to any persons who are not prescribed by Paragraph 6.04(c) of the Listing Requirements provided that the aggregate number of shares to be allotted and issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so allotted and issued from Bursa Securities and that such authority shall continue in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85(1) of the Companies Act 2016 read together with Article 59 of the Company's Constitution, the shareholders of the Company by approving this resolution are deemed to have waived their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with the existing shares in the Company."

7. **Proposed Renewal of Share Buy-Back Authority for the Company to Purchase Up to 10% of its Total Number of Issued Shares ("Proposed Renewal of Share Buy-Back Authority")** Ordinary Resolution 7

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act 2016, the provisions of the Company's Constitution, the Listing Requirements and the approvals of all relevant governmental/regulatory authorities, approval be and is hereby given to the Company to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be purchased and held pursuant to this resolution does not exceed 10% of the Company's total number of issued shares including the shares previously purchased and retained as treasury shares (if any) and the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company, upon such terms and conditions as set out in the Statement in relation to the Proposed Renewal of Share Buy-Back Authority dated 29 November 2024 which is included in the Annual Report.

NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING *cont'd*

THAT such authority shall commence immediately upon the passing of this Ordinary Resolution and may continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM is required by law to be held unless renewed, revoked or varied by ordinary resolution passed by the Company's shareholders in the general meeting, whichever occurs first, but so as not to prejudice the completion of a purchase made before such expiry date, in any event in accordance with the provisions of the Listing Requirements and any other relevant authorities.

THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends in such manner as may be permitted and prescribed by the provisions of the Listing Requirements and any other relevant authorities.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company."

8. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482 / SSM PC No. 202208000250)
TAN LAY KHOON (MAICSA 7077867 / SSM PC NO. 202208000544)
Company Secretaries

Kuala Lumpur

Date: 29 November 2024

Notes:-

1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual AGM using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at https://web.vote2u.my.
2. A proxy may but need not be a member of the Company.
3. A member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
4. For a proxy to be valid, the Proxy Form duly completed, must be deposited at the Share Registrar's office of the Company, B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof and in the case of a poll, not less than twenty-four (24) hours before the time for taking of the poll. The instrument appointing a proxy transmitted by facsimile or electronic mail will not be accepted.

NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING *cont'd*

5. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**Exempt Authorised Nominee**") 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.
6. Where a member is an Exempt Authorised Nominee, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
7. In the case of corporate member, the Proxy Form must be executed under the corporation's Common Seal or under the hand of an officer or attorney duly authorised.
8. Only a depositor whose name appears on the Record of Depositors as at **2 January 2025** shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

<u>Explanatory Notes to Ordinary Business:</u>

<u>Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 July 2024</u>

This item in the agenda is solely for discussion purpose, as Section 340(1)(a) of the Companies Act 2016 does not require shareholders to formally approve the audited financial statements. Therefore, the matter will not be put forward for voting.

<u>Ordinary Resolutions 1 to 2: Re-election of Directors who retire pursuant to Article 107 of the Company's Constitution</u>

The following Directors who are standing for re-election as Directors of the Company pursuant to the Article 107 of the Company's Constitution at the forthcoming 32nd AGM of the Company and who are being eligible for re-election have offered themselves for re-election in accordance with the Company's Constitution: -

a) Datuk Low Chin Koon; and
b) Mr Au Yee Soon.

*(collectively referred to as "**Retiring Directors**")*

The Board of Directors ("**Board**") through the Nominating Committee has deliberated on the suitability of the Retiring Directors to be re-elected as Directors. Upon deliberation, the Board (except for the respective Director concerned) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company.

<u>Ordinary Resolution 3: Directors' Fees</u>

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of the Company and its subsidiaries ("**Group**") shall be approved at a general meeting.

The proposed Directors' fees of RM500,000 has been reviewed by the Remuneration Committee and was recommended by the Board to the shareholders for the approval on this AGM.

This proposed Ordinary Resolution 3, if passed, will facilitate the payment of proposed Directors' fees of RM500,000 for the period from the date of the 32nd AGM until the conclusion of the next AGM of the Company.

NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING *cont'd*

Ordinary Resolution 4: Directors' Benefits

The proposed benefits of RM200,000 payable to the Directors has been reviewed by the Remuneration Committee and the Board which recognises that the benefits payable are in the best interest of the Company and in accordance with the remuneration framework of the Group, was recommended to the shareholders for the approval on this AGM.

This proposed Ordinary Resolution 4, if passed, will facilitate the payment of proposed Directors' benefits of RM200,000 for the period from the date of the 32nd AGM until the conclusion of the next AGM of the Company.

Explanatory Notes to Special Business:

Ordinary Resolution 6: Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016, and waiver of pre-emptive rights over new ordinary shares or other convertible securities in the Company under Section 85(1) of the Companies Act 2016 read together with Article 59 of the Company's Constitution

The proposed Ordinary Resolution 6 is a renewal of general authority given to the Directors of the Company to allot and issue shares as approved by the shareholders at the 31st AGM on 19 January 2024 ("**Previous Mandate**").

As at the date of notice of the meeting, the Company has not issued any shares pursuant to the general mandate granted pursuant to the Previous Mandate.

The proposed Ordinary Resolution 6, if passed, will renew the general mandate given to the Directors of the Company to allot ordinary shares of the Company from time to time and expand the mandate to grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares issued and allotted, to be subscribed under any rights granted, to be issued from the conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being ("**Renewed General Mandate**"). In computing the aforesaid 10% limit, shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The Renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Renewed General Mandate will enable the Directors to allot and issue ordinary shares at any time up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being without convening a general meeting which will be both time and cost consuming. The mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to the placement of shares for the purpose of funding future investment project(s), working capital and/or acquisitions.

NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING *cont'd*

Please refer to Section 85(1) of the Companies Act 2016 and Article 59 of the Company's Constitution as detailed below.

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 issues 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."

Article 59 of the Company's Constitution provides as follows:

"59. Subject to any direction to the contrary that may be given by the Company in a meeting of members, all new shares or other convertible securities shall, before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of members 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 the 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 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 Board may dispose of those shares or securities in such manner as it thinks most beneficial to the Company. The Board may likewise also dispose of any new share or security 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 Board, be conveniently offered under this Constitution and the Rules."

In order for the Directors to issue any new Shares or other convertible securities free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 6, if passed, will exclude the Company's shareholders' pre-emptive rights over all new shares, options over or grant of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities under the authority to Directors to allot shares.

<u>Ordinary Resolution 7: Proposed Renewal of Share Buy-Back Authority</u>

The proposed Ordinary Resolution 7, if passed, will empower the Company to purchase its own ordinary shares of up to ten percent (10%) of the Company's total number of issued shares at any time within the time period stipulated in the Listing Requirements. This authority shall commence immediately upon the passing of this proposed Ordinary Resolution and may continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM is required by law to be held unless renewed, revoked or varied by ordinary resolution passed by the Company's shareholders in the general meeting, whichever occurs first, but so as not to prejudice the completion of a purchase made before such expiry date, in any event in accordance with the provisions of the Listing Requirements and any other relevant authorities. Please refer to the Statement in relation to the Proposed Renewal of Share Buy-Back Authority dated 29 November 2024 which is included in the Annual Report for more information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities: -

1. Details of individual who are standing for election as Directors (excluding Directors for re-election).

   No individual is seeking election as a Director at the 32nd AGM of the Company.

2. General mandate for issue of securities in accordance with Paragraph 6.03 of the Listing Requirements of Bursa Securities.

   The details of the general mandate/authority for Directors of the Company to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in the Explanatory Note to Special Business of the Notice of 32nd AGM of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK AU YEE BOON
Executive Director

LEE BOON SIONG
Executive Director

DATUK LOW CHIN KOON
Independent Non-Executive Director

TAN CHIN YONG
Independent Non-Executive Director

AU YEE SOON
Non-Independent Non-Executive Director

DATIN LIM LEE WHENG
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Tan Chin Yong, Chairman
Datuk Low Chin Koon, Member
Au Yee Soon, Member

NOMINATING COMMITTEE

Datuk Low Chin Koon, Chairman
Tan Chin Yong, Member
Au Yee Soon, Member

REMUNERATION COMMITTEE

Datuk Low Chin Koon, Chairman
Tan Chin Yong, Member
Au Yee Soon, Member

RISK MANAGEMENT COMMITTEE

Datuk Low Chin Koon, Chairman
Tan Chin Yong, Member
Au Yee Soon, Member

COMPANY SECRETARIES

Tan Tong Lang
(SSM PC No. 202208000250 & MAICSA 7045482)
Tan Lay Khoon
(SSM PC No. 202208000544 & MAICSA 7077867)

AUDITORS

MORISON LC PLT (AF002469)
Chartered Accountants
Level 11-01, Uptown No.3,
Jalan SS 21/39, Damansara Utama,
47400 Petaling Jaya, Selangor Darul Ehsan
Tel : +603 7491 4419
Email : enquiries@morisonlc.com

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

PTD 94657, Batu 6,
Jalan Mersing,
86000 Kluang,
Johor Darul Takzim
Tel : +607 701 0369
Fax : +607 701 0363
Email : enquiries@techbaseindustries.com
Website: www.techbaseindustries.com

SHARE REGISTRAR

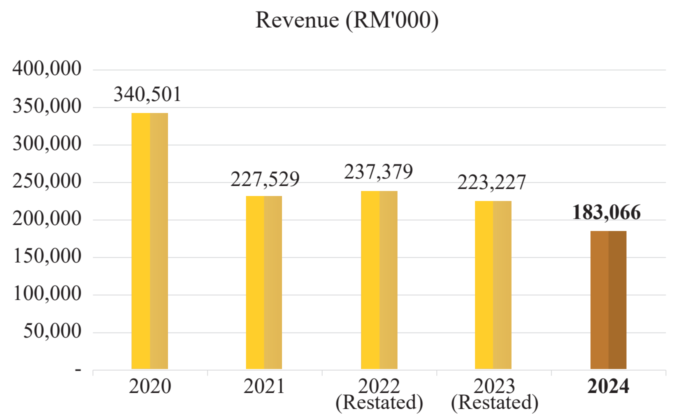
Aldpro Corporate Services Sdn Bhd
[Registration No. 202101043817 (1444117-M)]
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur, Wilayah Persekutuan
Tel : +603 9770 2200
Fax : +603 2201 7774
Email : admin@aldpro.com.my

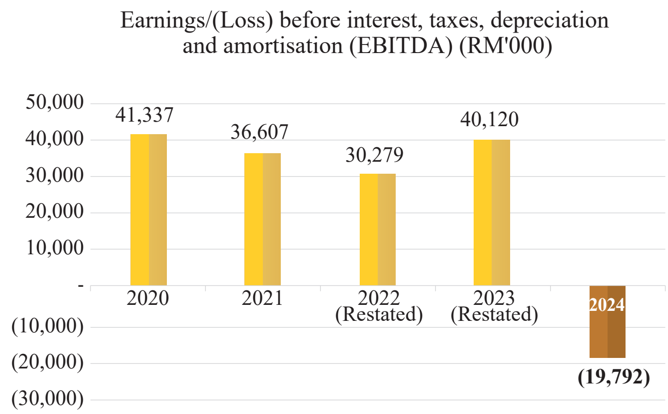
STOCK EXCHANGE LISTING

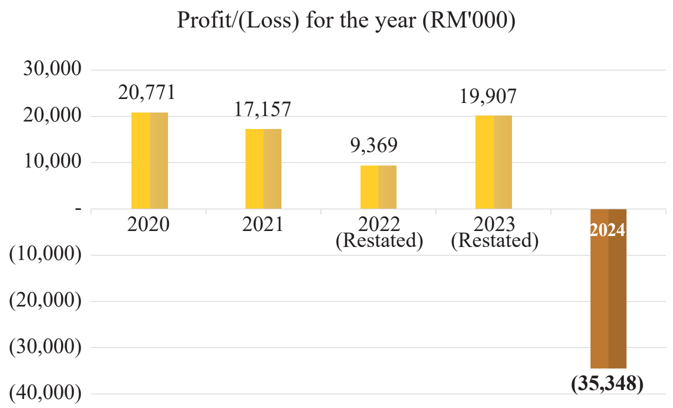
Main Market of Bursa Malaysia Securities Berhad
Stock Name : TECHBASE
Stock Code : 8966
Sector : Consumer Products & Services

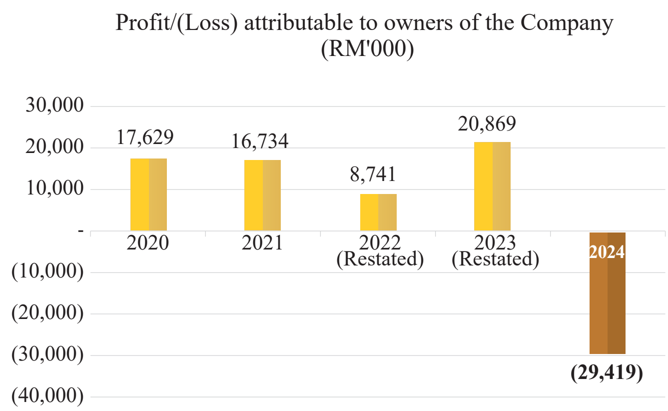
FINANCIAL HIGHLIGHTS

	2020 RM'000	2021 RM'000	2022 (Restated) RM'000	2023 (Restated) RM'000	2024 RM'000
Operating Results:					
Revenue	340,501	227,529	237,379	223,227	183,066
Earnings/(Loss) before interest, taxes, depreciation and amortisation (EBITDA)	41,337	36,607	30,279	40,120	(19,792)
Profit/(Loss) before tax	24,791	21,263	15,020	24,041	(32,047)
Profit/(Loss) for the year	20,771	17,157	9,369	19,907	(35,348)
Profit/(Loss) attributable to owners of the Company	17,629	16,734	8,741	20,869	(29,419)
Key Data on Financial Position:					
Total assets	432,183	397,899	419,258	419,905	412,331
Paid-up capital	106,045	125,960	126,071	126,071	130,699
Shareholders' funds	246,969	263,553	280,519	304,750	317,815
Net asset per share (RM)	0.94	0.99	1.03	1.10	1.06



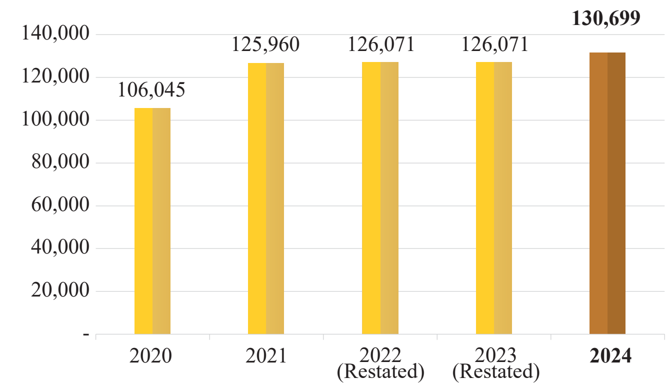




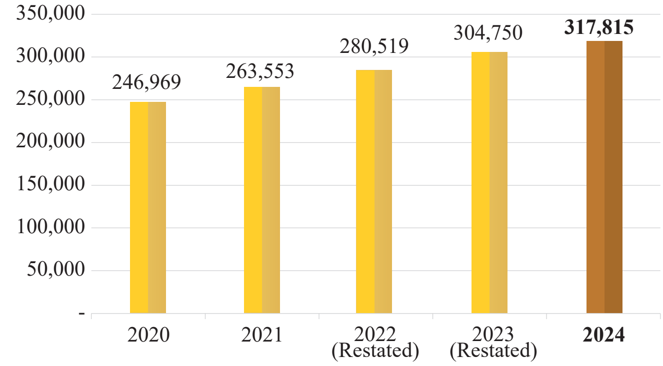


FINANCIAL HIGHLIGHTS *cont'd*

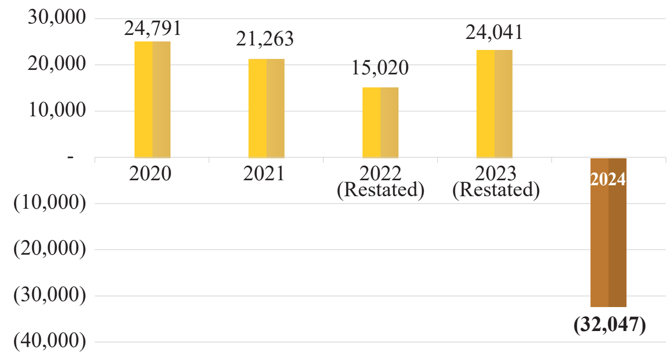
Paid-up capital (RM'000)



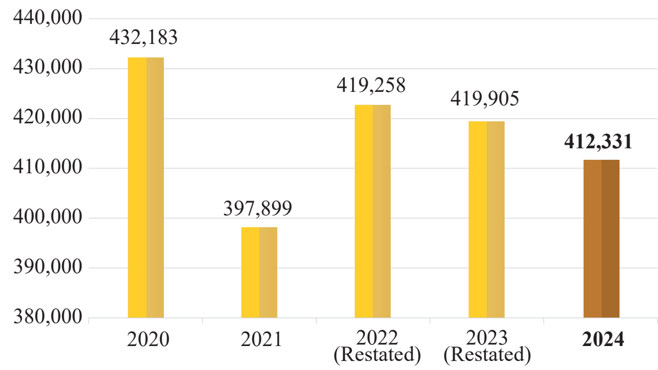
Shareholders' funds (RM'000)



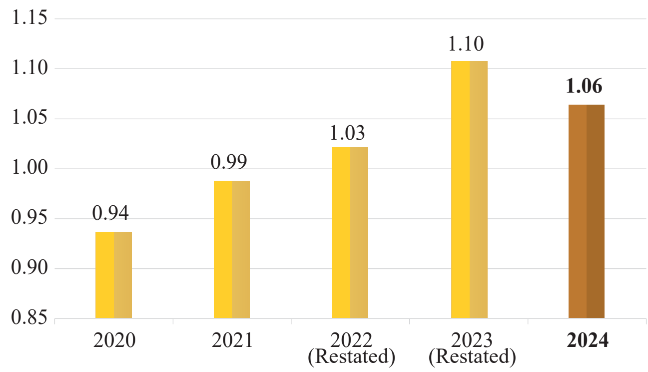
Profit/(Loss) before tax (RM'000)



Total assets (RM'000)



Net asset per share (RM)



MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

The financial year ended 31 July 2024 ("**FYE 2024**") presented significant challenges, with external factors such as persistent inflationary pressures, volatile commodity prices, geopolitical instability, disruptions from the Red Sea shipping crisis, and the freeze of foreign workers' applications created substantial obstacles to maintaining operational momentum. Despite these headwinds, Techbase Industries Berhad ("**Techbase**" or "**Company**") and its subsidiaries ("**Group**") remained resilient by focusing on strengthening operational efficiencies and upskilling employees, which allowed us to maintain high productivity levels amid labour shortages.

In addition to workforce development, we continued to invest in technology and automation, a cornerstone of our strategy to reduce dependency on manual labour and counter labour market disruptions. Our ability to adapt to these conditions has allowed us to maintain operational efficiency and focus on our long-term growth objectives.

REVIEW OF FINANCIAL PERFORMANCE

The Group recorded a total revenue of RM183.1 million for the FYE 2024, representing a decrease of RM40.1 million or 18.0% compared to the previous financial year of RM223.2 million. The decrease in revenue was primarily due to lower contributions from the apparel division.

The Group reported a loss after tax ("**LAT**") of RM35.3 million for the FYE 2024, representing a decrease of RM55.2 million compared to the profit after tax of RM19.9 million for the FYE 2023. This shift was largely due to lower sales across all business divisions, intangible assets written off and fair value losses on other investments.

REVIEW OF FINANCIAL POSITION

As at 31 July 2024, the Group's total assets decreased by RM7.6 million to RM412.3 million, down from RM419.9 million in the previous financial year. The decline was primarily due to a reduction in trade receivables.

The Group's total liabilities decreased by RM14.2 million or 16.6%, to RM71.6 million, down from RM85.8 million in the previous financial year. The reduction was mainly driven by a decrease in borrowings of RM12.7 million or 20.7%, to RM48.6 million from RM61.3 million, largely due to the repayment of term loans and other banking facilities by the Group during the financial year.

The shareholders' equity attributable to owners for FYE 2024 increased by RM13.0 million or 4.3%, to RM317.8 million from RM304.8 million, which was primarily due to the issuance of Irredeemable Convertible Unsecured Loan Stocks.

The Group was in a net cash position as at 31 July 2024. Net asset per share fell to RM1.06 from RM1.10 in FYE 2023.

MANAGEMENT DISCUSSION & ANALYSIS *cont'd*

CORPORATE DEVELOPMENT

During the FYE 2024, the Company has renamed to Techbase Industries Berhad following shareholders' approval during the annual general meeting ("**AGM**") held on 19 January 2024. The shareholders also approved the following proposals in an extraordinary general meeting ("**EGM**") held on 19 January 2024:

(a) the renounceable rights issue of up to RM102,578,353 nominal value of 2,051,567,055 five (5)-year, 0.10%, irredeemable convertible unsecured loan stocks ("**ICULS**") at 100.0% of its nominal value of RM0.05 each, on the basis of five (5) ICULS for every one (1) existing ordinary share in the Company held on the entitlement date ("**Rights Issue of ICULS**"); and

(b) the establishment of an employees' share scheme of up to 15% of the total number of issued shares (excluding treasury shares) to the eligible directors and employees of the Group (excluding dormant subsidiaries) ("**ESS**").

On 5 April 2024, the Company had completed the Rights Issue of ICULS following the allotment and issuance a total of 780,342,595 ICULS which was granted listing on the Main Market of Bursa Malaysia Securities Berhad on even date, raising total proceeds of RM39.0 million.

On 4 June 2024, KAF Investment Bank Berhad had announced on behalf of the Board of Directors of Techbase that the effective date of the implementation of ESS is on 4 June 2024.

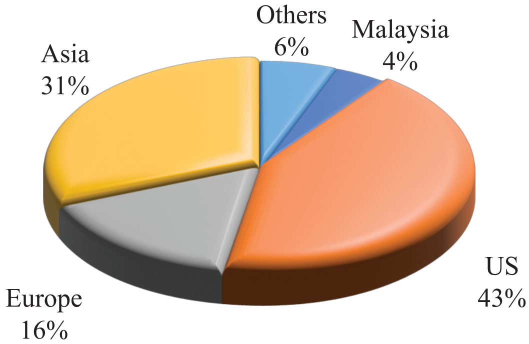
BUSINESS REVIEW BY DIVISION

Apparel Division

The apparel division specialises in manufacturing sportswear apparel for prominent international brands. The Group operates two apparel manufacturing facilities located in Malaysia (Johor) and China (Jiangsu Province), both fully equipped to meet stringent customer standards for quality, on-time delivery, cost efficiency, and sustainability, among other requirements.

In the FYE 2024, the apparel division contributed 91.2% of the Group's revenue, derived from various geographic markets as illustrated in the diagram below. The United States of America ("**US**") remains the largest export market for the apparel division, accounting for 43% of total apparel sales, followed by Asia and Europe at 31% and 16%, respectively.

Apparel revenue geographical segments



MANAGEMENT DISCUSSION & ANALYSIS *cont'd*

BUSINESS REVIEW BY DIVISION (CONT'D)

Apparel revenue geographical segments (cont'd)

The apparel division remains focused on enhancing its core strengths and creating lasting value through the following strategic initiatives:

- vertical integration with the Group's in-house textile mill to reinforce the apparel manufacturing supply chain and enhance competitive advantages;
- investments in automation, technology, and energy facilities to boost production efficiency, enable real-time visual management, and drive environmental sustainability;
- product innovation and development to meet evolving customer demands with high-quality offerings; and
- talent development and retention through structured training programs and retention schemes to foster a skilled, motivated workforce.

Textile Division

The textile mill, located in the district of Kluang, Johor, continued its journey in upstream fabric manufacturing, reinforcing the Group's vertical integration strategy, supporting both internal and external market demands for high-quality fabric production. By manufacturing in-house, the Group aims to reduce reliance on external suppliers, optimise costs, and strengthen supply chain control.

The textile mill invested in automation and sustainable technologies, including water recycling systems, enhancing production efficiency and environmental stewardship. Leveraging advanced production methods, the textile mill introduced fabric lines that met higher environmental standards without sacrificing product quality. This included the launch of performance fabrics that maintained durability and quality without reliance on chemical finishes, aligning with global shifts toward eco-conscious manufacturing.

Although these developments marked progress, challenges remain as we strive for optimal capacity utilisation and financial health. The textile mill continued to operate below its optimal capacity, which, coupled with high depreciation and finance costs, resulted in a loss after taxation of RM16.5 million in the FYE 2024 as compared to RM16.7 million in the previous financial year, a slight improvement of RM0.2 million. The Group is actively addressing capacity utilisation issues and exploring ways to reduce cost pressures in order to improve the financial health of the division.

The Group remains confident in the long-term advantages of the textile mill, with anticipated benefits including:

- enhanced customisation and product innovation, supporting the development of specialised, high-quality fabrics tailored to market needs.
- improved supply chain control by reducing reliance on external sources, thereby securing critical raw materials with predictable costs and availability.
- accelerated lead times and market responsiveness for the apparel division, enabling faster delivery and adaptability for end customers.
- strengthened environmental positioning, aligning with the increasing consumer demand for sustainable products and reinforcing the Group's commitment to eco-friendly practices.
- high-quality fabric offerings for external clients, opening new revenue channels and expanding the Group's market reach through premium fabric sales.

MANAGEMENT DISCUSSION & ANALYSIS *cont'd*

BUSINESS REVIEW BY DIVISION (CONT'D)

Advertising Division

The Group manages and operates media airtime sales and marketing for its Digital Out-of-Home TV network under the "PowerScreen" brand, featuring 15 strategically placed outdoor digital screens across high-traffic areas in Malaysia. Established in 1999, PowerScreen was Malaysia's first outdoor digital screen operator and remains a key asset in the Group's media portfolio.

The advertising division contributed 5.1% of the Group's revenue in the FYE 2024.

RISKS RELATING TO THE BUSINESS AND INDUSTRY

The Group acknowledges that there are inherent risks in the industry and business that affects the goals and objectives of the Group. As such, the management is constantly assessing and implementing strategies to mitigate the controllable and uncontrollable risks whilst taking into consideration the following risks including but not limited to business risks, competition, dependency on labour, dependency on major customers, fluctuations in foreign exchange etc.

Business Risks

The Group faces general business risks common to the manufacturing sector as well as specific challenges within the textile and apparel industry. These include adverse economic impact in the global, regional and/or national economy, increased competition, labour shortages, rising costs of raw material, changes in the law and tax legislation affecting the industry, increased operational costs, foreign exchange volatility and changes in business and credit conditions.

Despite the Group's efforts to manage these risks by maintaining strong relationships with customers and suppliers, optimising efficiency, controlling costs and expanding its product offerings, there is no assurance that the risks outlined above will not have a significant impact on the Group's business.

Competition

The Group continues to face intense competition from both local and international companies, particularly from those operating in countries with lower labour costs compared to Malaysia. In addition to cost, factors such as product quality, on-time delivery and sustainability have become increasingly critical in the textile and apparel industry.

In response to these challenges, the Group is committed to boosting its operational efficiency while maintaining its reputation for high-quality products and on-time delivery. Initiatives such as the adoption of lean manufacturing techniques to maximise productivity and reduce waste are central to this effort. The Group has also integrated advanced technologies, such as Radio-Frequency Identification (RFID), to enhance production tracking and identify areas for continuous improvement. Kaizen practices are regularly applied to promote a culture of incremental innovation across operations.

MANAGEMENT DISCUSSION & ANALYSIS *cont'd*

RISKS RELATING TO THE BUSINESS AND INDUSTRY (CONT'D)

Competition (cont'd)

As part of its forward-looking strategy, the Group is also placing a stronger emphasis on sustainable manufacturing practices. This includes reducing its carbon footprint by investing in renewable energy sources such as solar panels for its factories and exploring new materials with lower environmental impact. Furthermore, the Group continues to develop innovative product differentiation strategies, such as eco-friendly textile processing methods that reduce water and chemical use, without compromising fabric quality. These initiatives not only help the Group meet the growing demand for sustainable products but also enhance its appeal to environmentally conscious customers.

Dependency on Labour

Although the Group has invested in automation machinery and equipment to reduce reliance on manual labour in the production of apparel products, the Group is still dependent on skilled manual labour, particularly for specialised tasks such as sewing. Labour shortage, especially due to ongoing restrictions on foreign worker applications, can disrupt production and increase costs. The upcoming increase in minimum wages, from RM1,500 to RM1,700, effective February 2025, and proposed EPF contributions for foreign workers will further elevate labour costs.

To mitigate this risk, the Group continues to diversify its labour sources by recruiting both local and foreign workers, while advancing automation efforts in production and packaging to reduce dependency on manual labour. Nevertheless, if labour shortages persist or costs continue to rise, it may negatively affect profit margins and overall performance.

Dependency on Major Customers

The Group's major customers are primarily international sportswear brands and maintaining strong relationships with these clients remains a top priority. The Group strives to consistently exceed customer expectations in both product and service quality. In addition, the Group also continues its efforts on securing new customers to diversify its customer base in recent years. Nevertheless, there can be no assurance that the loss of any major customer or reduction in orders will not adversely impact on the Group's business and overall performance.

Fluctuation in Foreign Currency Exchange Rate

Fluctuations in foreign exchange rates may affect the Group's profit margins due to imports of raw materials and exports of finished products. Currency differences may result in gains or losses that could affect financial performance.

Nevertheless, as most of the Group's imports and exports are primarily transacted in USD, this provides a substantial natural hedge to the Group. In addition, the Group maintains credit facilities on foreign exchange forward contracts with several financial institutions and, if necessary, will be utilised to hedge the fluctuations in exchange rates. Notwithstanding the above, there can be no assurance that any foreign currency exchange fluctuation in the future will not adversely affect the Group's financial performance.

MANAGEMENT DISCUSSION & ANALYSIS *cont'd*

RISKS RELATING TO THE BUSINESS AND INDUSTRY (CONT'D)

Other Risks

The Group is also exposed to risks such as dependency on key personnel, insufficient production capacity to meet customer demand, credit risks from customers, and political, economic and regulatory considerations for our local and foreign operations.

FUTURE PROSPECTS

The Group anticipates that the global economy will remain challenging due to ongoing inflationary pressures, volatile commodity prices, geopolitical uncertainties, and supply chain disruptions. The upcoming increase in minimum wages, along with the proposed application of EPF contributions to foreign workers in Budget 2025 announced by the Malaysian Government, will further add to operational costs. Despite these challenges, the Group will continue to focus on delivering high-quality products to existing customers while seeking new business opportunities and implementing strategies to manage these rising costs.

To navigate these pressures, the Group will continue leveraging its investments in technology, automation, and workforce upskilling to improve operational efficiency. The Group remains committed to its long-term goals and will continue to explore new opportunities while monitoring market conditions to ensure sustainable growth in the coming year.

Dividend

The Company has not adopted any dividend policy. However, it is committed to distributing a portion of its profits as dividends after taking into account, amongst others, the availability of adequate reserves and cash flows, financing commitments and anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans.

SUSTAINABILITY STATEMENT

At Techbase Industries Berhad ("**Techbase**" or "**Company**"), sustainability initiatives have always integrated into its way of conducting businesses and as part of the business continuity risk management where the ultimate goals are to ensure optimum returns for its stakeholders. The Company and its subsidiaries' ("**Group**") vision and strategy are formed with consideration of the Economic, Environmental and Social ("**EES**") aspects which is directly aligned with its long-term Sustainability Goals.

SCOPE AND COVERAGE OF REPORT

This Sustainability Statement covers the operations of the Group in Malaysia, of which the Group has direct control and holds a majority stake. Accordingly, activities and operations of the joint venture company are excluded unless mentioned otherwise. Information disclosed in this Sustainability Statement encompasses its core activities related to manufacturing textile, apparel and fabric face masks. This report covers data compiled internally over 12 months from 1 August 2023 to 31 July 2024 ("**FYE 2024**").

This Sustainability Statement is to be read in conjunction with the rest of the Company's Annual Report, highlighting other financial and non-financial aspects of the Group's business.

SUSTAINABILITY GOVERNANCE

The Board of Directors ("**Board**") acknowledges the importance of business sustainability and its responsibility towards EES. The Group adopts policy that promotes positive growth towards all aspects of EES.

Board of Directors

- Review the sustainability framework and initiatives with Executive Directors for effective implementation.
- Review and approve the Sustainability Statement

Executive Directors

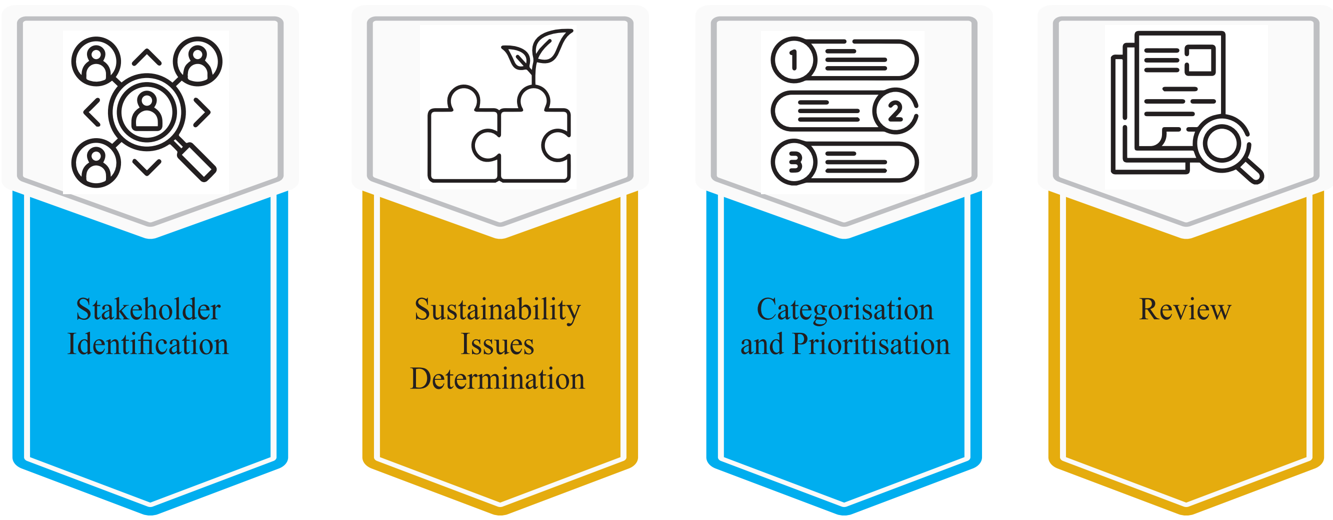
- Review the sustainability initiatives with Sustainability Committee and formulate strategies
- Report to the Board on material sustainability matters

Sustainability Committee

- Comprise representatives from Health, Safety, Security and Environment (HSSE), Human Resource and General Affairs (HR&GA) and Beyond Compliance.
- Responsible for detailed engagement strategy formulation, implementation, monitoring and communication with Head of Operations/ Department Heads
- Report to Executive Directors on material sustainability matters

STAKEHOLDERS' ENGAGEMENT

The Group has established a process for materiality assessment with clearly defined resources and responsibilities. This materiality assessment aims to better identify the priorities of the Group's stakeholders and EES risks and opportunities. Through this detailed continuous approach, the Group is able to maintain a solid approach in evaluating operation sustainability. It would empower the Group's business strategies, further drive the transformation in sustainability development and manage our risk and opportunities efficiently.



STAKEHOLDERS	ENGAGEMENT METHODS	FREQUENCY
Shareholders and Investors	• Annual general meeting • Extraordinary general meeting • The Executive Directors oversee investor relation matters	Annually When required Throughout the year
Employees	• Employee Suggestion and Grievances Committee ("ESGC") • Corporate Social Responsibility ("CSR") Activities • Employee engagement programmes and training	Throughout the year
Customers	• Engagement via phone, email and face to face with customers in order to have real time visibility on customer feedback and expectation • Periodic performance audit by customers	Throughout the year
Local Government Authorities	• Certification and compliance with Government legislative framework • Compliance with the relevant reporting requirement and disclosure	Throughout the year
Local Communities and NGOs	• Community engagement through CSR activities • Corporate collaboration initiatives with Non-Government Organisations ("NGOs")	Throughout the year

SUSTAINABILITY STATEMENT *cont'd*

MATERIALITY ASSESSMENT

The Company has conducted a series of materiality assessments to identify topics prioritised by the stakeholders to provide a framework for the Company's annual disclosure and alignment with the Group's strategic objectives. The stakeholders' feedback, combined with an assessment of industry trends and research forms the key areas on which the Company's sustainability focus lies. These areas are as follows:

We Care for Our Customers

At Techbase, evolution and breakthroughs are embedded in our DNA. To keep up with the challenge of delivering quality product to our customers, we constantly find ways to reinvent and restructure our key process and technologies to meet with the ever-changing global manufacturing landscape. Our customers are our partners as we are in close collaboration with them during the whole process of manufacturing and exporting our product to all around the world.

Product Quality and Safety

Techbase recognises that product quality and safety is the key to earning the trust of our customers and society. As a manufacturer, we are committed to providing our customers with high quality and safe products. Therefore, we implement a range of quality and safety initiatives as a precautionary approach and ensure consistent compliance with the law and other applicable regulations. We have obtained the ISO 9001:2015 for implementing a quality management system across all our manufacturing process, which conforms to the international standard. As a result, during the FYE 2024, complaints and chargeback were minimal and was quickly corrected.

Product Innovation

Techbase recognises that innovation is the key growth driver for business, especially in the ever-changing business environment and consumer trends. Therefore, it is crucial to maintain our business resilience and retain our competitive edge at the forefront of the industry. We have an in-house research and development ("R&D") team of which comprises of chemist and lab analysts. Our R&D effort remain instrumental, underpinned by our spirit of innovation to develop products that are attuned to the market's needs while raising the bar in manufacturing through our advanced technologies.

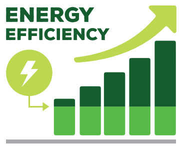
SUSTAINABILITY STATEMENT *cont'd*

MATERIALITY ASSESSMENT (CONT'D)

We Care for Our Environment

At Techbase, we acknowledge that environmental sustainability is crucial for supporting the health of the planet and the livelihoods of the communities while ensuring the preservation of the world's precious natural resources for future generations. We have made sustainable manufacturing a top priority in all of our business decisions, aligning with our commitment to addressing global climate change. To support this goal, we have implemented the following effective environmental initiatives that are beyond compliance:

Waste Management



Energy and Carbon

Water Management

Waste Management

Sustainable waste management is vital for preserving the environment and addressing prevalent issues caused by landfills, such as open burning due to reactions from disposed materials, land contamination and increased carbon emissions. We remain committed to achieving zero manufacturing waste by recycling, energy recovery from waste as well as downcycling to minimise environmental impact.

Our waste minimisation program introduced in year 2019 has shown a positive impact on sustainability over the last two years. In line with our sustainability goals to reduce the environmental impact and improve waste management, we continuously explore new methods and work together with external parties to ensure proper treatment of our primary waste material, polyester fabric.

2021
Recycle: 30%
Downcycling: 70%
Landfill: 0%

2022
Recycle: 79%
Downcycling: 21%
Landfill: 0%

2023
Recycle: 78%
Downcycling: 22%
Landfill: 0%

2024
Recycle: 79%
Downcycling: 21%
Landfill: 0%

SUSTAINABILITY STATEMENT *cont'd*

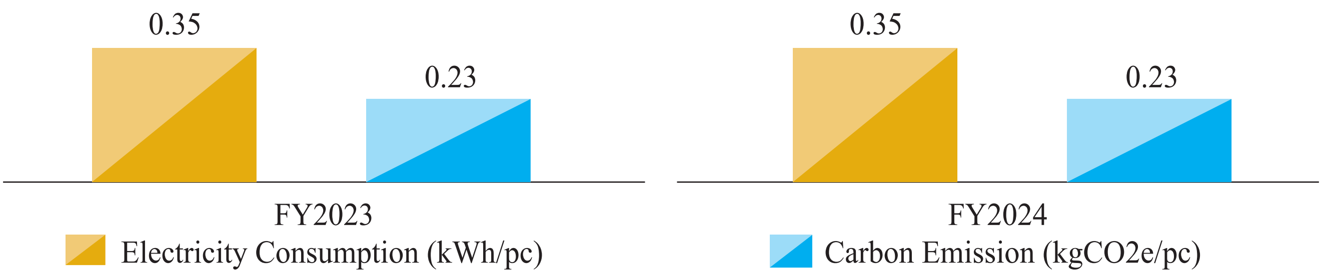
MATERIALITY ASSESSMENT (CONT'D)

Energy and Carbon

To ensure sustainability, our management is committed to energy conservation and the reduction of energy usage. We acknowledge that in the competitive manufacturing industry, energy consumption tends to increase with the scale of production. During the year under review, our energy consumption increased proportionately to 0.35 kWh per piece, which resulted in a rise in carbon emissions from 0.20 to 0.23 kgCO2e per piece.

Recognising the global shift towards a low-carbon transition and Malaysia's target to achieve carbon neutrality by 2050, we are also well positioned to contribute to this initiative. We plan to make targeted investment in renewable energy, focusing on solar photovoltaic (PV) and automation equipment with enhanced energy-efficient and advanced technologies to reduce our energy consumption and carbon emission. We believe that such investments will directly improve our manufacturing efficiency while reducing carbon emission simultaneously.

Energy & Carbon

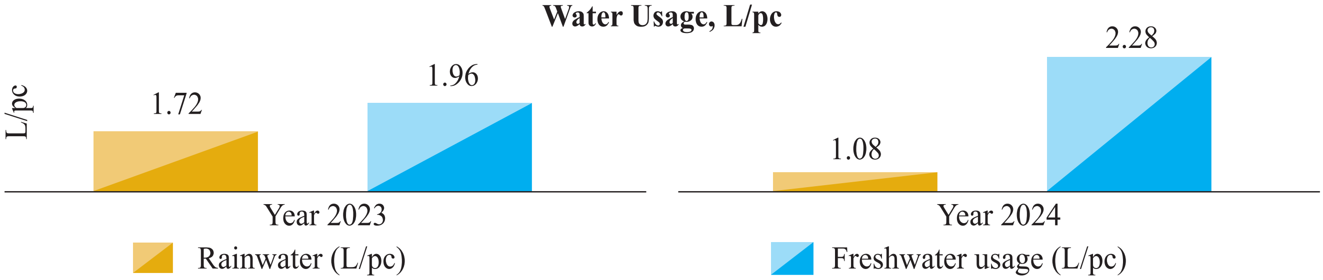


Water Management

Water supply issue has always been a top concern for us, making water management one of our key focus areas. Therefore, we have implemented a rainwater harvesting system to reduce freshwater consumption. We believe that these initiatives will further enhance our water utilisation ratio. During the FYE 2024, although the freshwater consumption has a slight increase, our rainwater collection system has shown noticeable improvement.

We aware with the uncontrolled weather towards the performance of fresh water consumption is very challenging, but the management is optimist with rainwater-harvesting initiatives where it can be further improve and increase the collection and indirectly save fresh water consumption. With that, the total consumption of freshwater will decrease to the optimal rate.

Water Usage, L/pc



MATERIALITY ASSESSMENT (CONT'D)

We Care for Our People

Our people are invaluable assets and an essential part of our business success. Our diverse workforce of over 1,000 individuals forms the foundation of the Group's success and growth. We recognise our employees as the driving force behind our business and empower them through continuous talent development, enabling them to realise their full potential and deliver enchanced performance.

Investing in our People

Skills and knowledge are essential criteria for cultivating human capital. Therefore, we have implemented structured initiatives to develop and nurture our employees. Our talent empowerment programme focuses on equipping our workforce with various training and development opportunities, utilising both internal and external training providers to maximise their knowledge and experience.

The programme emphasises competency development, helping employees build core skills and strengthen their leadership abilities. Systematic training, such as On-the-Job Training (OJT), ensures that employees acquire the functional skills and knowledge required to contribute to the Group's growth. Additionally, the Group supports employees who wish to further their education and enhance their expertise through educational and skills-based training.

Cultivating a Safe and Healthy Workplace

We are committed to providing a safe and healthy workplace for our employees to safeguard their welfare. To support World Mental Health Day and raise awareness of mental health issues among employees, we organised a Health, Safety and Environment ("HSE") talk on mental health at the workplace in collaboration with the Community Mental Health Centre (Mentari). This included activities such as a seminar conducted by a psychiatric doctor and a Healthy Mind Survey for early detection.

Additionally, we supported Breast Cancer Awareness Month by encouraging employees to wear pink dress attire, participated in Health & Safety World Day 2024 organised by the Department of Occupational Health & Safety (DOSH) at University Cyberjaya, and focused on promoting employees' health. We also aimed to improve a harmonised workplace environment by organising sports events such as volleyball and badminton.

Prioritising Social Compliance

We are committed to supporting fair practices in the workplace and providing equal opportunities in employment. Furthermore, we fully respect our employees' freedom to join any association and do not coerce or restrain staff against their wishes in employment. We uphold the values of mutual respect by maintaining a workplace that is free from harassment and violence. Any form of harassment or violence is strictly prohibited and will not be tolerated.

We recognise that protecting human rights within our operations and supply chain is a vital part of our sustainability agenda. Our strategy includes adherence to local laws and regulations, buyers' codes of conduct, and standards set by the International Labour Organization and the Fair Labor Association.

In terms of safety and health, we utilise all available resources to maintain a safe and environmentally friendly workplace for our employees. We have established goals to improve our environmental performance and operating conditions to safeguard the health and safety of our workforce.

SUSTAINABILITY STATEMENT *cont'd*

MATERIALITY ASSESSMENT (CONT'D)

We Care for Our Community

We believe in giving back to our community and take an active role in caring for its well-being. Techbase has collaborated with local authorities and non-governmental organisations (NGOs) to host CSR projects annually. During FYE 2024, we organised a blood donation campaign, participated in waterway and beach clean-up activities, sponsored an event organised by Jabatan Tenaga Kerja Batu Pahat, and actively engaged with local authorities, among other initiatives.

Annual CSR Project

Blood Donation Campaign

Each year, we collaborate with Unit Tabung Darah HSNI, Batu Pahat Mall, and our associate business partners to organise a blood donation campaign.

Water-Way and Beach Clean-Up (Plastic-Free July – Decker)

For the third consecutive year, we organised an awareness event to promote plastic-free activities. The event involved employees and the community leader of Kg. Sungai Lurus in cleaning the waterway area at Pantai Sungai Lurus.

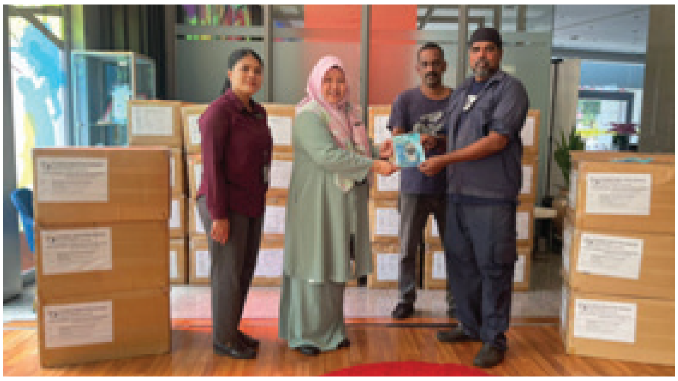
SUSTAINABILITY STATEMENT *cont'd*

MATERIALITY ASSESSMENT (CONT'D)

Annual CSR Project

Donation Face Mask to Government Hospitals

Techbase distributed reusable fabric face masks, ProXmask™, to selected government hospitals in support of our frontliners.



Sponsorship sport event T-shirt to Government Agencies

Techbase sponsored sports event T-shirts to support government agencies in promoting active and healthy lifestyles.

Participated in IPMC Meeting with Local Authority (MPBP)

We actively participated in the IPMC meeting with the local authority (MPBP) and representatives from local industries within the same community.

SUSTAINABILITY STATEMENT *cont'd*

Performance Data Table from Bursa Malaysia's ESG Reporting Platform

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	63,748.80
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7,206
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0
Management Between 30-50	Percentage	3.16
Management Above 50	Percentage	1.37
Executive Under 30	Percentage	0.96
Executive Between 30-50	Percentage	4.67
Executive Above 50	Percentage	1.03
Non-executive/Technical Staff Under 30	Percentage	4.12
Non-executive/Technical Staff Between 30-50	Percentage	9.95
Non-executive/Technical Staff Above 50	Percentage	3.16
General Workers Under 30	Percentage	22.99
General Workers Between 30-50	Percentage	44.34
General Workers Above 50	Percentage	4.25
Gender Group by Employee Category		
Management Male	Percentage	2.61
Management Female	Percentage	1.92
Executive Male	Percentage	2.13
Executive Female	Percentage	4.53
Non-executive/Technical Staff Male	Percentage	7.76
Non-executive/Technical Staff Female	Percentage	9.47
General Workers Male	Percentage	35.62
General Workers Female	Percentage	35.96

SUSTAINABILITY STATEMENT *cont'd*

Indicator	Measurement Unit	2024
Bursa (Diversity)		
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.33
Female	Percentage	16.67
Under 30	Percentage	0
Between 30-50	Percentage	100
Above 50	Percentage	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	3,587.57
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	8.48
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,457
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	349
Executive	Hours	1,205
Non-executive/Technical Staff	Hours	1,160
General Workers	Hours	3,033
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	13
Executive	Number	26
Non-executive/Technical Staff	Number	82
General Workers	Number	399
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	18.13
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	33.61

Internal assurance External assurance No assurance (*)Restated

PROFILE OF DIRECTORS

Datuk Au Yee Boon
Executive Director,
Male, Malaysian, aged 44

Datuk Au Yee Boon ("Datuk Au") was appointed to the Board as the Executive Director of the Company on 1 June 2022.

Datuk Au holds a degree in Computer Science from the University of Malaya. He is the founder and Chief Executive Officer of Techbase Solution Sdn Bhd since 2009. He started his own retail business right after he graduated from the University of Malaya in 2004. After 5 years of his retail business, he established Techbase Solution Sdn Bhd, a company specialising in providing information technology ("IT") solutions where he was responsible for marketing, business development and IT consulting of the company.

Presently, he sits on the Board of YB Ventures Berhad as an Executive Director.

Datuk Au has attended all six (6) Board of Directors' meetings held during the financial year ended 31 July 2024.

He is the spouse of Datin Lim Lee Wheng and the brother of Mr Au Yee Soon, both of whom are the Non-Independent Non-Executive Directors of the Company.

Save as disclosed above, he has no family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest with the Company or its subsidiaries. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

Lee Boon Siong
Executive Director,
Male, Malaysian, aged 44

Mr Lee Boon Siong ("Mr Lee") was appointed to the Board as the Executive Director of the Company on 27 September 2023.

Mr Lee graduated with a Degree in Computer Science and Information Technology from the Campbell University. He has over 20 years of experience in sales and marketing, business development and IT consulting for clients from various industries including healthcare, manufacturing, retail, financial and food and beverage.

Save for Techbase Industries Berhad (formerly known as Prolexus Berhad), Mr Lee does not hold any directorship in other public companies and listed issuers.

Mr Lee has attended all six (6) Board of Directors' meeting held during the financial year ended 31 July 2024.

He has no family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest with the Company or its subsidiaries. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

PROFILE OF DIRECTORS *cont'd*

Datuk Low Chin Koon

Independent Non-Executive Director,
Male, Malaysian, aged 45

Datuk Low Chin Koon ("Datuk Low") was appointed to the Board as an Independent Non-Executive Director of the Company on 1 June 2022. He is the Chairman of the Remuneration Committee, Risk Management Committee and Nominating Committee, and a member of the Audit Committee.

Datuk Low is the Managing Director of WYSEN Group of Companies. He founded WYSEN Industry Sdn. Bhd. in 1999, venturing into the business of producing office chairs. He expanded his business by exporting WYSEN products to Southeast Asia, Africa and the Middle East. In 2004 and 2005, he established WYSEN Office Supplies Sdn Bhd and WYSEN Office Systems Sdn Bhd to sell its products in local markets and manufacturing of panel workstation, respectively.

Presently, he sits on the Board of Mestron Holdings Berhad, K. Seng Seng Corporation Berhad and Tex Cycle Technology (M) Berhad as an Independent Non-Executive Director.

Datuk Low has attended all six (6) Board of Directors' meetings held during the financial year ended 31 July 2024.

He has no family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest with the Company or its subsidiaries. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

Tan Chin Yong

Independent Non-Executive Director,
Male, Malaysian, aged 41

Mr Tan Chin Yong ("Mr Tan") was appointed to the Board as an Independent Non-Executive Director on 19 August 2022. He is the Chairman of the Audit Committee, and a member of the Risk Management Committee, Nominating Committee and Remuneration Committee.

Mr Tan is a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants (FCCA), UK. He has more than 20 years of exposures in various fields and industries through the employment of several audit firms, construction, and services companies.

He helped companies with business relocation projects, new business ventures start-up as well as involving in the processes of implement and improve internal controls of companies to enhance their operational efficiencies. He also lectured professional courses and diploma programmes covering accounting, finance and tax modules in several local colleges.

Save for Techbase Industries Berhad (formerly known as Prolexus Berhad), Mr Tan does not hold any directorship in other public companies and listed issuers.

Mr Tan has attended all six (6) Board of Directors' meetings held during the financial year ended 31 July 2024.

He has no family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest with the Company or its subsidiaries. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

PROFILE OF DIRECTORS *cont'd*

Au Yee Soon

Non-Independent Non-Executive Director,
Male, Malaysian, aged 41

Mr Au Yee Soon ("Mr Au") was appointed to the Board as a Non-Independent Non-Executive Director on 31 March 2022. He is a member of the Audit Committee, Risk Management Committee, Nominating Committee and Remuneration Committee.

Mr Au has more than 10 years of experience in the technology field, particularly in digital engineering. He is also involved in businesses of import and export digital products.

He operates a consulting firm and is actively involved in internal control, compliance, quality control, cost optimisation and process engineering on the construction material as well as manufacturing industry, to enhance the quality of products and the production efficiency. He also spearheaded many enhancement projects in creating value to his clients.

Save for Techbase Industries Berhad (formerly known as Prolexus Berhad), Mr Au does not hold any directorship in other public companies and listed issuers.

Mr Au has attended all six (6) Board of Directors' meetings held during the financial year ended 31 July 2024.

He is the brother of Datuk Au Yee Boon, the Executive Director of the Company and the brother-in-law of Datin Lim Lee Wheng, the Non-Independent Non-Executive Director of the Company.

Save as disclosed above, he has no family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest or potential conflict of interest with the Company or its subsidiaries. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

PROFILE OF DIRECTORS *cont'd*

Datin Lim Lee Wheng

Non-Independent Non-Executive Director,
Female, Malaysian, aged 44

Datin Lim Lee Wheng ("Datin Lim") was appointed to the Board as Non-Independent Non-Executive Director on 26 May 2023.

Datin Lim has more than 10 years' experience in Information Technology and Business Development. She is the co-founder of Techbase Solution Sdn. Bhd., a Multimedia Super Corridor ("MSC") status company specialising in providing IT Solutions, with a vision for improving the profitability of clients through the use of cutting-edge information technologies. She is also a director of several private companies.

Save for Techbase Industries Berhad (formerly known as Prolexus Berhad), Datin Lim does not hold any directorship in other public companies and listed issuers.

Datin Lim has attended all six (6) Board of Directors' meetings held during the financial year ended 31 July 2024.

She is the spouse of Datuk Au Yee Boon, the Executive Director of the Company and the sister-in-law of Mr Au Yee Soon, the Non-Independent Non-Executive Director of the Company.

Save as disclosed above, she has no family relationship with any Director and/or major shareholder of the Company. She does not have any conflict of interest or potential conflict of interest with the Company or its subsidiaries. She has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there is no public sanction or penalty imposed by the relevant regulatory bodies upon her during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

Choong Chee Mun

Chief Executive Officer, Textile and Apparel division
Male, Malaysian, aged 46

Mr Choong Chee Mun was appointed as the Chief Executive Officer of the Textile and Apparel division in June 2022. He joined the Group as Senior Manager Group Finance in April 2013 and was appointed as the Chief Financial Officer in December 2013. He also served as the Executive Director of the Group from October 2017 to May 2022. He holds a Degree in Accounting and Finance from Charles Sturt University. He is a Certified Public Accountant (CPA) Australia holder and a member of the Malaysian Institute of Accountants.

He started his career in Ernst & Young Malaysia and thereafter relocated to Ernst & Young China, where he was involved in statutory and special audits of public listed companies, multinational corporations and private companies of different industries. He was also involved in various initial public offering exercises in Malaysia and China. During his career in China, he was attached to an international consulting firm specialising in Sarbanes-Oxley 404 compliance and was the Financial Controller of a US multinational corporation.

He does not hold any directorship in other public companies and listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offences within the past 5 years, other than traffic offences, if any, and there was no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

Lau Boon Hwa

Chief Operating Officer, Apparel division
Male, Malaysian, aged 62

Mr Lau Boon Hwa was appointed as Chief Operating Officer of Honsin Apparel Sdn Bhd in June 2022. He joined the Group in May 1993 and served as the General Manager since August 2011 before being redesignated as Executive Director of Honsin Apparel Sdn Bhd in January 2020. He holds a degree in Mechanical Engineering from the National Cheng Kung University, Taiwan.

He has more than 30 years of experience in the apparel manufacturing industry. Before joining the Group, he was involved in quality management audit, sales and technical support of computer-aided design system for apparel industry in Singapore. During the early stages of his career, he also worked as a quality auditor for a factory in Taiwan.

He does not hold any directorship in other public companies and listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offences within the past 5 years other than traffic offences, if any, and there was no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT *cont'd*

Chin Mun Yew

Chief Executive Officer, Advertising division
Male, Malaysian, aged 50

Mr Chin Mun Yew was appointed as the Chief Executive Officer of HiQ Media (Malaysia) Sdn Bhd in January 2015. He first joined the Group as a sales manager in May 2003. Prior to joining the Group, he was attached to a publisher under Nanyang Press Holding Berhad based in Malaysia was involved in media advertising for its publications. He has accumulated more than 29 years of experience since he first started his career in 1995 in the advertising, media and marketing industry. He was also previously involved in sales and marketing for various local brands. He holds a Chartered Institute of Marketing certificate (CIM) which he obtained in 1993.

He does not hold any directorship in other public companies and listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offences within the past five years, other than traffic offences, if any, and there was no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

Kam Teck Ee

General Manager, Textile division
Male, Malaysian, aged 56

Mr Kam Teck Ee was appointed as the General Manager of Trans Pacific Textile (M) Sdn Bhd in May 2022. He joined the Group in October 2017 as a project manager and served as the Executive Director of Trans Pacific Textile (M) Sdn Bhd since October 2018. He holds a Bachelor's Degree with Honours from the Universiti Sains Malaysia and obtained his Master of Business Administration from University of Cheshire in 2004.

He has over 20 years of global experience in apparel manufacturing and industrial engineering systems. Before joining the Group, he was involved in the marketing and delivering production re-engineering projects for many multinational apparel companies in ASEAN region, South Asia and the People's Republic of China.

He does not hold any directorship in other public companies and listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offences within the past five years, other than traffic offences, if any, and there was no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT *cont'd*

Liao Yun Mu

General Manager, Apparel division
Male, Taiwanese, aged 73

Mr Liao Yun Mu was appointed as the General Manager of Honways Apparel Shuyang Limited in July 2010. He graduated from Donghai High School and has vast experience in the apparel industry since his career started in 1972.

He does not hold any directorship in other public companies and listed issuers.

He has no family relationship with any Director and/or major shareholders of the Company. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offences within the past five years, other than traffic offences, if any, and there was no public sanction or penalty imposed by the relevant regulatory bodies upon him during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of Techbase Industries Berhad (*formerly known as Prolexus Berhad*) ("**Techbase**" or the "**Company**") recognises the importance of good corporate governance practices within the Company and its subsidiary companies (the "**Group**" or "**Techbase Group**") as a fundamental part of discharging its responsibilities to safeguard shareholders' investments and to protect the interests of all stakeholders.

The Board is committed to ensure the applicable principles and recommendations as set out in the Malaysian Code on Corporate Governance ("**MCCG**") and the Main Market Listing Requirements ("**Listing Requirement**s") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), respectively, are applied throughout the Group to enhance the value to our shareholders and other stakeholders as well as to generate long term sustainability and growth.

In the attainment of this purpose, the Board is pleased to present the Corporate Governance Overview Statement ("**CG Statement**"), which provides key highlights on how the Company complies with the three (3) principles of MCCG during the financial year ended 31 July 2024 ("**FYE 2024**") as follows: -

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

This Statement is to be read together with the Corporate Governance Report 2024 ("**CG Report**") of the Company which is available on the Company's website at www.techbaseindustries.com. The detailed explanation on the application of the corporate governance practices is reported under the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board's Responsibilities

The Board is responsible for the stewardship of the Group and also to the Company's shareholders for the long-term success of the Group and its overall strategic direction, values and governance. The Board consists of a group of experienced and knowledgeable Directors who provide the Company with the core competencies and the leadership necessary for the Group to meet its business objectives and goals.

The Board is primarily responsible for the Group's overall strategic plans for business performance, overseeing the proper conduct of business, succession planning, risk management, internal control, management information systems and communication with shareholders and stakeholders. The Executive Directors are responsible for overseeing the day-to-day operations and affairs of the Group.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

Board's Responsibilities (Cont'd)

The responsibilities of the Board include but not limited to:

- reviewing and adopting a strategic plan for the Company and the Group, and subsequently monitoring the implementation of the strategic plan by the Management to ensure sustainable growth of and optimisation of returns for the Company and the Group;
- oversee the conduct of affairs and management of the Group;
- reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosures, legal compliance and other significant corporate policies;
- oversee the development and implementation of the investor relations programmes and shareholders' communication policy; and
- reviewing the adequacy and the integrity of the management information of the Company and the Group.

To ensure the effective discharge of its function and responsibilities, the Board has established the following Board Committees ("**Committees**"): -

(a) Nominating Committee ("**NC**");
(b) Remuneration Committee ("**RC**");
(c) Audit Committee ("**AC**"); and
(d) Risk Management Committee ("**RMC**").

Each of these Committees is entrusted with specific responsibilities to assist the Board in overseeing the Company's affairs, in accordance with their Terms of Reference ("**TOR**"). The Board retains full responsibility for the direction and control of the Company and the Group. These TORs are periodically reviewed to ensure they remain consistent with the Board's objectives and in line with the applicable regulations and practices. A copy of the Board Charter and TOR of the Board Committees is available on the Company's website at www.techbaseindustries.com.

The roles and responsibilities of the Independent Non-Executive Directors and Executive Directors are clearly defined and adequately segregated. All the Independent Non-Executive Directors are independent of the Executive Directors, management, and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgment.

The Executive Directors oversee the day-to-day operations of the Group. They set and implement policies and strategies for the Group's operations and to ensure the business of the Group are carried out in compliance with the relevant laws and regulations. In addition, the Executive Directors also accountable to the Board towards the achievement of the Group's objective and performances.

Meanwhile, the Independent Non-Executive Directors play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process. The Independent Non-Executive Directors should make good use of their good judgment and their responsibilities as an Independent Directors in deliberations and decision making. Although all the Directors have equal responsibility for the Company and the Group's operations, the role of the Independent Directors are particularly important in ensuring that the strategies proposed by the Executive Directors are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

Separation of position of the Chairman and Executive Directors

The Board Charter has clearly stated the roles and responsibilities of the Chairman and Executive Directors. According to the Board Charter, the Chairman should be responsible for representing the Board to the shareholders and stakeholders of the Group. A Chairman should provide leadership and oversees implementation of the Board's decisions into executive actions. Meanwhile, the Executive Directors are responsible to set and implement policies and strategies for the Group's operations and ensure the business of the Group is carried out in compliance with the rules and regulations and based on the goals and objectives set by the Board.

However, the Company does not presently have a designated Chairman. The Executive Director has assumed the role to ensure proper conduct of Board meetings and general meetings of the Company. The general meetings of the Company were chaired by an Executive Director and all questions raised by the members during the general meetings were attended by the Executive Director. Nevertheless, to maintain a good corporate governance practice, the Company shall appoint a Chairman in the future when a suitable candidate is identified.

Company's Policies

The Board recognises the enduring importance of acting ethically at all times and in ensuring the business practices meet the highest standards of integrity in line with the values of the Company. The Group's commitment to integrity is necessary for protecting and supporting the employees, enhancing the credibility of the business practices and safeguarding the reputation. Hence, the Group has adopted the Code of Conduct, which serves as a guide to strengthen the corporate governance and corporate behaviour of the Board and the employees. The Code of Conduct is a part of the Company's commitment to integrity, accountability, transparency and self-regulation.

Apart from the Code of Conduct, the Company has also adopted other policies, such as Whistle Blowing Policy, Anti-Corruption Policy, Corporate Disclosure Policy and Directors' Fit and Proper Policy. All these policies are available at the Company's website at www.techbaseindustries.com.

The Board together with management acknowledge the importance of promoting sustainability strategies in the economic, environment, social and governance ("**EESG**") aspects as part of its broader responsibility to all the stakeholders and the communities in which it operates. The Company will continue to ramp up its effort in promoting sustainability initiatives for the communities in which it operates and the welfare of its employees. The details of the sustainability activities are set out in the Sustainability Statement on pages 18 to 27 of this Annual Report.

Qualified and Competent Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries who are members of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). These Company Secretaries stay updated on regulatory changes, development in corporate governance, evolution of the Company Secretary's roles and business trends through continuous training.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

Qualified and Competent Company Secretaries (Cont'd)

The Board has full access to the independent advice and dedicated support services of the Company Secretaries to facilitate the effective discharge of their duties. They provided guidance to the Board and Management on statutory, regulatory and corporate development as well as on the implementation of corporate governance measures and compliance relevant to the Group.

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging their function during the financial year.

Board Composition

The Board consists of six (6) members, comprising two (2) Executive Directors, two (2) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. One (1) of the Non-Independent Non-Executive Directors is a female director as required under the Listing Requirements.

In view of this, the Company has complied with Paragraph 15.02 of the Listing Requirements of having at least two (2) or one-third (1/3) of the Board comprising independent directors and at least one (1) female director. If any vacancy on the Board results in non-compliance with Paragraph 15.02 of the Listing Requirements, the Company will fill the vacancy within three (3) months.

The current Board comprises directors with diverse knowledge, experience, requisite range of skills and competence to enable them to discharge their duties and responsibilities effectively, objectively and independently. The Directors bring external perspectives to the Board's deliberation through their diverse backgrounds and experiences, ensuring robust checks and balances and contributing to effective decision-making. The Independent Directors are individuals from accounting and finance background which enable them to express divergent points of views and concerns, provide insights on trends and forecast as well as challenge management in a more objective manner to create more values and sustainability of the business.

The Board through NC conducts an annual review of its size and composition, gives due regard to skills, experience, gender and background. As part of the FYE 2024 Board evaluation, the NC also reviewed the independence of each Independent Non-Executive Director. The Board is satisfied that they meet the independence criteria as defined in the Listing Requirements.

In accordance with the Constitution and in compliance with the Listing Requirements, all Directors are required to retire from office at least once every three (3) years and shall be eligible for re-election. The Constitution also requires that at least one-third (1/3) of the Board shall retire at each Annual General Meeting ("**AGM**") and may offer themselves for re-election. In addition, the Constitution and Listing Requirements also require the newly appointed Directors to hold office until the next AGM and shall be eligible for re-election.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

Time Commitment

The Board meets at least four (4) times a year to facilitate the discharge of its responsibilities. The Board will also attend additional meetings to be convened on an ad-hoc basis as and when necessary to consider business issues that require urgent decision of the Board.

During the FYE 2024, a total of six (6) Board meetings were held and the attendance of the directors at Board and Committee meetings is shown in the table below:

Name of Directors	Board	AC	NC	RC	RMC
Datuk Au Yee Boon Executive Director	6/6	-	-	-	-
Lee Boon Siong Executive Director	6/6	-	-	-	-
Tan Chin Yong Independent Non-Executive Director	6/6	1/1	1/1	1/1	1/1
Datuk Low Chin Koon Independent Non-Executive Director	6/6	1/1	1/1	1/1	1/1
Au Yee Soon Non-Independent Non-Executive Director	6/6	1/1	1/1	1/1	1/1
Datin Lim Lee Wheng Non-Independent Non-Executive Director	6/6	-	-	-	-

Each Director is expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year as stipulated in Listing Requirements with appropriate leave of absence be notified to the Chairman and/or Company Secretary, where applicable.

Based on the above, the Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board is satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out in the section above.

The agenda of meetings and the relevant meeting materials are distributed to the Board members seven (7) days in advance of the scheduled Board meetings. This timeframe allows the members ample time to review, prepare, facilitate comprehensive discussion, and contribute constructively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

Board Training and Development

The Board acknowledges the importance of continuous education and training programmes for its members to discharge their responsibilities effectively and to be apprised of the changes to regulatory requirements and the impact of such regulatory requirements on the Group.

During the FYE 2024, the Directors have attended the training programmes as below:-

Name of Directors	Seminars/Conferences/Training Programmes Attended
Datuk Au Yee Boon	Bursa Mandatory Accreditation Programme Part II
Lee Boon Siong	Bursa Mandatory Accreditation Programme Part II
Datuk Low Chin Koon	Anti Bribery & Corruption by ATCEN
Tan Chin Yong	2024 Budget Seminar
Au Yee Soon	Bursa Mandatory Accreditation Programme Part II
Datin Lim Lee Wheng	Bursa Mandatory Accreditation Programme Part II

Nominating Committee

Board Appointments

The NC comprises three (3) members, two (2) of them are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. It plays a role in the process of Board appointment. The process of nomination and selection of directors involved identification of potential candidate(s), evaluation of suitability of candidates based on the agreed upon criteria, followed by deliberation by the NC and recommendation to the Board for its final approval. The NC will continuously take necessary measures to strengthen the nomination process and, may consider utilising independent sources such as directors' registry, advertisement or recruitment agency to identify suitable and qualified candidates. The NC may also engage external independent consultancy services to conduct searches for potential candidates where appropriate.

During the FYE 2024, the NC had undertaken the following activities:

- Assessed existing structure, size, composition and effectiveness of the Board as a whole and Board Committees;
- Conducted annual assessment of the Board performance as a whole and made its recommendation to the Board;
- Conducted annual assessment of the Independent Directors and made its recommendation to the Board;
- Reviewed and recommended the re-election of the retiring Directors for Board approval; and
- Appointment of new Board member.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

Board Evaluation

The NC is responsible for evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairman and assisted by the Company Secretaries to assess the performance and effectiveness of the Board and Board Committees, as well as the performance of each Director and each Committee member.

The Board's overall effectiveness is assessed in the areas of the roles and responsibilities and composition, attendance record, the intensity of participation at meetings, quality of interventions and special contributions. On top of that, the effectiveness of the Board Committees is assessed in terms of structure and processes, accountability, and responsibility as well as effectiveness of the Chairman of respective Board Committees.

Based on the annual assessment conducted during the FYE 2024, the NC is satisfied with the existing Board composition and concluded that Board Committees had remained effective and had provided strong support to the Board during FYE 2024, and each Board Committees member had discharged their duties and responsibilities effectively. The NC further recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All the assessments and evaluations carried out were properly documented by the Company Secretaries.

Diversity of Board and Senior Management

The appointments of Directors and Senior Management are made based on merit, in the context of diversity in skills, experience, independence, age, background, gender, ethnicity and other factors which are in the best interests of the Group. The Board recognises diversity in the boardroom as an essential component of a good corporate governance.

The decision on new appointment of Directors and Senior Management rest with the Board after considering the recommendation of NC. In evaluating the suitability of candidates to the Board, NC will consider certain criteria such as skills, knowledge, expertise, experience, integrity, commitment, background, boardroom diversity and the ability of the candidate to discharge his duties as expected.

The Company currently has one (1) female Director and this is also in line with Paragraph 15.02 of the Listing Requirements. The Board's composition and the Senior Management positions during the FYE 2024 were also diverse in terms of age. The Group practices as an equal opportunity employer, and all appointments and employments are strictly based on merits and are not driven by any racial, gender, ethnicity or age bias.

Remuneration Committee

The RC has two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The RC with clearly defined TOR approved by the Board, which is available on the Company's website, reviews and recommends to the Board the remuneration packages of the Executive Directors. The RC and the Board ensure that Company's remuneration policy remains supportive of the Company's corporate objectives, is aligned with the interest of shareholders, are designed to attract, retain and motivate the Executive Directors, and are reflective of their experience and level of responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

The basic salaries for the Executive Directors and key senior management personnel are reviewed annually considering several factors such as individual responsibilities, performance and experiences, and rate of other similar-sized companies. Upon recommendations from the RC, the fees and benefits for Directors are determined by the Board with approval from shareholders at the AGM.

During FYE 2024, the RC reviewed and recommended to the Board, the Directors' fees and benefits for the shareholders' approval at the Company's AGM pursuant to the Constitution of the Company. None of the Directors involved in deciding his own remuneration.

The interested Directors abstained from deliberation and voting on their remuneration at the Board meetings.

Directors' Remuneration

The details of the Directors' remuneration comprising remuneration received/receivable from the Company and Group during the FYE 2024 are as follows:

<u>Company Level</u>

Directors	Directors' Fees (RM'000)	Salary (RM'000)	Bonus (RM'000)	Other Emoluments (RM'000)	EPF (RM'000)	Total (RM'000)
Datuk Au Yee Boon	-	140	-	-	17	157
Lee Boon Siong *	-	-	-	-	-	-
Datuk Low Chin Koon	48	-	-	-	-	48
Tan Chin Yong	48	-	-	-	-	48
Au Yee Soon	-	-	-	-	-	-
Datin Lim Lee Wheng	-	-	-	-	-	-
Tan Eik Huang #	-	-	-	-	-	-
Total	**96**	**140**	**-**	**-**	**17**	**253**

Mr. Tan Eik Huang was resigned on 27 September 2023.
* *Mr. Lee Boon Siong was appointed on 27 September 2023.*

<u>Group Level</u>

Directors	Directors' Fees (RM'000)	Salary (RM'000)	Bonus (RM'000)	Other Emoluments (RM'000)	EPF (RM'000)	Total (RM'000)
Datuk Au Yee Boon	-	210	-	44	25	279
Lee Boon Siong *	175	-	-	-	-	175
Datuk Low Chin Koon	48	-	-	-	-	48
Tan Chin Yong	48	-	-	-	-	48
Au Yee Soon	-	250	-	-	30	280
Datin Lim Lee Wheng	-	-	-	-	-	-
Tan Eik Huang #	19	52	-	-	7	78
Total	**290**	**512**	**-**	**44**	**62**	**908**

\# *Mr. Tan Eik Huang was resigned on 27 September 2023.*
* *Mr. Lee Boon Siong was appointed on 27 September 2023.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

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

Senior Management's Remuneration

The remuneration package for Senior Management is studied and reviewed by the Executive Directors and Human Resource Department at the Company level. The Executive Directors decide and approve the final remuneration package for Senior Management. The Board is satisfied with the current structure and manner in arriving at the proposed remuneration package for all Directors and the Management.

The remuneration paid to the Senior Management personnel during the FYE 2024, are as follows: -

Range of Remuneration	Number of Senior Management
RM100,000 and below	-
RM100,001 – RM300,000	1
RM300,001 – RM500,000	1
RM500,001 and above	3

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The AC which comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, is chaired by Mr Tan Chin Yong who is not the Chairman of the Board. The AC members are financially literate, having commercial expertise skills, knowledge and understanding of the matters under the purview of the AC including the principles and developments of financial reporting. They constantly keep abreast of relevant changes to financial reporting standards and issues which have a significant impact on the financial statements through regular updates from the external auditors.

The composition, roles and responsibilities of the AC are set out on pages 46 under the AC Report. The duties and responsibilities of the AC are also available at the AC's TOR.

Under the AC's TOR, the AC assists the Board in fulfilling its statutory and fiduciary responsibilities in relation to the Company's internal and external audit functions, risk management and compliance systems and practice, financial statements, accounting and control systems and matters that may significantly impact the financial condition or affairs of the business. The AC also responsible in ensuring that the financial statements of the Company are in accordance with the applicable accounting standards in Malaysia and in compliance with relevant rules and regulation.

In this regard, the AC reviewed the scope of the audit set out in the audit planning memorandum, work plan, areas of audit emphasis, fee proposal, issues arising from the audit and remedial actions to rectify the issues, audit judgements, level of errors identified during the audit and recommendations made by the external auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Audit Committee (Cont'd)

The Group recognises the need to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise. The AC took note on the Practice 9.2 of the MCCG to have a policy that requires a former audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

During the FYE 2024, before the AC recommended the re-appointment of the external auditors to the Board for their re-appointment, the AC has performed an assessment on the external auditors' performance, competencies and independence throughout their appointment period. The assessment has concluded that AC satisfied with the performance of the external auditors and has recommended the re-appointment of the external auditors to the Board.

Sound Risk Management and Internal Control

The Board has overall responsibility for maintaining a sound system of risk management and internal control of the Group that provides reasonable assurance of effective and efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines.

The AC processes are designed to establish a proactive framework and dialogue in which the AC, the management and the external and internal auditors review and assess the risk management framework. The Company's senior management reports to the AC. The Group has outsourced the internal audit function to a professional service firm which is independent of the activities and operations of the Group. The outsourced internal auditors report directly to the AC.

Details on the risk management and internal control system of the Group are set out in the AC report and Statement on Risk Management and Internal Control.

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

Communications with Stakeholders

The Company is committed to upholding high standards of transparency and promotion of investor confidence through the provision of comprehensive, accurate and quality information on a timely and even basis. Shareholders can obtain timely information from the Company's website at www.techbaseindustries.com.

The Corporate Disclosure Policies has been formalised to providing communications to the shareholders, stakeholders and the public generally in a timely manner while protecting the Company's interest. The primary objectives of the Corporate Disclosure Policies are amongst others to:-

a) to ensure accurate, clear, timely, complete disclosure of all relevant and material information concerning the Group;
b) to enhance corporate credibility and investor confidence of having a structured approach as to the communication of material information; and
c) to reinforce the Company's compliance with the continuous disclosures' obligations in accordance with the Listing Requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Communications with Stakeholders (Cont'd)

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

Significant matters relating to development of the business, reporting requirements are disseminated by way of announcements via Bursa Securities and press releases. Interim and full results are announced within the stipulated period as required under the Listing Requirements. The Group is committed to provide a timely and transparent information to all their investors through the announcements made to Bursa Securities or through the corporate website.

AGM

The Company is of the view that AGM is an important platform to engage with its shareholders and to address their concerns. Shareholders have direct access to the Board during the AGM and are provided with sufficient opportunity and time to participate through questions on future prospects, performance of the Group, and other matters of concern.

Notice of AGM sets out the resolutions together with the Company's Annual Report will be sent to the shareholders at least twenty-eight (28) days prior to AGM so that the shareholders are given sufficient time to consider the resolutions that will be discussed at the AGM, wherever possible.

Pursuant to Paragraph 8.29A of the Listing Requirements, the Company must ensure that any resolution set out in the notice of any general meeting is to be voted by poll. The Company has implemented poll voting for all resolutions via electronic means.

The Board will continue to adopt poll voting for all resolutions set out in the Notice of the AGM of which the votes cast will be validated by an independent scrutineer. The outcome of all resolutions proposed at the AGM is to be announced on Bursa Securities at the end of the meeting day while a summary of the key matters discussed at the AGM shall be published on the Company's website as soon as practicable after the conclusion of the AGM.

Compliance Statement

The Board has deliberated, reviewed and approved this statement, and considered this overview statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied. The Board considered and is satisfied that the Group has fulfilled its obligation under the MCCG, Listing Requirements and all applicable laws and regulations throughout the FYE 2024.

This statement was approved by the Board of Directors of the Company on 25 November 2024.

AUDIT COMMITTEE REPORT

The Board of Directors ("**Board**") of Techbase Industries Berhad (formerly known as Prolexus Berhad) ("**Techbase**" or the "**Company**") is pleased to present the Audit Committee ("**AC**") Report for the financial year ended 31 July 2024 ("**FYE 2024**").

The AC with delegated oversight responsibilities assists the Board in ensuring that the paramount interest of the shareholders and other stakeholders of the Company and its subsidiaries ("**Group**") are well protected.

A. COMPOSITION

The AC of the Company consists of three (3) members, all of whom are Non-Executive Directors. The AC comprises the following: -

Chairman: Mr Tan Chin Yong, *Independent Non-Executive Director*

Members: Datuk Low Chin Koon, *Independent Non-Executive Director*
Mr Au Yee Soon, *Non-Independent Non-Executive Director*

Mr Tan Chin Yong, the AC Chairman is a member of the Malaysian Institute of Accountants with over 20 years of experience in auditing and business advisory. The current composition of the AC complies with Paragraph 15.09 of the Main Market Listing Requirements ("**Listing Requirement**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The Company recognises the need to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the AC members were former audit partners of the external auditors appointed by the Group. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate who was an audit partner of the external auditors of the Group to be appointed as a member of AC.

B. TERMS OF REFERENCE

The principal objective of the AC is to assist the Board in discharging its responsibilities relating to the accounting and reporting practices of the group. The duties and responsibilities of the AC is also being stated in the AC's Terms of Reference which is available on the Company's website at www.techbaseindustries.com.

C. MEETINGS AND ATTENDANCE

The AC had conducted 5 meetings during the FYE 2024 and the attendance of the AC members is set out as below: -

	Name of Directors	Attendance
(a)	Mr Tan Chin Yong	5/5
(b)	Datuk Low Chin Koon	5/5
(c)	Mr Au Yee Soon	5/5

The meetings were structured with agendas which were distributed to the AC with sufficient notification. The AC members are provided with notices and agenda 7 days before the meeting. The meetings were of adequate length to allow the AC to accomplish its agenda with sufficient time to discuss emerging issues.

AUDIT COMMITTEE REPORT
cont'd

C. MEETINGS AND ATTENDANCE (CONT'D)

The Company Secretary(ies) or the representatives were present at all the meetings. Upon invitation, the executive Board members, members of the management as well as representatives of the external auditors and internal auditors will also attend specific AC meetings to facilitate direct communication and to provide clarifications on audit issues and the operations of the Group.

The minutes of each AC meeting were recorded and tabled for confirmation at the subsequent AC meeting. The AC Chairman reported to the Board on the key matters deliberated during the AC meetings held earlier on the same day, for the Board's consideration and decision.

D. SUMMARY OF WORK

During the FYE 2024, in line with the AC's Term of Reference, the activities of the AC included, among others, the following:-

(a) reviewed the unaudited quarterly financial statements of the Group to ensure adherence to the regulatory reporting requirements and appropriate resolution prior to the Board's approval;

(b) reviewed and confirmed the minutes of the AC meetings;

(c) reviewed the external auditors' reports on audit findings and the accounting issues arising from the audit before appropriate audit adjustments were made to the Group's financial statements for FYE 2024;

(d) discussed the Audit Planning Memorandum with external auditors for the FYE 2024;

(e) reviewed the internal audit report which outlined the recommendations towards correcting areas of weaknesses and ensured there were management action plans established for the implementation of the recommendations made by internal auditors;

(f) discussed the Internal Audit Planning Memorandum with internal auditors;

(g) reviewed with the internal auditors, external auditors and the management, the adequacy of the existing policies, procedures and systems of internal control of the Group;

(h) reviewed the re-appointment of external auditors and their audit fees, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit, before the recommendation to the Board for approval;

(i) reviewed with the external auditors and internal auditors, the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report; and

(j) reviewed the AC report, Corporate Governance Overview Statement together with Corporate Governance Report, Management Discussion and Analysis, Sustainability Statement and Statement to Shareholders in relation to the Renewal of Share-Buy Back Authority as well as the annual audited financial statements of the Company and of the Group prior to the Board's consideration and approval for inclusion in the Annual Report.

AUDIT COMMITTEE REPORT
cont'd

E. INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional firm named Messrs. Atrium Advisory PLT ("**Internal Auditors**"). Atrium Advisory PLT has sufficient audit staff deployed for the internal audit reviews.

Mr Soon Zee Yi is the Lead Audit Manager took charge of the internal audit for the Group. Mr Soon Zee Yi is a member of the Malaysian Institute of Accountants.

The primary responsibility of Internal Auditor is to provide independent and reasonable assurance that the Group's systems of internal controls are adequate and continue to operate satisfactorily and effectively. The internal auditor provides the AC with independent and objective reports on the state of internal controls of the Group, the extent of compliance with the established policies, procedures and relevant statutory requirements, the extent the Group's assets are accounted for and safeguarded, and improvements to operations, processes and control systems.

The Internal Auditors highlighted to the AC on their audit findings and requested formulation of management action plans by the management to ensure an adequate and effective internal control system within the Group, and to mitigate risks arising from any weaknesses in the Group's internal control system. Subsequently, follow-up reviews were performed to ensure those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions were taken appropriately within the required timeframe by the management.

The AC and the Board are satisfied with the performance of the Internal Auditors and have in the interest of greater independence and continuity in the internal audit function. The Board taken the decision to continue with the outsourcing of internal audit function.

The total costs incurred by the Internal Auditors in discharging its functions and responsibilities in respect of the FYE 2024 was RM45,000.

Further details of the internal audit function and its activities are provided in the Statement on Risk Management and Internal Control, set out in page 49 to 51 of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the Statement on Risk Management and Internal Control ("**Statement**"), which outlines the nature and scope of risk management and internal control of the Company and its subsidiaries ("**the Group**") during the financial year ended 31 July 2024 ("**FYE 2024**").

This Statement is made by the Board pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and after taking into consideration of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**Guidelines**") and taking into consideration the recommendations of the Malaysian Code on Corporate Governance.

BOARD'S RESPONSIBILITY

The Board acknowledges that risk management and internal control are integral to corporate governance and it plays a role in establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The Board recognises its overall responsibility towards maintaining a sound system of risk management and internal control, and reviewing its adequacy and effectiveness to ensure shareholders' interest and the Group's assets are safeguarded.

The Board confirms that there is an ongoing risk management process established to identify, evaluate and manage significant risks to mitigate the risks that may impede the achievement of the Group's business targets and corporate objectives.

The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Risk Management Committee ("**RMC**").

KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the Group's system of internal control include:

1. a well-defined organisation structure with clearly defined lines of responsibility, authority and accountability;
2. approval and authority limits are imposed on management in respect of day-to-day operations as well as major non-operating transactions;
3. formalised standard operating procedures are in place to ensure compliance with internal controls and the relevant laws and regulations;
4. the Board and the RMC meet at least once a year to discuss the Group's financial performance, business operations and strategies, corporate updates and internal audit findings, if any;
5. regular training and development programmes are attended by employees to enhance their knowledge and competency;
6. documented internal policies as set out in a series of memorandums to various departments within the Group;
7. Whistle Blower Policy which provides an avenue for employees to report suspected malpractices, misconduct or violations of the Company's policies and regulations in a secure and confidential manner;
8. management financial statement and reports are prepared regularly for monitoring of actual performance by the management; and
9. the RMC comprising a majority of Independent Non-Executive Directors with full and unrestricted access to internal and external auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *cont'd*

RISK MANAGEMENT FRAMEWORK AND PROCESS

The Board acknowledges that the management of principal risks plays an important and integral part in achieving the Group's corporate objectives. The Group has an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. This is to ensure that all potential risks are adequately addressed at various levels within the Group including but not limited to the effects of natural disasters, rioting by workers, fire, acts of sabotage and other debilitating incidents.

The Board believes that the sound system of risk management and internal control is built on a clear understanding and appreciation of the Group's risk management framework with the following key elements:

- risk management is embedded in the Group's management and operational framework and the employees are exposed and subjected to trainings on the Group's policies and procedures;
- risk management processes applied should aim to take advantage of opportunities, manage uncertainties and minimise threats; and
- regular reporting and monitoring activities emphasise accountability and responsibility for managing risks.

The risk management process involves the management in each functional or operating unit of the Group and is managed by the RMC, with assistance of the Executive Directors. The risks identified remain the foundation in developing a risk profile and the action plans to assist management to manage and respond to these risks.

The on-going internal control and risk management processes have been integrated and embedded into the Group structure and conduct of business for the achievement of the Group's objectives. The Board will continue to review these processes to ensure adequacy and effectiveness of the system.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and is committed to articulating, implementing and reviewing the Group's system of internal control. The Group outsources the internal audit function to a professional services firm that reports directly to the Audit Committee ("**AC**"). The internal audit firm carries out its function independently with a risk-based approach and reports to the AC and the Board on the adequacy and effectiveness of the system of internal controls in areas reviewed during the financial year.

The assessment of the adequacy and effectiveness of the internal controls established by the management in mitigating risks is conducted regularly through interviews and discussions with key management staff, review of the relevant established policies and procedures, and authority limits and observing and testing of the internal controls on a sample basis. The results of the internal audit reviews including action plans to be taken by the management to address the identified weaknesses and recommendation of enhancement opportunities are then reported to the AC, which in turn reported these matters to the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *cont'd*

INTERNAL AUDIT FUNCTION (CONT'D)

The AC ensures that follow up actions and control measures are carried out by the management to address the control weaknesses raised before reporting and making recommendations to the Board. The AC also approves the annual internal audit plan, review internal auditor's findings and recommendations. During the FYE 2024, internal audit works were carried out in accordance with the risk based on internal audit plan which has been reviewed and approved by the AC. The results of the audit reviews were discussed with the management and subsequently, the audit findings, including the recommendations for improvement were reported to the AC at the quarterly meetings.

REVIEW OF STATEMENT BY EXTERNAL AUDITOR

The external auditors have reviewed this Statement on Risk Management and Internal Control as required under the Paragraph 15.23 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The review was performed in accordance with Malaysian Approved Standard on Aussrance Engagements, ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("**AAPG3**") Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report. AAPG3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the Group's risk and management and internal control system.

Based on the review performed by the external auditors, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board and management in reviewing the adequacy and integrity of the risk management and effectiveness of the systems of risk management and internal control systems within the Group.

CONCLUSION

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective in safeguarding the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

The Board has received assurance from the Executive Directors and management that, to the best of their knowledge, the Group's risk management and internal control system was operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group for the financial year under review.

During the financial year under review, the Board is satisfied that no material losses, deficiencies or errors were arising from any inadequacy or failure of the Group's internal control system that will require disclosure in the Annual Report.

The Board will continue to take measures to strengthen the system of internal control maintained by the Group, ensuring shareholders' investment and the Group's assets are consistently safeguarded.

This Statement was approved by the Board of Directors on 25 November 2024.

DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

The Directors are required by the Companies Act 2016 ("**Act**") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to prepare the financial statements for each financial year in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act; and that these financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company for the financial year.

In preparing the financial statements for the financial year ended 31 July 2024, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, which enable them to ensure that the financial statements comply with the Act, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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

This statement was approved by the Board of Directors of the Company on 25 November 2024.

OTHER CORPORATE DISCLOSURE

AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees payable to the external auditors by the Company and its subsidiaries for the financial year ended 31 July 2024 are as follows: -

Type of Fees	Company (RM)	Group (RM)
Audit Fees	40,000	276,823
Non-audit Fees	5,000	5,000

MATERIAL CONTRACTS

There were no material contracts outside the ordinary course of business which entered into by the Company and its subsidiaries involving Director's and major shareholder's interest which were still subsisting at the end of the financial year ended 31 July 2024 or entered into since the end of the previous financial year.

UTILISATION OF PROCEEDS

Rights Issue of Irredeemable Convertible Unsecured Loan Stocks

On 5 April 2024, the Company had completed the renounceable rights issue of up to RM102,578,353 nominal value of 2,051,567,055 five (5)-year, 0.10% irredeemable convertible unsecured loan stocks ("**ICULS**") at 100.0% of its nominal value of RM0.05 each ("**Rights ICULS**") on the basis of five (5) Rights ICULS for every one (1) existing ordinary share of Techbase Industries Berhad ("**Shares**") held ("**Rights Issue**") on the entitlement date.

Pursuant to the Rights Issue, a total of 780,342,595 ICULS were issued and raised total proceeds of RM39,017,129.75.

The status of the utilisation of proceeds from the Rights Issue of ICULS is as follows:-

	Timeframe for Utilisation	Amount to be utilised (RM'000)	Utilised as at 31 July 2024 (RM'000)	Balance to be utilised as at 31 July 2024 (RM'000)
Installation of roof-top solar PV systems	Within 24 months	10,000	8,000	2,000
Working capital	Within 24 months	28,217	14,456	13,761
Estimated expenses in relation to the Rights Issue of ICULS	Immediate	800	800	-
		39,017	**23,256**	**15,761**

OTHER CORPORATE DISCLOSURE *cont'd*

EMPLOYEES SHARES SCHEME

On 27 October 2023, the Company announced the establishment of an employees' share scheme ("**ESS**") of up to fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares) to the eligible Directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries).

The effective date of the implementation of ESS is 4 June 2024 ("**Effective Date**") and shall be in force for five (5) years and may be extended for a further period of up to five (5) years at the discretion of the Board upon the recommendation of the ESS Committee, subject to a maximum aggregate of ten (10) years from the Effective Date.

As at 31 July 2024, the Company has not granted any shares under the ESS to the eligible Directors and employees.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

There was no RRPT of a revenue or trading nature during the financial year ended 31 July 2024.

Reports And

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors of **TECHBASE INDUSTRIES BERHAD** (formerly known as Prolexus Berhad) hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and provision of management services.

The information on the name of subsidiary company, place of incorporation, principal activities and effective equity interest held by the Company in each subsidiary company is as disclosed in Note 15 to the financial statements.

RESULTS OF OPERATIONS

	The Group RM'000	**The Company RM'000**
(Loss)/Profit before tax	(32,047)	1,455
Income tax expense	(3,301)	(287)
(Loss)/Profit for the financial year	(35,348)	1,168
(Loss)/Profit attributable to:		
Owners of the Company	(29,419)	1,168
Non-controlling interests	(5,929)	-
	(35,348)	1,168

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital through the issuance of 23,137,475 new ordinary shares by way of:

(i) conversion of 65,326,100 irredeemable convertible unsecured loan stock ("ICULS") of RM0.05 per ICULS into 16,331,525 new ordinary shares on the basis of four (4) ICULS for every one (1) new share; and

(ii) allotment of 6,805,950 new ordinary shares for a cash consideration of RM1,361,190.

The Company has not issued any debentures during the current financial year.

WARRANTS B

The warrants were constituted under the Deed Poll dated 14 June 2021 as disclosed in Note 25 to the financial statements.

As at 31 July 2024, the total number of Warrants B that remain unexercised were 133,585,898.

The salient features of the warrants are disclosed in Note 25 to the financial statements.

IRREDEEMABLE CONVERTIBLE UNSECURED LOAN SOTCKS 2024/2029 ("ICULS")

On 5 April 2024, the Company completed the Renounceable Right Issue of RM102,578,353 nominal value of 2,051,567,055 5-Year, 0.10% ICULS at 100% of its nominal value of RM0.05 each on the basis of five (5) rights ICULS for every one (1) existing ordinary share in the Company.

The salient features of the ICULS are disclosed in Note 26 to the financial statements.

DIRECTORS' REPORT *cont'd*

TREASURY SHARES

During the previous financial year, the Company resold 3,845,000 of its issued ordinary shares from the open market. The average price paid for the shares resales was RM0.47 per share before issuance of bonus shares.

As at 31 July 2024, the Company held total of 809,200 treasury shares out of its 299,864,988 issued ordinary shares. Further relevant details are disclosed in Note 27 to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on 3 September 2013, and the ESOS will be in force for a duration of 5 years. On 17 August 2018, the directors have extended the existing ESOS for another 5 years until 8 September 2023 in accordance with terms of the ESOS By-Laws.

The salient features and other terms of the ESOS are disclosed in Note 28 to the financial statements.

The options had expired and lapsed on 8 September 2023, and the movement is as follows:

	Exercise	Number of options over ordinary shares			
	price	At			At
Date of offer	**RM**	**1.8.2023**	**Exercised**	**Lapsed**	**31.7.2024**
12.9.2013	0.34	87,150	-	(87,150)	-
7.5.2014	0.49	262,200	-	(262,200)	-
5.9.2014	0.52	387,263	-	(387,263)	-
8.9.2016	0.83	953,550	-	(953,550)	-

EMPLOYEES SHARE SCHEME ("ESS")

On 27 October 2023, the Company announced the proposed establishment of an ESS of up to 15% of the total number of issued shares of the Company (excluding treasury shares) at any point in time to the eligible directors and employees of the Company and its subsidiary companies (excluding dormant subsidiary companies), of which comprised up to 30% share grant and at least 70% ESOS ("Proposed ESS"). The Proposed ESS was approved by the shareholders during an extraordinary general meeting held on 19 January 2024. The effective date of the implementation of ESS is 4 June 2024.

The salient features of the proposed ESS are disclosed in Note 29 to the financial statements.

OTHER STATUTORY INFORMATION

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that there are no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and

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

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

(a) which would require the writing off of bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

(d) 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.

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

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

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

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

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

DIRECTORS' REPORT *cont'd*

DIRECTORS

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

Datuk Au Yee Boon*	
Datuk Low Chin Koon	
Au Yee Soon*	
Tan Chin Yong	
Datin Lim Lee Wheng	
Lee Boon Siong*	(Appointed on 27 September 2023)
Tan Eik Huang*	(Resigned on 27 September 2023)

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

Chen, Cheng-Chun	
Lau Boon Hwa	
Lee Ee Joe	(Appointed on 28 August 2023)
Lee Eng Sia	(Resigned on 28 August 2023)

*Directors of the Company and of its subsidiary companies

DIRECTORS' INTERESTS

The interests in shares in the Company of those who were directors of the Company at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of Ordinary Shares			
	Balance at 1.8.2023	**Bought**	**Sold**	**Balance at 31.7.2024**
Interests in the Company				
Datuk Au Yee Boon				
Direct interest	11,100,200	-	-	11,100,200
Indirect interest*	4,923,500	-	-	4,923,500
Datin Lim Lee Wheng				
Indirect interest^	11,100,200	-	-	11,100,200

DIRECTORS' REPORT *cont'd*

	Number of ICULS over Ordinary Shares			
	Balance at 1.8.2023	**Bought**	**Sold**	**Balance at 31.7.2024**
Interests in the Company				
Datuk Au Yee Boon				
Direct interest	-	70,501,000	-	70,501,000
Indirect interest*	-	24,617,500	-	24,617,500
Datin Lim Lee Wheng				
Indirect interest^	-	70,501,000	-	70,501,000

* Shares held through company in which the director has substantial interest.
^ Deemed interested by virtue of her indirect shareholdings via her spouse.

By virtue of the above directors' interest in the shares of the Company, they are deemed to have beneficial interest in the shares of all the subsidiary companies to the extent the Company has an interest.

The other directors in office at the end of the financial year did not hold shares, nor had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

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

The details of the directors' remuneration of the Group and of the Company for the financial year are as follows:

	The Group RM'000	**The Company RM'000**
Directors of the Company:		
Executive directors:		
Fee	194	-
Salaries and other emoluments	306	140
Defined contribution plans	32	17
	532	157

DIRECTORS' REPORT *cont'd*

	The Group RM'000	The Company RM'000
Non-Executive directors:		
Fees	96	96
Salaries and other emoluments	250	-
Defined contribution plans	30	-
	376	96
	908	253
Directors of subsidiary companies:		
Directors:		
Salaries and other emoluments	235	-
Total directors' remuneration	1,143	253

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the total amount of indemnity coverage and insurance premium paid for directors of the Group were RM20,000,000 and RM40,404 respectively.

There was no indemnity given to or insurance effected for the auditors of the Company in accordance with Section 289 of the Companies Act, 2016 in Malaysia.

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for the financial year ended 31 July 2024 are as follows:

	The Group RM'000	The Company RM'000
Auditors' remuneration:		
Morison LC PLT	198	45
Other auditors	84	-
	282	45

SUBSEQUENT EVENTS

The details of subsequent events are disclosed in Note 44 to the financial statements.

AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the directors,

LEE BOON SIONG

DATUK AU YEE BOON

Petaling Jaya,
25 November 2024

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

The directors of the **TECHBASE INDUSTRIES BERHAD** (formerly known as Prolexus Berhad) state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2024 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the directors,

LEE BOON SIONG

DATUK AU YEE BOON

Petaling Jaya,
25 November 2024

STATUTORY DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **LEE BOON SIONG**, the director primarily responsible for the financial management of **TECHBASE INDUSTRIES BERHAD** (formerly known as Prolexus Berhad), do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

____
LEE BOON SIONG

Subscribed and solemnly declared by the abovenamed at **PETALING JAYA** in Selangor Darul Ehsan on 25th day of November, 2024.

Before me,

____
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECHBASE INDUSTRIES BERHAD (FORMERLY KNOWN AS PROLEXUS BERHAD)
Registration No.: 199201019353 (250857-T) (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **TECHBASE INDUSTRIES BERHAD** (formerly known as Prolexus Berhad), which comprise the statements of financial position as at 31 July 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a material accounting policy information, as set out on pages 74 to 176.

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 July 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHBASE INDUSTRIES BERHAD (FORMERLY KNOWN AS PROLEXUS BERHAD)
Registration No.: 199201019353 (250857-T) (Incorporated in Malaysia) *cont'd*

Key Audit Matters

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

Key Audit Matters	Our audit performed and responses thereon
Impairment of property, plant and equipment Refer to Notes 3, 4 and 11 to the financial statements for the Group's accounting policies on impairment of non-financial assets, key sources of estimation uncertainty and related disclosure. Certain subsidiary companies within the Group have identified indicators of impairment for some of their PPE, requiring an assessment of recoverable amounts. The Group has adopted two different methods to assess the recoverable amounts of its PPE. For certain subsidiary companies, the recoverable amount is based on value-in-use ("VIU"). While for other subsidiary companies, the recoverable amount is determined by fair value less cost to sell ("FVCTS"), based on available market information or recent transactions. We determined this to be a key audit matter due to significant management's judgement and estimates involved in determining the recoverable amount.	Our audit procedures, amongst others, included the following: (i) Evaluated management's assessment of impairment in conjunction with our understanding of the business and determined whether the methodology and assumptions used for the assessments and any resulting impairment charge is reasonable. <u>For subsidiary companies using value-in-use</u> (ii) critically assessed the methodology applied by management for determining the VIU, including evaluating whether the underlying cash flow projections were reasonable and aligned with historical performance and market conditions. (iii) challenged the key assumptions used by management, by comparing them to available industry data, historical financial information and trends, and market forecasts (iv) Performed the sensitivity analysis on key assumptions to assess the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECHBASE INDUSTRIES BERHAD (FORMERLY KNOWN AS PROLEXUS BERHAD)
Registration No.: 199201019353 (250857-T) (Incorporated in Malaysia) *cont'd*

Key Audit Matters	Our audit performed and responses thereon
	For subsidiary companies using fair value less costs to sell (v) Assessed the selection criteria used by management to identify comparable assets. (vi) Obtained the valuation reports prepared by the independent valuers engaged by the Group; reviewed the appropriateness of the methodology and the reasonableness of the assumptions used; and assessed the competency, capabilities and objectivity of these independent valuers engaged by the Group. (vii) Assessed the reliability and relevance of the market data sources used by management to obtain sales prices of comparable assets. (viii) Evaluated the methodology used by management to adjust the sales prices of comparable assets by assessing and evaluating the rationale for the adjustments made, such as adjustments for age, condition and other relevant factors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECHBASE INDUSTRIES BERHAD (FORMERLY KNOWN AS PROLEXUS BERHAD)

Registration No.: 199201019353 (250857-T) (Incorporated in Malaysia) *cont'd*

Key Audit Matters	Our audit performed and responses thereon
Valuation of inventories Refer to Notes 3, 4 and 20 to the financial statements for the Group's accounting policies on inventories, key sources of estimation uncertainty and related disclosure. As at 31 July 2024, the Group recorded inventories totalling RM25,140,918, representing 6% of the Group's total assets. Of this amount, RM17,509,369 was attributed to trading goods, work-in-progress, and finished goods. These inventories primarily comprised garments, fabrics, apparel, and face masks. The valuation of inventories is considered a key audit matter due to the inherent complexity and subjectivity involved. This includes estimating selling prices, evaluating the saleable condition of inventories, and assessing the Group's ability to sell finished goods amidst fluctuating market demand, rapid changes in consumer preferences, and intense competitive pricing pressures.	Our audit procedures, amongst others, included the following: (i) Obtained an understanding of the relevant controls over inventory management, focusing on processes for identifying and addressing slow-moving and obsolete inventories. (ii) Reviewed the slow-moving inventory listing and written down of inventories. (iii) Tested the valuation of inventories by assessing management's estimates of net realisable value. This included comparing the unit cost to the selling price for sales transactions occurring subsequent to the year-end. (iv) Physical sighting of inventories on a sampling basis to observe their condition and identify any damaged, obsolete, or slow-moving items. (v) Assessed the reasonableness of management's assumptions regarding future sales, comparing them to historical sales trends and market forecasts. (vi) Evaluated the reasonableness and tested the adequacy of inventories written down recognised.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECHBASE INDUSTRIES BERHAD (FORMERLY KNOWN AS PROLEXUS BERHAD)
Registration No.: 199201019353 (250857-T) (Incorporated in Malaysia) *cont'd*

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

If, based on the work 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECHBASE INDUSTRIES BERHAD (FORMERLY KNOWN AS PROLEXUS BERHAD)
Registration No.: 199201019353 (250857-T) (Incorporated in Malaysia) *cont'd*

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- 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.

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECHBASE INDUSTRIES BERHAD (FORMERLY KNOWN AS PROLEXUS BERHAD)
Registration No.: 199201019353 (250857-T) (Incorporated in Malaysia) *cont'd*

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECHBASE INDUSTRIES BERHAD (FORMERLY KNOWN AS PROLEXUS BERHAD)
Registration No.: 199201019353 (250857-T) (Incorporated in Malaysia) *cont'd*

Other Matters

(i) The financial statements of the Company for the financial year ended 31 July 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 23 November 2023.

(ii) 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.

MORISON LC PLT (AF 002469)
202206000028 (LLP0032572-LCA)
Chartered Accountants

LIM WAN YINN
03262/04/2025 J
Chartered Accountant

Petaling Jaya
25 November 2024

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

		The Group		The Company	
		2024	2023 (Restated)	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	6	183,066	223,227	3,721	3,829
Cost of sales		(161,062)	(191,245)	-	-
Gross profit		22,004	31,982	3,721	3,829
Other operating income		19,262	30,666	789	759
Administrative expenses		(23,523)	(23,675)	(3,051)	(3,899)
Selling and distribution expenses		(12,992)	(10,151)	-	-
Other operating expenses		(32,911)	(736)	-	-
(Loss)/Profit from operations		(28,160)	28,086	1,459	689
Finance costs	7	(3,887)	(4,018)	(4)	-
Share of loss of a joint venture		-	(27)	-	-
(Loss)/Profit before tax	8	(32,047)	24,041	1,455	689
Income tax expense	9	(3,301)	(4,134)	(287)	(408)
(Loss)/Profit for the financial year		(35,348)	19,907	1,168	281

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 *cont'd*

		The Group		The Company	
		2024	2023 (Restated)	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Other comprehensive income/(loss)					
Items that may be reclassified subsequently to profit or loss:					
Exchange translation differences for foreign operations		1,692	1,929	-	-
Items that will not be reclassed subsequently to profit or loss:					
Fair value loss on unquoted investments		(65)	(63)	(65)	(63)
Other comprehensive income/(loss) for the financial year, net of tax		1,627	1,866	(65)	(63)
Total comprehensive (loss)/income for the financial year, net of tax		(33,721)	21,773	1,103	218
(Loss)/Profit for the financial year attributable to:					
Owners of the Company		(29,419)	20,869	1,168	281
Non-controlling interests		(5,929)	(962)	-	-
		(35,348)	19,907	1,168	281

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 *cont'd*

		The Group		The Company	
		2024	2023 (Restated)	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Total comprehensive (loss)/income for the financial year attributable to:					
Owners of the Company		(27,198)	22,416	1,103	218
Non-controlling interests		(6,523)	(643)	-	-
		(33,721)	21,773	1,103	218
(Loss)/Earnings per share attributable to owners of the Company:					
Basic (sen)	10	(11)	8	-	-
Diluted (sen)	10	(6)	8	-	-

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2024

			The Group	
		31.7.2024	31.7.2023	1.8.2022
			(Restated)	(Restated)
	Note	RM'000	RM'000	RM'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	11	155,569	167,370	172,971
Right-of-use assets	12	15,930	16,633	16,515
Investment properties	13	12,250	-	-
Intangible assets	14	-	3,286	35
Investment in a joint venture	16	-	-	27
Other investments	17	573	638	701
Goodwill on consolidation	18	2,712	2,712	2,712
Deferred tax assets	19	1,117	216	-
Total Non-Current Assets		188,151	190,855	192,961
Current Assets				
Inventories	20	25,141	28,772	33,302
Trade receivables	21	26,496	54,172	73,483
Other receivables, deposits and prepayments	22	4,275	4,440	4,928
Tax recoverable		3,240	1,817	1,022
Other investments	17	80,204	72,495	35,402
Deposits with financial institutions	23	15,887	8,985	26,665
Cash and bank balances		68,937	58,369	51,495
Total Current Assets		224,180	229,050	226,297
Total Assets		412,331	419,905	419,258

STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2024 *cont'd*

	Note	The Group 31.7.2024 RM'000	31.7.2023 (Restated) RM'000	1.8.2022 (Restated) RM'000
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	24	130,699	126,071	126,071
Treasury shares	27	(128)	(128)	(737)
ICULS equity	26	35,635	-	-
Reserves	30	11,007	9,070	7,526
Retained earnings	31	140,602	169,737	147,659
Equity attributable to Owners of the Company		317,815	304,750	280,519
Non-controlling interests		22,842	29,365	30,008
Total Equity		340,657	334,115	310,527
Non-Current Liabilities				
Deferred tax liabilities	19	2,705	-	523
Lease liabilities	32	1,520	1,268	853
ICULS liabilities	26	138	-	-
Borrowings	33	27,552	36,724	50,067
Total Non-Current Liabilities		31,915	37,992	51,443
Current Liabilities				
Trade payables	34	5,468	7,474	8,327
Other payables and accruals	35	11,857	13,630	18,917
Contract liabilities	36	439	1,028	1,538
Lease liabilities	32	912	870	867
ICULS liabilities	26	18	-	-
Borrowings	33	21,004	24,545	27,515
Tax payable		61	251	124
Total Current Liabilities		39,759	47,798	57,288
Total Liabilities		71,674	85,790	108,731
Total Equity and Liabilities		412,331	419,905	419,258

STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2024 *cont'd*

	Note	The Company 2024 RM'000	The Company 2023 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	11	37	53
Investment in subsidiary companies	15	103,579	105,524
Other investments	17	573	638
Deferred tax assets	19	38	10
Total Non-Current Assets		104,227	106,225
Current Assets			
Deposits and prepayments	22	10	47
Amount due from subsidiary companies	37	52,285	29,357
Other investments	17	663	604
Deposits with financial institutions	23	9,115	754
Cash and bank balances		9,299	380
Total Current Assets		71,372	31,142
Total Assets		175,599	137,367
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	24	130,699	126,071
Treasury shares	27	(128)	(128)
ICULS equity	26	35,635	-
Reserves	30	(1,448)	(947)
Retained earnings	31	7,005	7,345
Total Equity		171,763	132,341
Non-Current Liabilities			
ICULS liabilities	26	138	-

STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2024 *cont'd*

		The Company	
		2024	**2023**
	Note	**RM'000**	**RM'000**
Current Liabilities			
Other payables and accruals	35	423	419
Amount due to subsidiary companies	37	3,196	4,474
ICULS liabilities	26	18	-
Tax payable		61	133
Total Current Liabilities		3,698	5,026
Total Liabilities		3,836	5,026
Total Equity and Liabilities		175,599	137,367

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

	Attributable to Owners of the Company									
	Non-distributable						Distributable			
	Share capital RM'000	Treasury shares RM'000	Currency translation reserve RM'000	Statutory reserve RM'000	Fair value reserve RM'000	ESOS reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
The Group										
As at 1 August 2022										
As previously stated	126,071	(737)	7,994	941	(1,320)	287	144,549	277,785	30,162	307,947
Prior years' adjustments (Note 43)	-	-	(362)	(14)	-	-	3,110	2,734	(154)	2,580
As restated	126,071	(737)	7,632	927	(1,320)	287	147,659	280,519	30,008	310,527
Profit/(loss) for the financial year										
As previously stated	-	-	-	-	-	-	20,880	20,880	(962)	19,918
Prior years' adjustments (Note 43)	-	-	-	-	-	-	(11)	(11)	-	(11)
	-	-	-	-	-	-	20,869	20,869	(962)	19,907
Currency translation differences of foreign operations	-	-	1,610	-	-	-	-	1,610	319	1,929
Other comprehensive loss for the financial year	-	-	-	-	(63)	-	-	(63)	-	(63)
Total comprehensive income/(loss) for the financial year	-	-	1,610	-	(63)	-	20,869	22,416	(643)	21,773

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 *cont'd*

	Attributable to Owners of the Company									
	Non-distributable						Distributable			
	Share capital RM'000	Treasury shares RM'000	Currency translation reserve RM'000	Statutory reserve RM'000	Fair value reserve RM'000	ESOS reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Transaction with owners:										
Share options lapsed	-	-	-	-	-	(3)	3	-	-	-
Resales for the vesting of treasury shares	-	609	-	-	-	-	1,206	1,815	-	1,815
	-	609	-	-	-	(3)	1,209	1,815	-	1,815
As at 31 July 2023 (Restated)	126,071	(128)	9,242	927	(1,383)	284	169,737	304,750	29,365	334,115

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 *cont'd*

	Attributable to Owners of the Company										
	Non-distributable							Distributable			
	Share capital RM'000	Treasury shares RM'000	Currency translation reserve RM'000	Statutory reserve RM'000	Fair value reserve RM'000	ESOS reserve RM'000	ICULS equity component RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
The Group											
As at 1 August 2023 (Restated)	126,071	(128)	9,242	927	(1,383)	284	-	169,737	304,750	29,365	334,115
Loss for the financial year	-	-	-	-	-	-	-	(29,419)	(29,419)	(5,929)	(35,348)
Currency translation differences of foreign operations	-	-	2,286	-	-	-	-	-	2,286	(594)	1,692
Other comprehensive loss for the financial year	-	-	-	-	(65)	-	-	-	(65)	-	(65)
Total comprehensive income/(loss) for the financial year	-	-	2,286	-	(65)	-	-	(29,419)	(27,198)	(6,523)	(33,721)
Transaction with owners:											
Share options lapsed	-	-	-	-	-	(284)	-	284	-	-	-
Issuance of shares arising from conversion of ICULS	4,628	-	-	-	-	-	35,635	-	40,263	-	40,263
	4,628	-	-	-	-	(284)	35,635	284	40,263	-	40,263
As at 31 July 2024	130,699	(128)	11,528	927	(1,448)	-	35,635	140,602	317,815	22,842	340,657

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 *cont'd*

	Attributable to Owners of the Company					
	Non-distributable				Distributable	
	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	ESOS reserve RM'000	Retained earnings RM'000	Total equity RM'000
The Company						
As at 1 August 2022	126,071	(737)	(1,320)	439	5,855	130,308
Profit for the financial year	-	-	-	-	281	281
Other comprehensive loss for the financial year	-	-	(63)	-	-	(63)
Total comprehensive (loss)/income for the financial year	-	-	(63)	-	281	218
Transaction with owners:						
Share options lapsed	-	-	-	(3)	3	-
Resales for the vesting of treasury shares	-	609	-	-	1,206	1,815
	-	609	-	(3)	1,209	1,815
As at 31 July 2023	126,071	(128)	(1,383)	436	7,345	132,341

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 *cont'd*

	Attributable to Owners of the Company						
	Non-distributable					Distributable	
	Share capital RM'000	Treasury shares RM'000	Fair value reserve RM'000	ESOS reserve RM'000	ICULS equity component RM'000	Retained earnings RM'000	Total equity RM'000
The Company							
As at 1 August 2023	126,071	(128)	(1,383)	436	-	7,345	132,341
Profit for the financial year	-	-	-	-	-	1,168	1,168
Other comprehensive loss for the financial year	-	-	(65)	-	-	-	(65)
Total comprehensive (loss)/income for the financial year	-	-	(65)	-	-	1,168	1,103
Transaction with owners:							
Share options lapsed	-	-	-	(436)	-	436	-
Share options granted to subsidiary companies lapsed	-	-	-	-	-	(1,944)	(1,944)
Issuance of shares arising from conversion of ICULS	4,628	-	-	-	35,635	-	40,263
	4,628	-	-	(436)	35,635	(1,508)	38,319
As at 31 July 2024	130,699	(128)	(1,448)	-	35,635	7,005	171,763

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

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

	The Group		The Company	
	2024	2023 (Restated)	2024	2023
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
(Loss)/Profit before tax	(32,047)	24,041	1,455	689
Adjustments for:				
Amortisation of intangible assets	5	8	-	-
Amortisation of right-of-use assets	1,377	1,485	-	-
Depreciation of property, plant and equipment	8,232	11,570	16	20
Depreciation of investment properties	25	-	-	-
Fair value adjustment on other investments	27,354	(11,731)	-	28
(Gain)/Loss on:				
Disposal of property, plant and equipment	403	(90)	-	-
Disposal of other investments	(16,262)	(17,305)	-	-
Modification of lease term	-	(2)	-	-
Termination of lease term	(118)	(11)	-	-
Income distribution from unit trusts	(127)	(161)	(59)	(11)
Impairment loss on:				
Amount due from a joint venture	-	18	-	-
Amount due from subsidiary companies	-	-	-	8
Trade receivables	-	403	-	-
Interest expense	3,887	4,018	4	-
Interest income	(1,271)	(1,002)	(760)	(748)
Property, plant and equipment written off	424	13	-	1
Inventories written off	848	-	-	-
Inventories written down	1,119	918	-	-
Intangible asset written off	3,281	-	-	-

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 *cont'd*

	The Group		The Company	
	2024	2023 (Restated)	2024	2023
	RM'000	RM'000	RM'000	RM'000
Reversal of:				
Inventories written down	(503)	(746)	-	-
Impairment loss on trade receivables	(336)	-	-	-
Share of results of a joint venture	-	27	-	-
Unrealised loss/(gain) on foreign exchange	36	1,287	30	27
Operating (Loss)/Profit Before Working Capital Changes	(3,673)	12,740	686	14
Changes in working capital:				
Decrease in:				
Inventories	2,182	4,080	-	-
Receivables	28,802	19,931	38	112
(Decrease)/Increase in:				
Payables	(2,856)	(8,127)	4	(162)
Contract liabilities	(589)	(510)	-	-
Cash from/(used in) operations	23,866	28,114	728	(36)
Interest received	1,271	1,002	104	84
Interest paid	(62)	-	-	-
Income tax paid	(3,095)	(5,098)	(386)	(329)
Net Cash From/(Used In) Operating Activities	21,980	24,018	446	(281)
CASH FLOWS USED IN INVESTING ACTIVITIES				
Interest received	-	104	-	-
Proceeds from disposal of property, plant and equipment	688	90	-	-
Purchase of:			-	
Property, plant and equipment	(10,259)	(6,402)	-	-
Other investments	(18,673)	(6,123)	-	-
Intangible asset	-	(3,260)	-	-
Right-of-use assets	-	(195)	-	-
Net changes in amount due from subsidiary companies	-	-	(22,301)	(4,858)
Net Cash Used In Investing Activities	(28,244)	(15,786)	(22,301)	(4, 858)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 *cont'd*

	The Group		The Company	
	2024	2023 (Restated)	2024	2023
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Interest paid	(3,821)	(4,018)	-	-
Decrease/(Increase) in deposits pledged with financial institutions	110	(36)	-	-
Net changes in term loans	(15,025)	(11,256)	-	-
Net changes in invoice financing	(2,288)	(6,592)	-	-
Net changes in bankers' acceptance	(311)	(2,142)	-	-
Net changes in share margin financing	2,904	3,515	-	-
Net changes in amount due to subsidiary companies	-	-	(1,278)	103
Repayment of lease liabilities	(771)	(924)	-	-
Proceeds from resale of treasury shares	-	1,815	-	1,815
Proceeds from issuance of shares pursuant to ICULS	40,415	-	40,415	-
Net Cash From/(Used In) Financing Activities	21,213	(19,638)	39,137	1,918
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	14,949	(11,406)	17,282	(3,221)
Effect of exchange differences	624	564	(2)	2
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	65,068	75,910	1,134	4,353
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	80,641	65,068	18,414	1,134

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 *cont'd*

	The Group		The Company	
	2024	2023 (Restated)	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits with financial institutions	15,887	8,985	9,115	754
Cash and bank balances	68,937	58,369	9,299	380
Bank overdrafts	(2,007)	-	-	-
	82,817	67,354	18,414	1,134
Less: Non-cash and cash equivalents:				
Pledged deposits with financial institutions	(2,176)	(2,286)	-	-
	80,641	65,068	18,414	1,134

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

NOTES TO THE FINANCIAL STATEMENTS
31 JULY 2024

1. GENERAL INFORMATION

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

The principal activities of the Company are those of investment holding and provision of management services.

The information on the name of subsidiary companies, place of incorporation and principal activities and effective interest held by the Company in each subsidiary company is as disclosed in Note 15 to the financial statements.

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

The principal place of business of the Company is at PTD 94657, Batu 6, Jalan Mersing, 86000 Kluang, Johor Darul Takzim.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance on 25 November 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Adoption of MFRS and amendments to MFRSs standards

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

Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of these new and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company except for:

Amendments to MFRS 101 Disclosure of Accounting Policies

The Group and the Company have adopted the amendments to MFRS 101 *Presentation of Financial Statements* for the first time in the current financial year. The amendments change the requirements in MFRS 101 *Presentation of Financial Statements* with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Amendments to MFRS 101 *Presentation of Financial Statements* are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments have no effect on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements but do affect the disclosure of accounting policies.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

New MFRS and amendments to MFRSs in issue but not yet effective

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

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to MFRS 101	Non-Current Liabilities with Covenants[1]
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current[1]
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements[1]
Amendments to MFRS 121	Lack of Exchangeability[2]
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11[3]
Amendments to MFRS 18	Presentation and Disclosure in Financial Statements[4]
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures[4]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]

[1] Effective for annual periods beginning on or after 1 January 2024.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after 1 January 2026.
[4] Effective for annual periods beginning on or after 1 January 2027.
[5] Deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of the new MFRSs and amendments to MFRSs may have an impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect of the said Amendments to MFRSs until the Group and the Company undertake a detailed review.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost basis unless otherwise indicated in the material accounting policy information below.

Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest RM'000, unless otherwise stated.

Basis of consolidation

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interests' proportionate share of the acquiree's identifiable assets.

Investment in subsidiary companies

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less accumulated impairment losses.

Joint venture

The Group has a joint venture with T&W Synergy Sdn. Bhd. and accounts its interests using the equity method as the Group has the right to the net assets of the arrangements.

Goodwill on consolidation

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

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequently when there is objective evidence that the carrying value may be impaired.

Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

(ii) Foreign operations

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

Revenue from contract with customers

The Group recognises revenue from the following major sources:

(a) Sale of garments, apparels and fabrics

Revenue from sales of apparels and fabrics usually includes the manufacturing of garments and fabrics and trading of fabric face masks. Revenue is recognised at a point in time when the transfer of control of the completed goods have been passed to the buyer, generally on the delivery of the goods.

In the case of consignment sales, revenue is recognised when the goods are sold by the consignee to a third party. Revenue is not recognised when there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Provision of advertising services and agency services

Revenue from provision of agency services is recognised at point in time when the services have been rendered to the customer and coincides with the delivery of services and acceptance by the customer.

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

Leases

<u>Lease accounting</u>

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are initially measured at cost, less accumulated amortisation and impairment losses and adjusted for any remeasurement of the lease liabilities. Leasehold land, leasehold buildings and land use rights are amortised on a straight-line basis over the remaining lease term. Right-of-use assets are amortised on a straight-line basis over the period as follows:

Leasehold land	45 years
Leasehold building	45 years
Land use rights	31 and 41 years
Advertising sites	2 to 3 years
Motor vehicles	5 years

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

The lease liabilities are initially measured at the present value of the lease payments that are paid at commencement date, discounted using the interest rate implicit in the lease contract. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

<u>Lessor accounting</u>

The Group recognises lease payments received from rental of buildings under operating leases as income on a straight-line basis over the lease term as part of revenue.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Freehold buildings	40 to 50 years
Multimedia boards	5 to 10 years
Plant and machinery	10 to 20 years
Equipment and fixtures	5 to 10 years
Motor vehicles	5 years

During the financial year, the Group conducted a review of the estimated useful lives of property, plant and equipment and revised the estimated useful lives of the freehold buildings from 20 years to 50 years.

Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. During the financial year, the Group conducted a review of the estimated useful lives of investment properties and revised the estimated useful lives of the freehold buildings from 20 years to 50 years. Depreciation is computed on a straight-line basis over the estimated useful lives of the freehold buildings of 50 years.

Intangible assets

Intangible assets, other than goodwill arising on acquisition, that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is computed on a straight-line basis over the estimated useful lives of the assets.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of inventories comprises the original cost of purchase plus incidental costs incurred in bringing the inventories to their present location, and are accounted for as follows:

- raw materials and trading goods: purchase costs on a first-in-first-out basis.

- work-in-progress and finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

Contract liabilities

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

Financial instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

Financial assets

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

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

Classification of financial assets

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

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

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

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

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group and the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (ii) below).

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 JULY 2024

(i) *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit impaired financial assets, the Group recognises interest income by applying the credit adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

(ii) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Financial assets that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called "accounting mismatch") that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated other investments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss from other financial assets are recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other operating income" or "administrative expenses" line item.

Financial liabilities

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

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

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

Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units.

The recoverable amount of an asset or a cash-generating units is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating units. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is recognised if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

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

Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") for all debt instruments not held at FVTPL. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables. The Group considers past loss experience, timing of billing and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as financial evaluation of the creditworthiness of the debtors, ageing of receivables, defaults and past due amounts, past experience with the debtors, current conditions and reasonable forecast of future economic conditions.

The Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 365 days past due, unless the Group and the Company have reasonable and supportable information that demonstrates otherwise.

Probability of default

The Group and the Company consider the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group and the Company, in full, as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets are generally not recoverable.

The Group and the Company consider that default has occurred when a financial asset is more than 365 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss as bad debts recovered.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

If the Group and the Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determine at the current reporting date that the conditions for lifetime ECL are no longer met, the Group and the Company measure the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Segments reporting

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

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

Statements of cash flow

The Group and the Company adopt the indirect method in the preparation of the statements of cash flow.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude pledged deposits with financial institutions.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts.

(a) **Significant judgements in applying the Group's and the Company's accounting policies**

In the process of applying the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements, except for:

<u>Determining the lease term of contracts with renewal and termination options - Group as lessee</u>

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Details of lease liabilities are disclosed in Note 32.

(b) **Key sources of estimation uncertainty**

Directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, except for:

Impairment of property, plant and equipment

The Group and the Company assess whether there is any indication of impairment for property, plant and equipment and perform impairment assessment when such indicator exists. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. The recoverable amounts of the property, plant and equipment are determined based on the value-in-use or fair value less costs to sell.

For recoverable amounts determined based on value-in-use calculation, significant judgement is required in the estimation of the present value of future cash flows generated by the cash-generating units, which involves uncertainty and is significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates.

For recoverable amounts determined based on fair value less costs to sell, significant judgement involved by management to adjust the sales prices of comparable assets such as adjustments for property size, age, condition, location, and other relevant factors.

Details of property, plant and equipment are disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

Useful lives of property, plant and equipment, right-of-use assets and investment properties

The cost of property, plant and equipment, right-of-use assets and investment properties are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment, right-of-use assets and investment properties to be within 2 to 50 years. These are common life expectancies applied in the manufacturing, advertising services and investment industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Details of property, plant and equipment, right-of-use assets and investment properties are disclosed in Notes 11, 12 and 13.

Inventories valuation

A review is made periodically of inventories for excess inventory, obsolescence and decline in net realisable value below cost and an allowance is recorded against the inventory balance for any such decline. The review requires management to estimate future demand for the products. In any case, the realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available at the reporting date and inherently involves estimates regarding the future expected realisable value. The benchmarks for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventory at the reporting date. Possible changes in these estimates could result in revisions to the valuation of inventory.

Details of inventories are disclosed in Note 20.

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables, include, trade and other receivables, amount due from joint ventures and subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 21, 22 and 37.

Determination of fair value of investment properties

The directors apply estimation to determine the fair value of the investment properties for disclosure in the financial statements using a combination of valuations conducted by independent valuers as well as management's own assessment based on latest available market information in the location and category of the properties valued. The directors recognise that fair value estimation is subject to significant judgment and estimation uncertainty.

Details of the investment properties are disclosed in Note 13.

Income taxes

Liability for taxation is recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice on whether additional taxes will be payable. When the final outcome of the tax payable is determined with the tax authority, the amount might be different from the initial estimate of the tax payable. Such difference may impact the income tax in the period when such determination is made. The Group and the Company will adjust for the differences as an over or under provision of income tax in the period in which those differences arise.

As at 31 July 2024, the Group has tax recoverable and tax payable of RM3,240,025 (2023: RM1,816,780) and RM61,458 (2023: RM250,780) respectively. The Company has tax payable of RM61,458 (2023: RM133,184).

5. SEGMENT REPORTING

The Group is organised into business units based on its products and services, and has four reportable operating segments as follows:

Apparels	Manufacturing of apparels and fabric face masks and provision of apparels manufacturing services
Textile	Manufacturing of textile and provision of textile manufacturing services
Advertising	Provision of advertising services on multimedia boards
Others	Investment holding, property investment, provision of management services and provision of agency services

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated statement of profit or loss and other comprehensive income. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

The following is an analysis of the Group's revenue and results by the operating segments:

	Apparels RM'000	Textile RM'000	Advertising RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
The Group						
2024						
Revenue						
External sales	166,921	6,699	9,321	125	-	183,066
Inter-segment sales	52,423	205	-	3,721	(56,349)	-
Total revenue	219,344	6,904	9,321	3,846	(56,349)	183,066
Result						
(Loss)/Profit from operations	(7,639)	(13,104)	2,920	(11,010)	673	(28,160)
Finance costs	(61)	(3,359)	(259)	(864)	656	(3,887)
(Loss)/Profit before tax	(7,700)	(16,463)	2,661	(11,874)	1,329	(32,047)
Income tax expense	(1,189)	-	(995)	(287)	(830)	(3,301)
(Loss)/Profit for the financial year	(8,889)	(16,463)	1,666	(12,161)	499	(35,348)

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	Apparels RM'000	Textile RM'000	Advertising RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
The Group						
2024						
Result						
Segment assets	266,650	120,162	12,608	288,405	(275,494)	412,331
Segment liabilities	86,388	115,889	6,604	19,687	(156,894)	71,674
Other information						
Amortisation of right-of-use assets	(674)	-	(363)	(340)	-	(1,377)
Amortisation of intangible assets	(5)	-	-	-	-	(5)
Depreciation of property, plant and equipment	(3,024)	(4,689)	(503)	(16)	-	(8,232)
Depreciation of investment properties	-	-	-	(25)	-	(25)
Interest income	1,081	23	72	95	-	1,271
Fair value adjustment on other investments	-	-	-	(27,354)	-	(27,354)
Property, plant and equipment written off	(403)	(21)	-	-	-	(424)
Inventories written down	(1,119)	-	-	-	-	(1,119)
Inventories written off	-	(848)	-	-	-	(848)
Reversal of inventories written down	503	-	-	-	-	503
Intangible asset written off	(3,281)	-	-	-	-	(3,281)

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	Apparels RM'000	Textile RM'000	Advertising RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
The Group						
2023 (Restated)						
Revenue						
External sales	199,761	10,590	12,600	276	-	223,227
Inter-segment sales	72,797	2,735	-	3,829	(79,361)	-
Total revenue	272,558	13,325	12,600	4,105	(79,361)	223,227
Result						
Profit/(Loss) from operations	7,393	(13,009)	4,998	26,964	1,740	28,086
Finance costs	(1,268)	(3,659)	(14)	(426)	1,349	(4,018)
Share of results of a joint venture	-	(27)	-	-	-	(27)
Profit/(Loss) before tax	6,125	(16,695)	4,984	26,538	3,089	24,041
Income tax expense	(3,544)	-	(183)	(407)	-	(4,134)
Profit/(Loss) for the financial year	2,581	(16,695)	4,801	26,131	3,089	19,907

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	Apparels RM'000	Textile RM'000	Advertising RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
The Group						
2023 (Restated)						
Result						
Segment assets	299,119	127,201	9,689	260,075	(276,179)	419,905
Segment liabilities	105,173	106,464	2,486	23,652	(151,985)	85,790
Other information						
Amortisation of right-of-use assets	(886)	-	(260)	(339)	-	(1,485)
Amortisation of intangible assets	(8)	-	-	-	-	(8)
Depreciation of property, plant and equipment	(3,869)	(6,988)	(615)	(98)	-	(11,570)
Interest income	1,408	23	255	665	(1,349)	1,002
Fair value adjustment on other investments	-	-	-	11,731	-	11,731
Property. plant and equipment written off	(12)	-	-	(1)	-	(13)
Inventories written down	(918)	-	-	-	-	(918)
Inventories written off	-	-	-	-	-	-
Reversal of inventories written down	746	-	-	-	-	746

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

Geographical segments

Revenue by location of customers and the Group's operations are analysed as follows:

	2024 RM'000	2023 RM'000
Malaysia	23,024	31,572
United States of America	71,729	111,188
Europe	26,128	33,330
Asia	52,118	33,204
Other countries	10,067	13,933
	183,066	223,227

Revenue from major customers

Total revenue from 2 (2023: 2) major customers which individually contributed more than 10% of the Group's revenue are from the apparel segment which amounted to RM86,065,191 (2023: RM126,902,271).

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

6. REVENUE

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contract with customers:				
Sales of apparels, fabric face masks and fabrics	173,499	209,987	-	-
Provision of advertising services	9,321	12,600	-	-
Provision of agency services	125	276	-	-
	182,945	222,863	-	-
Revenue from other sources:				
Management fee	-	-	3,721	3,829
Dividend income	121	364	-	-
	121	364	3,721	3,829
	183,066	223,227	3,721	3,829

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Timing of revenue recognition:				
Over time	9,321	12,600	-	-
Point in time	173,624	210,263	-	-
	182,945	222,863	-	-

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

7. FINANCE COSTS

	The Group		The Company	
	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
Interest expenses on:				
Invoice financing	4	475	-	-
Lease liabilities	56	72	-	-
Share margin financing	654	13	-	-
Term loans	2,691	3,070	-	-
Letter of credit	2	4	-	-
Bankers' acceptance	264	210	-	-
Trust receipts	138	133	-	-
Bank overdrafts	62	-	-	
ICULS	4	-	4	-
Other finance costs	12	41	-	-
	3,887	4,018	4	-

8. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax for the financial year is derived after charging/(crediting):

	The Group		The Company	
	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
Amortisation of right-of-use assets	1,377	1,485	-	-
Amortisation of intangible assets	5	8	-	-
Auditors' remuneration				
Statutory audit	277	245	40	27
Other services	5	3	5	3
Depreciation of property, plant and equipment	8,232	11,570	16	20
Depreciation of investment properties	25	-	-	-
Fair value adjustment on other investments	27,354	(11,731)	-	28

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	The Group		The Company	
	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
(Gain)/Loss on:				
Disposal of property, plant and equipment	403	90	-	-
Disposal of other investments	(16,262)	(17,305)	-	-
Modification of lease term	-	(2)	-	-
Termination of lease term	(118)	(11)	-	-
Income distribution from unit trusts	(127)	(161)	(59)	(11)
Impairment loss on:				
Amount due from subsidiary companies	-	-	-	8
Amount due from a joint venture	-	18	-	-
Trade receivables	-	403	-	-
Intangible asset written off	3,281	-	-	-
Interest income	(1,271)	(1,002)	(760)	(748)
Property, plant and equipment written off	424	13	-	1
Reversal of:				
Impairment loss on trade receivables	(336)	-	-	-
Inventories written off	(503)	(746)	-	-
Inventories written off	848	-	-	-
Inventories written down	1,119	918	-	-
Share of results of a joint venture	-	27	-	-
Unrealised loss/(gain) on foreign exchange	36	1,287	30	27
Rental income	(211)	(156)	-	-
Lease expenses relating to short term lease:				
Advertising sites	543	516	-	-
Machinery and equipment	33	67	-	-
Premises	292	767	14	14
Staff costs	59,263	71,090	1,213	2,940

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

Included in staff costs of the Group and of the Company are directors' remuneration of RM1,143,276 (2023: RM1,060,160) and RM252,800 (2023: RM93,677), respectively as further disclosed in Note 37(c).

Staff costs include salaries, bonuses, contributions to Employees Provident Fund ("EPF") and all other staff related expenses. Contributions to EPF by the Group during the financial year amounted to RM2,758,409 (2023: RM4,196,695).

9. INCOME TAX EXPENSE

	The Group		The Company	
	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
Estimate tax payable:				
Current financial year	1,796	5,189	305	251
(Over)/Under provision in prior financial years	(337)	(317)	(28)	167
	1,459	4,872	277	418
Deferred tax:				
Origination and reversal of temporary differences	1,126	(421)	8	2
Under/(Over) provision in prior years	716	(317)	2	(12)
	1,842	(738)	10	(10)
	3,301	4,134	287	408

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

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

	The Group		The Company	
	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
(Loss)/Profit before tax	(32,047)	24,041	1,455	689
Add: Share of loss of a joint venture	-	27	-	-
	(32,047)	24,068	1,455	689
Taxation at statutory rate of 24% (2023: 24%)	(7,691)	5,776	349	166
Effect of tax rates in other countries	(991)	(1,597)	-	-
Tax effects of:				
Non-taxable income	(5,113)	(7,490)	(174)	(23)
Expenses not deductible	12,402	3,562	131	110
Utilisation of previously unrecognised deferred tax assets	-	(43)	-	-
Deferred tax relating to origination of temporary difference	9	-	9	-
Deferred tax assets not recognised	4,306	4,560	-	-
Under/(Over) provision of deferred tax in prior year	716	(317)	-	(12)
(Over)/Under provision of income tax expense in prior years	(337)	(317)	(28)	167
	3,301	4,134	287	408

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

At the end of reporting period, the estimated amount of (taxable)/deductible temporary differences, unabsorbed capital allowances, unutilised investment tax allowances and unutilised tax losses of the Group and of the Company, for which the deferred tax assets have not been recognised in the financial statements due to uncertainty of their realisation, is as follows:

	The Group	
	2024 RM'000	2023 RM'000
Unutilised tax losses	56,715	43,591
Unabsorbed capital allowances	62,967	55,753
Unutilised investment tax allowances	69,907	69,907
	189,589	169,251

The unabsorbed capital allowances, unutilised investment tax allowances and unutilised tax losses which are subject to agreement by the tax authorities, are available for offset against the future chargeable profits.

The unabsorbed capital allowances and unutilised investment tax allowances do not expire under current tax legislation.

Expiry date of the unutilised tax losses is summarised below:

	The Group	
	2024 RM'000	2023 RM'000
Year of assessment:		
2028	6,207	6,299
2029	10,640	10,640
2031	5,667	5,751
2032	7,853	7,876
2033	12,508	13,025
2034	13,840	-
	56,715	43,591

10. (LOSS)/EARNINGS PER SHARE

Basic and diluted (loss)/earnings per share attributable to owner of the Company are computed by dividing the (loss)/profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

Basic

The basic (loss)/earnings per share of the Group has been calculated by dividing the Group's (loss)/profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2024	**2023 (Restated)**
(Loss)/Profit attributable to owners of the Company (RM)	(29,419)	20,869
Weighted average number of ordinary shares in issue	279,149	275,199
Basic (loss)/earnings per share (sen)	(11)	8

Diluted

The diluted (loss)/earnings per share of the Group has been calculated by dividing the Group's (loss)/profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares that would have been issued upon full exercise of the outstanding ICULS, adjusted by the number of such shares that would have been issued at fair value as follows:

	The Group	
	2024	**2023 (Restated)**
(Loss)/Profit attributable to owners of the Company (RM)	(29,419)	20,869
Weighted average number of ordinary shares in issue	279,149	275,199
Adjustment for dilutive effect of convertible instruments	178,754	21
	457,903	275,220
Diluted (loss)/earnings per share (sen)	(6)	8

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Multimedia boards RM'000	Plant and machinery RM'000	Equipment and fixtures RM'000	Motor Vehicles RM'000	Capital expenditure in progress RM'000	Total RM'000
The Group								
2024								
Cost								
As at 1 August 2023	33,514	114,953	4,443	73,940	21,139	3,334	356	251,679
Additions	-	-	303	536	8,483	690	247	10,259
Disposal	-	-	-	(3,980)	(162)	(466)	-	(4,608)
Written off	-	-	-	(2,474)	(2,512)	(153)	-	(5,139)
Reclassification	445	(501)	-	(48)	48	-	-	(56)
Transferred to investment properties (Note 13)	(11,286)	(1,569)	-	-	-	-	-	(12,855)
Exchange differences	-	(17)	-	30	4	2	(15)	4
As at 31 July 2024	22,673	112,866	4,746	68,004	27,000	3,407	588	239,284

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	Freehold land RM'000	Buildings RM'000	Multimedia boards RM'000	Plant and machinery RM'000	Equipment and fixtures RM'000	Motor Vehicles RM'000	Capital expenditure in progress RM'000	Total RM'000
Accumulated depreciation								
As at 1 August 2023	-	32,938	2,790	33,725	12,024	2,832	-	84,309
Charge for the financial year	-	2,413	441	3,683	1,487	208	-	8,232
Disposal	-	-	-	(2,881)	(426)	(210)	-	(3,517)
Written off	-	-	-	(2,471)	(2,091)	(153)	-	(4,715)
Transferred to investment properties (Note 13)	-	(580)	-	-	-	-	-	(580)
Exchange differences	-	(21)	-	6	(1)	2	-	(14)
As at 31 July 2024	-	34,750	3,231	32,062	10,993	2,679	-	83,715
Carrying amount								
As at 31 July 2024	22,673	78,116	1,515	35,942	16,007	728	588	155,569

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	Freehold land RM'000	Buildings RM'000	Multimedia boards RM'000	Plant and machinery RM'000	Equipment and fixtures RM'000	Motor Vehicles RM'000	Capital expenditure in progress RM'000	Total RM'000
The Group								
2023 (Restated)								
Cost								
As at 1 August 2022	33,514	115,383	9,971	74,241	17,018	3,054	599	253,780
Additions	-	-	708	194	4,753	423	324	6,402
Disposal	-	-	-	(551)	(17)	(122)	-	(690)
Written off	-	-	(6,236)	(53)	(536)	-	-	(6,825)
Reclassification	-	-	-	567	-	-	(567)	-
Exchange differences	-	(430)	-	(458)	(79)	(21)	-	(988)
As at 31 July 2023	33,514	114,953	4,443	73,940	21,139	3,334	356	251,679
Accumulated depreciation								
As at 1 August 2022	-	27,509	8,485	30,594	11,428	2,793	-	80,809
Charge for the financial year	-	5,597	541	4,046	1,206	180	-	11,570
Disposal	-	-	-	(551)	(17)	(122)	-	(690)
Written off	-	-	(6,236)	(45)	(531)	-	-	(6,812)
Exchange differences	-	(168)	-	(319)	(62)	(19)	-	(568)
Ast 31 July 2023	-	32,938	2,790	33,725	12,024	2,832	-	84,309
Carrying amount								
As at 31 July 2023	33,514	82,015	1,653	40,215	9,115	502	356	167,370

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	The Company	
	2024	**2023**
	RM'000	**RM'000**
Equipment and fixtures		
Cost		
As at 1 August	220	226
Written off	-	(6)
As at 31 July	220	220
Accumulated depreciation		
As at 1 August	167	152
Charge for the financial year	16	20
Written off	-	(5)
As at 31 July	183	167
Carrying amount		
As at 31 July	37	53

(a) Assets pledged as securities to financial institution

The carrying amounts of property, plant and equipment of the Group pledged as securities for borrowings as disclosed in Note 33 are:

	The Group	
	2024	**2023**
	RM'000	**RM'000**
Freehold land	21,523	16,978
Freehold buildings	71,033	70,262
Plant and machinery	25,697	27,629
Capital expenditure in progress	103	32
	118,356	114,901

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

(b) Purchase of property, plant and equipment

The aggregate additional costs for the property, plant and equipment of the Group and of the Company are purchased under cash payments.

(c) Leasehold building

Included in the buildings is a leasehold building located in Jiangsu Province, China, with a carrying amount of RM6,816,185 (2023: RM7,013,738). The building has a remaining leasehold period of 31 years (2023: 32 years), expiring on 16 November 2055.

(d) Change in accounting estimate

During the financial year, the Group's management reviewed the useful lives of its property, plant, and equipment. As a result, the estimated useful lives of freehold buildings were revised from 20 years to 50 years, and the estimated useful lives of the leasehold building were adjusted from 20 years to the remaining lease period of 31 years to reflect the buildings' expected economic benefits over time. The change in the useful lives of buildings reduced the Group's depreciation expense, leading to a decrease in loss before tax by RM3,117,038 for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

12. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Leasehold buildings RM'000	Land use rights RM'000	Advertising sites RM'000	Motor Vehicles RM'000	Total RM'000
The Group						
2024						
Cost						
As at 1 August 2023	2,600	2,140	13,675	1,151	838	20,404
Additions	-	204	-	757	-	961
Modification of lease term	-	-	-	883	-	883
Termination of lease term	-	(1,303)	-	-	-	(1,303)
Exchange differences	-	4	(588)	-	-	(584)
As at 31 July 2024	2,600	1,045	13,087	2,791	838	20,361
Accumulated depreciation						
As at 1 August 2023	578	742	1,333	1,006	112	3,771
Charge for the financial year	-	489	357	363	168	1,377
Termination of lease term	-	(642)	-	-	-	(642)
Exchange differences	-	(12)	(63)	-	-	(75)
As at 31 July 2024	578	577	1,627	1,369	280	4,431
Carrying amount						
As at 31 July 2024	2,022	468	11,460	1,422	558	15,930

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	Leasehold land RM'000	Leasehold buildings RM'000	Land use rights RM'000	Advertising sites RM'000	Motor Vehicles RM'000	Total RM'000
The Group						
2023 (Restated)						
Cost						
As at 1 August 2022	2,600	1,701	13,600	1,130	-	19,031
Additions	-	845	-	21	838	1,704
Modification of lease term	-	27	-	-	-	27
Termination of lease term	-	(355)	-	-	-	(355)
Expiration of lease term	-	(57)	-	-	-	(57)
Exchange differences	-	(21)	75	-		54
As at 31 July 2023	2,600	2,140	13,675	1,151	838	20,404
Accumulated depreciation						
As at 1 August 2022	507	290	973	746	-	2,516
Charge for the financial year	71	685	357	260	112	1,485
Termination of lease term	-	(174)	-	-	-	(174)
Expiration of lease term	-	(57)	-	-	-	(57)
Exchange differences	-	(2)	3	-	-	1
As at 31 July 2023	578	742	1,333	1,006	112	3,771
Carrying amount						
As at 31 July 2023	2,022	1,398	12,342	145	726	16,633

Land use rights

The land use rights represent the Group's interest in land located in Tien Giang Province, Vietnam, with a carrying amount of RM10,929,357 (2023: RM11,793,886), and in Jiangsu Province, China, with a carrying amount of RM530,497 (2023: RM548,246). The land use rights in Tien Giang Province, Vietnam, have a remaining leasehold period of 33 years (2023: 34 years), expiring on 26 November 2057. The land use rights in Jiangsu Province, China, have a remaining leasehold period of 31 years (2023: 32 years), expiring on 16 November 2055.

Purchase of right-of-use assets

The aggregate additional costs for the right-of-use assets of the Group during the financial year purchased under lease financing and cash payments are as follows:

	The Group	
	2024 RM'000	**2023 RM'000 (Restated)**
Aggregate costs	961	1,704
Less: Lease financing	(961)	(1,509)
Cash payments	-	195

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

13. INVESTMENT PROPERTIES

	Freehold land RM'000	Freehold building RM'000	Total RM'000
The Group			
Cost			
As at 1 August 2023	-	-	-
Transferred from property, plant and equipment (Note 11)	11,286	1,569	12,855
As at 31 July 2024	11,286	1,569	12,855
Accumulated depreciation			
As at 1 August 2023	-	-	-
Transferred from property, plant and equipment (Note 11)	-	580	580
Charge for the financial year	-	25	25
As at 31 July 2024	-	605	605
Carrying amount			
As at 31 July 2023	-	-	-
Carrying amount			
As at 31 July 2024	11,286	964	12,250

The transferred of properties from property, plant and equipment to investment properties reflects the Board's consideration of current market conditions, competitive factors and the Group's overall business strategy.

(a) Assets pledged as securities to financial institution

The carrying amounts of investment properties of the Group pledged as securities for borrowings as disclosed in Note 33 are:

	The Group	
	2024 RM'000	2023 RM'000
Freehold land	8,657	-

(b) Fair value disclosure of investment properties

The fair value of the investment properties has been determined based on valuations performed by an independent valuer and by reference to market evidence of comparable property transactions, adjusted for several key attributes such as the timing of the transactions, property location, land size and shape, facing and accessibility of the location, tenure, zoning, and property category. These properties fall within Level 3 of the fair value hierarchy. Based on the assessment, the carrying amount of the investment properties closely approximates their fair value.

(c) Change in accounting estimate

During the financial year, the management conducted a review of the useful lives of investment properties. Accordingly, the estimated useful lives of the buildings were revised from 20 years to 50 years to reflect more accurately the buildings' expected economic benefits over time. The change in the useful lives of property, plant and equipment has resulted a decrease in depreciation and loss before tax of the Group by RM53,190 for the current financial year.

14. INTANGIBLE ASSETS

	Trademarks RM'000	Software RM'000	Total RM'000
The Group			
Cost			
As at 1 August 2022	69	-	69
Additions	-	3,260	3,260
Exchange differences	(2)	-	(2)
As at 1 August 2023	67	3,260	3,327
Written off	(67)	(3,260)	(3,327)
As at 31 July 2024	-	-	-
Accumulated depreciation			
As at 1 August 2022	34	-	34
Charge for the financial year	8	-	8
Exchange differences	(1)	-	(1)
As at 1 August 2023	41	-	41
Charge for the financial year	5	-	5
Written off	(46)	-	(46)
As at 31 July 2024	-	-	-

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	Trademarks RM'000	Software RM'000	Total RM'000
Carrying amount			
As at 31 July 2023	26	3,260	3,286
As at 31 July 2024	-	-	-

The software development project has been written off due to its suspension, and the trademark has been written off following the plan of striking-off of the subsidiary company.

15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Group	
	2024 RM'000	2023 RM'000
In Malaysia:		
Unquoted shares - at cost	92,839	92,839
ESOS granted to employees of subsidiary companies	-	1,983
Less: Accumulated impairment loss	(2,064)	(2,102)
	90,775	92,720
Outside Malaysia:		
Unquoted shares - at cost	12,804	12,804
	103,579	105,524

Details of the subsidiary companies are as follows:

Name of Company	Place of incorporation	Effective equity interest 2024 %	Effective equity interest 2023 %	Principal activities
Honsin Apparel Sdn. Bhd. ("HASB")	Malaysia	100	100	Manufacturing of apparels, fabric face masks and investment holding
Plas Industries Sdn. Bhd. ("PISB")	Malaysia	100	100	Provision of apparel manufacturing services

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

Name of Company	Place of incorporation	Effective equity interest 2024 %	2023 %	Principal activities
Prox Technology Sdn. Bhd. ("PTSB")	Malaysia	100	100	Marketing of apparels and fabric face masks
Novel Realty Sdn. Bhd. ("NRSB")	Malaysia	100	100	Property investment
Laser Capital Holdings Sdn. Bhd. ("LCHSB")	Malaysia	57.64	57.64	Investment holding
Bixiz Kids Incorporated (M) Sdn. Bhd. ("BKSB")	Malaysia	100	100	Investment holding
Trans Pacific Textile (M) Sdn. Bhd. ("TPTSB")	Malaysia	94.44	94.44	Manufacturing of fabric
Prolexus International Limited ("PIL")	Hong Kong	100	100	Trading of apparels and fabric face masks
Trans Pacific Textile (HK) Limited ("TPTHK")	Hong Kong	100	100	Investment holding
Subsidiary companies of Honsin Apparel Sdn. Bhd.:				
Honways International Limited ("HIL")	Hong Kong	64	64	Investment holdings, trading of apparels and provision of agency services
Jia Yong Industries Sdn. Bhd. ("JYISB")	Malaysia	100	100	Provision of apparel manufacturing services

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

Name of Company	Place of incorporation	Effective equity interest 2024 %	2023 %	Principal activities
Subsidiary company of Laser Capital Holdings Sdn. Bhd.:				
HiQ Media (Malaysia) Sdn. Bhd. ("HiQ")	Malaysia	51.91	51.91	Provision of advertising services on multimedia boards
Subsidiary company of Bixiz Kids Incorporated (M) Sdn. Bhd.:				
BE Elementz Sdn. Bhd. ("BESB")	Malaysia	100	100	Marketing of apparels and fabric face masks
Subsidiary company of Trans Pacific Textile (HK) Limited:				
Trans Pacific Textile (VN) Co. Ltd. ("TPTVN")*	Vietnam	100	100	Dormant
Subsidiary company of Honways International Limited:				
Honways Apparel Shuyang Limited ("HASL")*	PRC	64	64	Manufacturing of apparels, fabric face masks and investment holding

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

Name of Company	Place of incorporation	Effective equity interest 2024 %	2023 %	Principal activities
Subsidiary companies of Honways Apparel Shuyang Limited:				
HK Apparel Shuyang Limited ("HKA")*	PRC	44.8	44.8	Provision of apparel printing services
Super Sport Apparel (Shuyang) Limited ("SSA")*	PRC	64	64	E-commerce sales of sportswear apparels
D. Diamond Apparel (Shuyang) Limited ("DA")*	PRC	64	64	E-commerce sales of casual wear apparels

* *Audited by auditors other than Morison LC PLT*

Details of non-wholly-owned subsidiary companies that have non-controlling interests

The table below shows details of non-wholly-owned subsidiary companies that have non-controlling interests:

Name of Company	Proportion of ownership interests held by non-controlling interests		(Loss)/Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2024 %	2023 %	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000 (Restated)
HIL	36	36	(1,336)	1,302	17,232	19,365
HASL	36	36	(1,973)	(2,914)	(4,007)	(2,076)
HKA	55.2	55.2	(625)	(596)	(634)	(428)
TPTSB	5.56	5.56	(915)	(928)	237	1,152
HiQ	48.09	48.09	(647)	968	10,710	11,365
					23,538	29,378
Individually immaterial subsidiary companies with non-controlling interests					(696)	(13)
Total non-controlling interests					22,842	29,365

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

Summarised financial information in respect of the subsidiary company that has non-controlling interests is set out as below. The summarised financial information below represents amounts before intragroup eliminations.

	Honways International Limited		**Honways Apparel Shuyang Limited**		**HK Apparel Shuyang Limited**	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
<u>Statement of financial position</u>						
Non-Current assets	5,047	8,974	9,492	10,364	-	1,273
Current assets	46,694	56,087	20,166	32,497	24	390
Non-Current liabilities	-	-	-	-	-	(203)
Current liabilities	(3,874)	(11,270)	(30,958)	(39,191)	(1,326)	(1,656)
Net assets/(liabilities)	47,867	53,791	(1,300)	3,670	(1,302)	(196)
<u>Statement of profit or loss and other comprehensive income</u>						
Revenue	18,605	41,712	50,341	52,928	10	541
(Loss)/Profit for the financial year	(3,712)	3,616	(5,078)	(8,094)	(1,132)	(1,080)
Total comprehensive (loss)/income for the financial year	(3,712)	3,616	(5,078)	(8,094)	(1,132)	(1,080)

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	Honways International Limited		Honways Apparel Shuyang Limited		HK Apparel Shuyang Limited	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Statement of cash flows						
Net cash (used in)/from:						
Operating activities	(2,039)	(2,394)	(4,111)	5,402	(383)	209
Investing activities	-	-	114	-	401	-
Financing activities	(5,975)	5,471	4,364	(1,127)	-	(221)
Net changes in cash and cash equivalents	(8,014)	3,077	367	4,275	18	(12)

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	Trans Pacific Textile (M) Sdn. Bhd.		HiQ Media (Malaysia) Sdn. Bhd.	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Statement of financial position				
Non-Current assets	109,071	113,734	2,977	1,881
Current assets	11,091	13,467	25,694	26,042
Non-Current liabilities	(27,552)	(36,724)	(1,096)	-
Current liabilities	(88,337)	(69,740)	(5,400)	(4,016)
Net assets	4,273	20,737	22,175	23,907
Statement of profit or loss and other comprehensive income				
Revenue	6,904	13,325	9,321	12,600
(Loss)/Profit for the financial year	(16,462)	(16,696)	(1,732)	2,012
Total comprehensive (loss)/income for the financial year	(16,462)	(16,696)	(1,732)	2,012
Statement of cash flows				
Net cash (used in)/from:				
Operating activities	(10,795)	10,640	(1,793)	3,689
Investing activities	(47)	(492)	3,038	(18,406)
Financing activities	13,518	(10,739)	1,293	1,246
Net changes in cash and cash equivalents	(2,676)	(591)	2,538	(13,471)

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

16. INVESTMENT IN A JOINT VENTURE

	The Group	
	2024	2023
	RM'000	RM'000
In Malaysia:		
Unquoted shares in Malaysia - at cost	458	458
Less: Share of post-acquisition reserve		
As at 1 August	(458)	(431)
Recognised during the financial year	-	(27)
As at 31 July	(458)	(458)
	-	-

Details of the joint venture is as follows:

Name of Company	Place of incorporation	Effective equity interest 2024 %	Effective equity interest 2023 %	Principal activities
T&W Synergy Sdn. Bhd.	Malaysia	50	50	Peaching and finishing of fabrics, temporarily ceased in financial year ended 31 July 2024

There is no disclosure on the financial information of the joint venture as the investment cost and results are not material to the Group as at the reporting date.

17. OTHER INVESTMENTS

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>**Non-Current**</u>				
Fair value through other comprehensive income ("FVOCI"):				
Equity instruments	573	638	573	638

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
<u>Current</u>				
Fair value through profit or loss ("FVTPL"):				
Equity instruments	80,204	72,495	663	604

Equity instruments designated at FVOCI are investments in equity shares of an unquoted company. The Group holds non-controlling interests of 17.24% (2023: 17.24%) in this company. This investment was irrevocably designated at FVOCI as the Group considers this investment to be strategic in nature. Financial assets at FVTPL are investments in equity instruments quoted in Malaysia. The fair value of these equity instruments are determined by reference to published price quotations in an active market.

During the financial year, the Company recognised the fair value loss of RM64,945 (2023: RM62,733) for unquoted equity instruments classified as FVOCI as the fair value of the investment was below its carrying amount.

18. GOODWILL ON CONSOLIDATION

	The Group	
	2024	**2023**
	RM'000	**RM'000**
HiQ Media (Malaysia) Sdn. Bhd.	2,712	2,712

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

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

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

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

(i) Cash flow projections and growth rate

The five-year cash flow projections are based on the most recent budget approved by the management and extrapolated using a steady growth rate of 1.9% (2023: 2.90%) per annum for the subsequent years.

(ii) Discount rate

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

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

19. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group		The Company	
	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
As at 1 August	216	(522)	10	-
Recognised in profit or loss	(1,126)	421	(8)	(2)
(Under)/Over provision in prior years	(716)	317	(2)	12
ICULS	38	-	38	-
As at 31 July	(1,588)	216	38	10

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
Deferred tax liabilities	(2,705)	(1,691)	-	-
Deferred tax assets	1,117	1,907	38	10
	(1,588)	216	38	10

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

	The Group		The Company	
	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
Deferred tax assets (before offsetting):				
Temporary differences arising from:				
Unrealised profit on inventories	-	830	-	-
Others	527	487	38	10
Unutilised tax losses	-	451	-	-
Unabsorbed capital allowances	-	139	-	-
	527	1,907	-	-
Offsetting	(527)	(1,691)		
Deferred tax assets (after offsetting)	-	216	38	10

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	The Group		The Company	
	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
Deferred tax liabilities (before offsetting):				
Temporary differences arising from:				
Revaluation surplus	579	579	-	-
Property, plant and equipment	1,536	1,112	-	-
	2,115	1,691	-	-
Offsetting	(527)	(1,691)		
Deferred tax liabilities (after offsetting)	1,588	-	-	-

Deferred tax assets have not been utilised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unabsorbed capital allowances	62,967	55,753	-	-
Unutilised tax losses	56,715	43,591	-	-
Unutilised investment tax allowances	69,907	69,907	-	-
Property plant and equipment	(177)	9	-	-
Other temporary deductible differences	(31,311)	953	-	-
Accelerated capital allowances	(2,352)	(32,408)	-	-
	155,749	137,805	-	-

Under the Malaysia Finance Act 2018, any accumulated unutilised tax losses brought forward can be carried forward for a maximum of ten consecutive years of assessment under the current tax legislation. Unabsorbed capital allowances and unutilised investment tax allowances do not expire under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

20. INVENTORIES

	The Group	
	2024	**2023**
	RM'000	**RM'000**
Cost		
Raw materials	7,632	9,144
Work-in-progress	8,245	9,835
Finished goods	6,651	6,553
Trading goods	2,414	2,847
	24,942	28,379
Net realisable value		
Finished goods	-	336
Trading goods	199	57
	199	393
	25,141	28,772
Recognised in profit or loss:		
Inventories recognised as cost of sales	112,881	78,027
Inventories written down	1,119	918
Inventories written off	848	-
Reversal of inventories written off	(503)	(746)

21. TRADE RECEIVABLES

	The Group	
	2024	**2023**
	RM'000	**RM'000**
Trade receivables	26,762	54,774
Less: Impairment losses	(266)	(602)
	26,496	54,172

The Group's normal trade credit terms range from 30 to 120 days (2023: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognised.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

The Group applies a simplified approach in calculating loss allowances for trade receivable at an amount equal to lifetime ECL.

The Group does not hold any collateral or other credit enhancements over trade receivable balances.

The movement of allowance for impairment during the financial year is as follows:

	The Group	
	2024 RM'000	2023 RM'000
As at 1 August	602	218
Charge for the financial year	-	403
Reversal for the financial year	(336)	-
Written off for the financial year	-	(19)
As at 31 July	266	602

The aged analysis of trade receivables at the end of the reporting period:

	Gross trade receivables RM'000	Lifetime ECL RM'000	Total RM'000
The Group			
2024			
Not past due and impaired	18,460	(39)	18,421
Past due and impaired:			
Less than 30 days	2,219	(5)	2,214
31 to 60 days	4,564	(5)	4,559
61 to 90 days	548	(6)	542
More than 90 days	772	(12)	760
	26,563	(67)	26,496
Credit impaired:			
Individually impaired	199	(199)	-
	26,762	(266)	26,496

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	Gross trade receivables RM'000	Lifetime ECL RM'000	Total RM'000
2023			
Not past due and impaired	50,721	(238)	50,483
Past due and impaired:			
Less than 30 days	1,168	(51)	1,117
31 to 60 days	2,058	(80)	1,978
61 to 90 days	498	-	498
More than 90 days	130	(34)	96
	54,575	(403)	54,172
Credit impaired:			
Individually impaired	199	(199)	-
	54,774	(602)	54,172

22. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other receivables	2,301	1,457	-	-
Less: Impairment loss	(634)	(634)	-	-
	1,667	823	-	-
Deposits	1,245	1,216	3	3
Prepayments	1,363	2,401	7	44
	4,275	4,440	10	47

Included in the Group's other receivables are amount due from a joint venture amounting to RM643,884 (2023: RM634,127) and the accumulated impairment is RM634,127 (2023: RM634,127).

23. DEPOSITS WITH FINANCIAL INSTITUTIONS

Deposits with financial institutions of the Group and the Company earn interest at rates ranging from 1.30% to 3.85% (2023: 1.19% to 3.40%) per annum. Deposits with financial institutions of the Group and the Company have maturity terms of 6 to 12 (2023: 3) months.

24. SHARE CAPITAL

	The Group and the Company			
	Number of ordinary shares		Amount	
	2024	2023	2024	2023
	Units	Units	RM'000	RM'000
Issued and fully paid:				
Ordinary shares				
As at 1 August	276,728	276,728	126,071	126,071
Issuance of shares	23,137	-	4,628	-
As at 31 July	299,865	276,728	130,699	126,071

During the financial year, the Company increased its issued and paid-up share capital through the issuance of 23,137,475 new ordinary shares by way of:

(i) conversion of 65,326,100 irredeemable convertible unsecured loan stock ("ICULS") of RM0.05 per ICULS into 16,331,525 new ordinary shares on the basis of four (4) ICULS for every one (1) new share; and

(ii) Allotment of 6,805,950 new ordinary shares for a cash consideration of RM1,361,190.

The new ordinary shares issued for working capital purposes during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

25. WARRANTS B

On 30 June 2021, the Company issued 133,585,898 Warrants B pursuant to a bonus issue of warrant exercise ("Warrants B"). The Warrants B are constituted by a deed poll dated 14 June 2021. The Warrants B was listed on Bursa Malaysia on 5 July 2021. The main features of the Warrants B are as follows:

(i) Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of RM0.56 per ordinary share.

(ii) The exercise price and/or the number of Warrants in issue shall be subject to adjustments in accordance with the provisions of the deed poll during the exercise period.

(iii) The Warrants may be exercised at any time within five (5) years commencing on and including the date of issuance of the Warrants until the last market day prior to the fifth anniversary of the date of issuance of the Warrants, expiring 24 June 2026.

(iv) The Warrant holders are not entitled to any voting rights in any general meeting of the Company or to participate in any distribution and/or offer of further securities in the Company unless such Warrant holders exercise their Warrants for the new ordinary shares.

(v) All new ordinary shares to be issued upon the exercise of the Warrants shall, on allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company save and except that they shall not be entitled to any dividends, rights, allotments and other distributions, the entitlement date of which is prior to the date of allotment of such new ordinary shares, and will be subject to all provisions of the Articles of Association of the Company.

(vi) At the expiry of the exercise period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

As at the end of financial year, the total number of unexercised Warrants B was 133,585,898 Warrants.

26. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS 2024/2029 ("ICULS")

	The Group and the Company	
	2024 RM'000	2023 RM'000
Number of ICULS not converted as at 31 July	35,751	-
Equity component, net of deferred tax assets	35,635	-
Liability component	156	-
Deferred tax assets (Note 19)	38	-
	35,829	-

On 5 April 2024, the Company completed the Rights Issue of ICULS. Pursuant to the Rights Issue of ICULS, the Company issued a total of 780,342,595 5-year, 0.10% ICULS at its nominal value of RM0.05 each. The coupon rate of 0.10% per annum is payable annually. The ICULS can be converted into new ordinary share of Techbase Industries Berhad ("Techbase Share(s)" or "Share(s)") at the ICULS holders' discretion in the following manner:

(i) Non-cash option: the ICULS holder will need to surrender four (4) ICULS for one (1) new Techbase Share; or

(ii) Cash option: subject to a minimum of one (1) ICULS and paying the difference between the aggregate value of the ICULS surrendered and the conversion price of RM0.20 each in cash for one (1) new Techbase Share.

As at 31 July 2024, a total of 65,326,100 ICULS have been converted into new ordinary shares of RM0.20 each via a combination of cash option and non-cash option. The outstanding ICULS in issue as at 31 July 2024 was 715,016,495.

Any outstanding ICULS will be mandatorily converted into new Techbase Shares on a non-cash option basis upon its maturity on 31 March 2029.

27. TREASURY SHARES

Out of the total 299,864,988 (2023: 276,727,513) issued ordinary shares as at 31 July 2024, 809,200 (2023: 809,200) are held as treasury shares at a cost of RM128,036 (2023: RM128,036) by the Company. As at 31 July 2024, the number of outstanding ordinary shares in issue after the set off is therefore 299,055,788 (2023: 275,918,313) ordinary shares.

Treasury shares have no rights to voting, dividends and participation in other distribution.

28. EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on 3 September 2013, and the ESOS will be in force for a duration of 5 years. On 17 August 2018, the Directors have extended the existing ESOS for another 5 years until 8 September 2023 in accordance with the terms of the ESOS By-Laws.

The salient features of the ESOS are as follows:

(i) The total number of new ordinary shares which are available to be issued under the ESOS shall not in aggregate exceed fifteen percent (15%) of the total issued and fully paid-up share capital (excluding treasury shares) of the Company at any point in time during the duration of the scheme.

(ii) A person shall be eligible to participate in the ESOS if, as at the date of offer, has attained the age of at least eighteen (18) years old; not be an undischarged bankrupt nor subject to any bankruptcy proceedings; be a director of the Company or be a full-time Malaysian employee confirmed in service and served at least one (1) continuous year within the Group ("Eligible Person"). Eligibility to participate in the scheme does not confer on an Eligible Person a claim or right to participate in the scheme unless the ESOS Committee has made an offer and the Eligible Person has accepted the offer in accordance with the terms of the offer and the scheme. The selection of any Eligible Person to participate in the scheme shall be at the discretion of the ESOS Committee.

(iii) The option price at which the grantee is entitled to subscribe for each new ordinary share shall not be lower than the par value and be either at a premium or discount of not more than 10% (or such lower or higher limit in accordance with any prevailing guidelines, rules or regulations issued by the Bursa Securities) of the 5-day volume weighted average market price of the Company's share as at the offer date.

(iv) The options offered to the grantee may, subject to the compliance or fulfilment by the grantee of the vesting conditions, be vested in the grantee in such number or tranche or tranches as shall be determined by the ESOS Committee.

(v) The new ordinary shares to be allotted upon the exercise of the option will, upon allotment, rank pari passu in all respects with the then existing issued and fully paid-up shares of the Company, except that the new ordinary shares so allotted will not be entitled to any rights, dividends, allotments or other forms of distribution, the entitlement date of which is declared prior to the date of allotment of the ordinary shares and will be subject to all the provisions of the Articles of Association of the Company and the Listing Requirements relating to transfer, transmission and otherwise.

(vi) The ESOS shall continue to be in force for a period of five (5) years from the effective date of the ESOS. However, the ESOS may at the discretion of the ESOS Committee be extended without any approval from the shareholders of the Company in any general meeting provided that the extension of the ESOS shall not exceed five (5) years.

The following table lists the inputs to the Black Scholes model for the ESOS granted:

	12-Sep-13	07-May-14	05-Sep-14	23-Dec-14	08-Sep-16
Fair value (RM)	0.14	0.50	0.44	0.42	0.31
Expected volatility (%)	10.09	36.89	36.58	35.09	37.63
Risk-free interest rate (% p.a.)	3.82	3.91	4.03	4.01	3.32
Dividend yield (%)	3.11	1.96	1.97	2.19	2.31
Borrowings cost (%)	2.56	2.56	2.56	3.38	6.95
Expected life of option (years)	4.99	4.34	4.01	3.71	2.00
Weighted average share price (RM)	0.96	1.51	1.51	1.60	1.45

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The unexercised ESOS had expired and lapsed on 8 September 2023.

29. EMPLOYEES SHARE SCHEME ("ESS")

The ESS is governed by the By-Laws approved by the shareholders at an extraordinary general meeting held on 19 January 2024. The effective date of implementation of ESS is on 4 June 2024 ("Effective Date"). The ESS is in force for a duration of five (5) years commencing from the Effective Date and may be extended for a further period of up to five (5) years at the discretion of the Board upon the recommendation of the ESS committee, subject to a maximum aggregate of ten (10) years from the Effective Date.

The salient terms of the ESS are set out as follows:

(i) The maximum number of new Shares to be issued under the ESS shall not in aggregate exceed 15% of the total number of issued Shares (excluding treasury shares) at any one time during the duration of the ESS;

(ii) The directors and senior management personnel of the Group do not participate in the deliberation or discussion in respect of their own allocation and allocation to persons connected to them;

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(iii) Not more than 10% of the total number of new Shares to be issued under the ESS would be allocated to any one eligible person who, either singly or collectively through persons connected with him/her, holds 20% or more of the total number of issued Shares (excluding treasury shares); and

(iv) Not more than 80% of the total number of new Shares (comprise up to 30% of Shares Grants and at least 50% of ESOS Options) to be issued under the ESS shall be allocated, in aggregate, to the directors and senior management personnel of the Group (excluding dormant subsidiary companies) who are eligible persons.

As at 31 July 2024, the Company has not granted any shares under the ESS to the eligible Directors and employees.

30. RESERVES

	The Group		The Company	
	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
Non-distributable:				
ESOS reserve	-	284	-	436
Exchange translation reserve	11,528	9,242		-
Fair value reserve	(1,448)	(1,383)	(1,448)	(1,383)
Statutory reserve	927	927	-	-
	11,007	9,070	(1,448)	(947)

<u>ESOS reserve</u>

ESOS reserve represents the equity-settled share options granted to employees and was estimated using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The expected life of the option is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options granted were incorporated into the measurement of fair value.

<u>Exchange translation reserve</u>

The translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Fair value reserve

Fair value reserve represents the cumulative net changes in the fair value of investment in securities measured at FVOCI until they are derecognised or impaired.

Statutory reserve

In accordance with relevant laws and regulations of the People's Republic of China ("PRC"), the subsidiary companies of the Group established in the PRC are required to transfer 10% of their profit after tax prepared in accordance with the accounting regulation of the PRC to the statutory reserve until the reserve balance reaches 50% of their respective registered capital. Such reserve may be used to reduce any losses incurred or for the capitalisation as paid-up capital.

31. RETAINED EARNINGS

The entire retained earnings of the Company are available for distribution as single-tier dividends.

32. LEASE LIABILITIES

	The Group	
	2024 RM'000	2023 RM'000 (Restated)
Minimum lease payments:		
Less than one year	976	985
Later than one year but not later than two years	855	675
Later than two years but not later than five years	630	439
More than five years	190	269
Total minimum lease payments	2,651	2,368
Less: Unearned interest	(219)	(230)
Present value of lease liabilities	2,432	2,138

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31 JULY 2024

The lease liabilities components are analysed as follows:

	The Group	
	2024	**2023**
	RM'000	**RM'000**
		(Restated)
Current	912	870
Non-Current	1,520	1,268
	2,432	2,138

The Group leases leasehold land, leasehold buildings, land use rights, advertising sites and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The average effective interest rates of the Group and for lease ranges from 2.27% to 3.70% (2023: 2.27% to 4.03%) per annum.

33. BORROWINGS

	The Group	
	2024	**2023**
	RM'000	**RM'000**
Secured		
Share margin financing	6,419	3,515
Invoice financing	205	2,493
Bankers' acceptance	-	311
Term loans	39,925	54,950
Bank overdrafts	2,007	-
	48,556	61,269
Non-Current		
Term loans	27,552	36,724
Current		
Share margin financing	6,419	3,515
Invoice financing	205	2,493
Bankers' acceptance	-	311
Term loans	12,373	18,226
Bank overdrafts	2,007	-
	21,004	24,545
	48,556	61,269

The weighted average effective interest rates for bank borrowings (per annum) as at reporting date are as follows:

	The Group	
	2024	**2023**
	%	**%**
Share margin financing	6.75 - 7.00	4.73 - 5.46
Invoice financing	5.95 - 6.70	2.04 - 6.72
Bankers' acceptance	3.91 - 5.45	5.19 - 5.28
Term loans	3.80 - 6.75	2.00 - 6.17

The bank borrowings are secured by way of:

(i) Corporate guarantee of the Company and a subsidiary company;
(ii) Legal charge over freehold land, freehold buildings and land use rights of certain subsidiary companies;
(iii) First party specific debenture by way of fixed charge to be created over certain subsidiary company's freehold buildings, plant and machinery and capital expenditure in progress; and
(iv) First/third party deed of assignment and charge over the Finance Service Reserve Account ("FSRA") of a subsidiary company.

34. TRADE PAYABLES

Credit terms of trade payables of the Group and of the Company ranged from 30 to 90 days (2023: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

35. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000 (Restated)**	**RM'000**	**RM'000**
Other payables	2,647	3,492	22	71
Deposits payable	1	1	-	-
Accruals	9,209	9,995	401	348
Value-added tax and Sales and service tax payable	-	142	-	-
	11,857	13,630	423	419

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31 JULY 2024

36. CONTRACT LIABILITIES

	The Group	
	2024	**2023**
	RM'000	**RM'000**
Contract liabilities		
Advances received	439	1,028

Contract liabilities consist of advances received from customers for rendering services and manufacturing orders.

When the Group receives advances before the advertising/manufacturing activities commence, this will give rise to contract liabilities at the start of a contract. The advances will be reversed and recognised as revenue upon the satisfaction of the performance obligation within the contract.

All advance billing received amounting to RM438,606 (2023: RM1,027,923) are expected to be billed and recognised as revenue upon the satisfaction of the performance obligation within one year.

37. RELATED PARTY TRANSACTIONS

(a) Identify related parties

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

Related parties also include key management personnel. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel of the Group and the Company include the Executive Directors of the Company.

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(b) Significant related party transactions and balances

	Note	The Company 2024 RM'000	The Company 2023 RM'000
Transactions with subsidiary companies			
Management fee		3,721	3,829
Interest income		656	664

	Note	The Company 2024 RM'000	The Company 2023 RM'000
Amount due from subsidiary companies			
Non-trade balances	(i)	52,297	29,369
Less: Accumulated impairment loss			
As at 1 August		(12)	(4)
Impairment loss recognised		-	(8)
As at 31 July		(12)	(12)
		52,285	29,357
Amount due to subsidiary companies			
Non-trade balances	(ii)	3,196	4,474

(i) These non-trade balances represent unsecured, interest bearing at 3.70% to 5.85% (2023: 3.28% to 5.41%) per annum and are receivable on demand.

(ii) These non-trade balances represent unsecured, non-interest bearing and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

(c) Compensation of directors

Directors' remuneration of the Group and of the Company during the financial year is as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors of the Company:				
Executive directors				
Fees	194	179	-	-
Salaries and other emoluments	306	420	140	-
Defined contribution plans	32	28	17	-
	532	627	157	-
Directors of the Company				
Non-Executive directors				
Fees	96	94	96	94
Salaries and other emoluments	250	101	-	-
Defined contribution plans	30	-	-	-
	376	195	96	94
Directors of subsidiary companies:				
Directors				
Fees	-	10	-	-
Salaries and other emoluments	235	229	-	-
Defined contribution plans	-	-	-	-
	235	239	-	-
Total directors' remuneration	1,143	1,061	253	94

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

			Non-cash changes				
	As at 1 August RM'000	Financing cash flows (i) RM'000	Addition of lease RM'000	Modification of lease term RM'000	Termination of lease term RM'000	Foreign exchange adjustments RM'000	As at 31 July RM'000
The Group							
2024							
Term loans	54,950	(15,025)	-	-	-	-	39,925
Lease liabilities	2,138	(771)	961	883	(779)	-	2,432
Bankers' acceptance	311	(311)	-	-	-	-	-
Invoice financing	2,493	(2,288)	-	-	-	-	205
Share margin financing	3,515	2,904	-	-	-	-	6,419
	63,407	(15,491)	961	883	(779)	-	48,981
2023 (Restated)							
Term loans	66,044	(11,256)	-	-	-	162	54,950
Lease liabilities	1,720	(924)	1,509	25	(192)	-	2,138
Bankers' acceptance	2,453	(2,142)	-	-	-	-	311
Invoice financing	9,085	(6,592)	-	-	-	-	2,493
Share margin financing	-	3,515	-	-	-	-	3,515
	79,302	(17,399)	1,509	25	(192)	162	63,407

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	As at 1 August RM'000	Financing cash flows (i) RM'000	As at 31 July RM'000
The Company			
2024			
Amount due to subsidiary companies	4,474	(1,278)	3,196
2023			
Amount due to subsidiary companies	4,371	103	4,474

(i) The financing cash flows include the net amount of drawdown from and repayments of borrowings in the statements of cash flows.

39. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial assets				
Fair value through other comprehensive income				
Other investments	573	638	573	638
Fair value through profit or loss				
Other investments	80,204	72,495	663	604

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 JULY 2024

	The Group		The Company	
	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
Financial assets				
Amortised cost				
Trade receivables	26,496	54,172	-	-
Other receivables and deposits	2,912	2,039	3	3
Amount due from subsidiary companies	-	-	52,285	29,357
Deposits with financial institutions	15,887	8,985	9,115	754
Cash and bank balances	68,937	58,369	9,299	380
Financial liabilities				
Amortised cost				
Trade payables	5,468	7,474	-	-
Other payables and accruals	11,857	13,488	423	419
Amount due to subsidiary companies	-	-	3,196	4,474
Lease liabilities	2,432	2,138	-	-
Borrowings	48,556	61,269	-	-

(b) **Financial risk management objectives and policies**

The Group and the Company are exposed to financial risk arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of those risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company that may arise if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk mainly arises from trade receivables, other receivables and deposits; whereas the Company's exposure to credit risk arises mainly from deposits, amount due from subsidiary companies and financial guarantees given to financial institutions.

The management has in place a credit procedure to monitor and minimise the exposure of default. Receivables are monitored on a regular and an ongoing basis. Credit evaluations are performed on all customers requiring credit over certain amount.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's maximum exposure to credit risk except for financial guarantees provided to financial institutions for banking facilities granted to certain subsidiary companies. The Group's maximum exposure in this respect is RM1,297,361 (2023: RM2,927,269) while the Company's maximum exposure in this respect is RM 39,737,165 (2023: RM50,656,864) representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

For cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company provides advances to subsidiary companies and monitors the results of the subsidiary companies regularly.

Concentration profile

Concentration of credit risk arises when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Group monitors various portfolios to identify and assess risk concentration.

As at the end of the financial year, the Group has no major customers accounted for more than 10% of the total trade receivables outstanding.

Exposure to credit risk

The carrying amount of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's and the Company's maximum exposure to credit risk in relation to financial assets. No financial assets carry a significant exposure to credit risk.

In addition, the Group and the Company are exposed to credit risk in relation to financial guarantees given to financial institutions. The financial guarantees have not been recognised in the financial statements since the fair value on initial recognition was deemed immaterial as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies. The maximum exposure to credit risk in relation to the financial guarantees contract is as disclosed in Note 40.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting its obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from trade payables, other payables and accruals, bank borrowings and lease liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis.

The Group and the Company maintain sufficient liquidity and available funds of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. The Group and the Company manage liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

<u>Analysis of financial instruments by remaining contractual maturities</u>

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on undiscounted contractual payments:

	On demand within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
The Group						
2024						
Non-derivative financial liabilities						
Trade payables	5,468	-	-	-	5,468	5,468
Other payables and accruals	11,857	-	-	-	11,857	11,857
Lease liabilities	976	855	630	190	2,651	2,432
Borrowings	23,555	8,970	17,910	671	51,106	48,556
Financial guarantee*	1,297	-	-	-	1,297	-
	43,153	9,825	18,540	861	72,379	68,313
2023 (Restated)						
Non-derivative financial liabilities						
Trade payables	7,474	-	-	-	7,474	7,474
Other payables and accruals	13,488	-	-	-	13,488	13,488
Lease liabilities	985	675	439	269	2,368	2,138
Borrowings	27,497	11,197	25,917	5,081	69,692	61,269
Financial guarantee*	2,927	-	-	-	2,927	-
	52,371	11,872	26,356	5,350	95,949	84,369

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	On demand within 1 year RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
The Company			
2024			
Non-derivative financial liabilities			
Other payables and accruals	423	423	423
Amount due to subsidiary companies	3,196	3,196	3,196
Financial guarantee*	39,737	39,737	-
	43,356	43,356	3,619
2023			
Non-derivative financial liabilities			
Other payables and accruals	419	419	419
Amount due to subsidiary companies	4,474	4,474	4,474
Financial guarantee*	50,657	50,657	-
	55,550	55,550	4,893

* Being corporate guarantee for banking facilities for certain subsidiary companies which will only be uncashed in the event of default by these subsidiary companies.

The Company provides unsecured financial guarantees to banks in respect of credit facilities granted to certain subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed immaterial and the probability of the subsidiary companies defaulting on their credit facilities is remote.

The maximum amount of the financial guarantees issued to the banks for subsidiary companies' borrowings is limited to the amount utilised by the subsidiary companies, amounting to RM 39,737,165 as at 31 July 2024 (2023: RM50,656,864). The earliest time any of the financial guarantees can be called upon by the financial institutions is within the next 12 months. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and market price will affect the Group's and the Company's financial position or cash flows.

(a) Foreign currency risk

The Group and the Company exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Chinese Renminbi ("RMB").

The Group and the Company have not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group and the Company will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

Exposure to foreign currency risk

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities which have RM functional currency at the end of the reporting period are as follows:

		Dominated in	
	USD RM'000	**RMB RM'000**	**Total RM'000**
The Group			
2024			
Trade receivables	18,569	4,115	22,684
Other receivables, deposit and prepayments	4	1,635	1,639
Deposits with financial institutions	4,597	-	4,597
Cash and bank balances	40,540	1,253	41,793
Trade payables	(2,481)	(1,688)	(4,169)
Other payables and accruals	(464)	(2,275)	(2,739)
Borrowings	-	(3,200)	(3,200)
	60,765	(160)	60,605

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

		Dominated in	
	USD RM'000	**RMB RM'000**	**Total RM'000**
2023			
Trade receivables	42,680	5,645	48,325
Other receivables, deposit and prepayments	463	422	885
Deposits with financial institutions	4,550	-	4,550
Cash and bank balances	42,551	492	43,043
Trade payables	(1,778)	(3,232)	(5,010)
Other payables and accruals	(430)	(2,778)	(3,208)
Borrowings	(1,755)	(4,781)	(6,536)
	86,281	(4,232)	82,049

	Dominated in USD RM'000
The Company	
2024	
Cash and bank balances	29
2023	
Cash and bank balances	27

Foreign currency sensitivity analysis

The following table details the sensitivity to a 10% increase and decrease in the Ringgit Malaysia against USD and RMB. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel. A positive number below indicates a profit where the Ringgit Malaysia strengthens 10% against USD/RMB and vice versa.

	Change in currency rate	**Effect on profit before tax RM'000**
The Group		
2024		
USD/MYR	Strengthened 10%	6,077
	Weakened 10%	(6,077)
RMB/MYR	Strengthened 10%	(16)
	Weakened 10%	16

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	Change in currency rate	Effect on profit before tax RM'000
The Group		
2023		
USD/MYR	Strengthened 10%	8,628
	Weakened 10%	(8,628)
RMB/MYR	Strengthened 10%	(423)
	Weakened 10%	423
The Company		
2024		
USD/MYR	Strengthened 10%	3
	Weakened 10%	(3)
2023		
USD/MYR	Strengthened 10%	3
	Weakened 10%	(3)

(b) Interest rate risk

The Group's and the Company's deposits with financial institutions and bank borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rates of the borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short-term and long-term deposits.

The Group and the Company manage its interest rate risk exposure from interest-bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

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

	2024 RM'000	2023 RM'000 (Restated)
The Group		
Fixed rate instruments		
Financial asset		
Deposits with financial institutions	15,887	8,985
Fixed rate instruments		
Financial liabilities		
Lease liabilities	2,432	2,138
Bankers' acceptance	-	311
Invoice financing	205	2,493
Bank overdrafts	2,007	-
	4,644	4,942
Floating rate instruments		
Financial liabilities		
Share margin financing	6,419	3,515
Term loans	39,925	54,950
	46,344	58,465
The Company		
Fixed rate instruments		
Financial asset		
Deposits with financial institutions	9,115	754

Interest rate risk sensitivity analysis

Sensitivity analysis is not disclosed for fixed rate instruments as fixed rate instruments are not exposed to interest rate risk and are measured at amortised cost.

A change in 0.25% interest rate at the end of the reporting period would have (decreased)/increased the Group's (loss)/profit before tax by RM115,860 (2023: RM146,162), arising mainly as a result of (lower)/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

(c) Market price risk

The group is exposed to equity price risk arising from investment in quoted shares.

Equity price risk sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

A RM0.01 increase/(decrease) in equity prices would have decreased or increased the Group's (loss)/profit before tax by RM795,404 (2023: RM718,914) as a result of the changes in fair value of the investments in quoted shares.

(c) Fair values of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and bank borrowings except term loans approximate their fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The fair values of quoted equity investments are measured at fair value in the statements of financial position as at the end of the reporting period using Level 1 inputs for the purpose of fair value hierarchy based on the published price quotations in an active stock market. The fair values of unquoted equity investments are measured at fair value using adjusted net asset method in the statements of financial position as at the end of the reporting period. The fair value of unquoted equity investment is classified within Level 3 of the fair value hierarchy due to the unobservable inputs used for the purpose of fair value measurement.

The fair value of lease liabilities is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the financial reporting period.

The carrying amounts of the floating rate term loans approximate their fair values as these instruments bear interest at variable rates.

40. FINANCIAL GUARANTEE

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Bank guarantees issued in favour of third parties granted for utilities	1,297	2,927	-	-
Corporate guarantees to financial institutions for credit facilities granted to subsidiary companies:				
Limit of guarantees	-	-	138,881	117,961
Amount utilised	-	-	39,737	50,657
	1,297	2,927	178,618	168,618

41. MATERIAL LITIGATION

(i) Legal claim against Trans Pacific Textile (M) Sdn. Bhd. ("TPTM")

A subsidiary company of the Company, TPTM received a Notice of Arbitration from Pembinaan Thong Lian Sdn. Bhd. ("PTLSB"). TPTM had engaged PTLSB for the construction of a textile factory and waste-water treatment plant ("Project") via its Letter of Acceptance dated 24 January 2017 and Letter of Supplemental Agreement dated 2 May 2017. As the completion of the Project was behind the original schedule, TPTM was awarded liquidated ascertained damages ("LAD") of RM6.52 million following an adjudication proceeding.

Following the decision of the Adjudicator, PTLSB initiated an Arbitration to claim the following:

(i) LAD of RM6.52 million;
(ii) Retention sum of RM1.51 million;
(iii) Damages suffered for alleged breach of contract by TPTM and the Architect;
(iv) Interest on any sums awarded in the Arbitral tribunal from such date as the Arbitrator deems fit and proper;
(v) Cost of the arbitration; and
(vi) Such other or further reliefs as the Arbitral Tribunal shall deem fit.

TPTM has engaged a legal firm to represent it to defend the claim brought by PTLSB the parties have agreed on the appointment of the sole arbitrator and the first preliminary meeting was conducted on 25 August 2022.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 JULY 2024

All pleadings have been filed by both parties detailing out the position of both parties in this arbitration as well as the common bundles of documents, agreed facts and list of witnesses.

On 22 January 2024, PTLSB had delivered an application to amend their statement of case which was allowed by the Arbitral Tribunal on 31 January 2024. Further, the Arbitral Tribunal had also fixed new deadlines for the parties to exchange the expert reports, witness statements and joint expert report on 23 February 2024, 29 February 2024 and 12 April 2024 respectively.

Following the ruling of the Arbitral Tribunal, TPTM had on 23 February 2024 filed an application under Section 18 of the Arbitration Act 2005 at the High Court to appeal against the said ruling allowing PTLSB to amend its statement of case. In addition, on 18 March 2024, the Arbitral Tribunal had confirmed that the arbitration proceedings are stayed pending the disposal of the application filed by TPTM at the High Court and consequently vacated all hearing dates.

The completion of exchange of Affidavits and filing of Written Submissions took place from April 2024 until end June 2024. The High Court then heard TPTM's application on 1 July 2024 whereby after the Hearing, the High Court had directed parties to produce further legal authorities on or before 12 August 2024 to support their respective arguments and/or positions taken in this proceeding and fixed 21 August 2024 to deliver its Decision. TPTM had produced the said further legal authorities to the High Court on 16 August 2024 (pursuant to an extension of time agreed by the parties and allowed by the High Court).

On 21 August 2024, the High Court had allowed TPTM's application with no order as to costs and further ordered that the ruling of the Arbitral Tribunal dated 31 January 2024 in allowing PTLSB to amend their statement of case be set aside. The High Court also ordered that PTLSB's application be remitted back to the Arbitral Tribunal to be reheard on merits and for both parties to be provided with the right to file full and proper legal submissions before any ruling is given by the Arbitral Tribunal.

The sealed High Court Order was duly served on the Arbitral Tribunal on 3 September 2024 upon its extraction from the High Court's registry to which the Arbitral Tribunal was notified of the Court's directions for the application to be reheard on merits. In this regard, the Arbitral Tribunal on 13 November 2024 had given the following directions: (i) For PTLSB to deliver its legal submissions by 27 November 2024, (ii) For TPTM to deliver its reply submissions by 11 December 2024, (iii) For PTLSB to respond to TPTM's reply submissions by 26 December 2024 and (iv) For TPTM to reply further to PTLSB's response submissions by 9 January 2024 (only if there are new issues/arguments being raised by PTLSB).

The Directors of the Company do not expect the outcome of the action to have a material effect on our Group's financial position. Furthermore, the solicitors having conduct of the matter are of the opinion that there is a more than equal chance for success on the primary defences and the heads of TPTM's claims in the counterclaim.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

(ii) Writ of Summons and Statement of Claim (Suit No.: JA-22NCC-48-07/2024) ("Suit 48")

Techbase Industries Berhad ("Company") and its subsidiary companies, namely Honsin Apparel Sdn Bhd, HiQ Media (Malaysia) Sdn Bhd and Laser Capital Holdings Sdn Bhd were served on 12 July 2024 with a Writ of Summons and a Statement of Claim both dated 4 July 2024. The Company was named as the 4th Defendant, Honsin Apparel Sdn Bhd was named as the 2nd Defendant, HiQ Media (Malaysia) Sdn Bhd was named as the 3rd Defendant, and Laser Capital Holdings Sdn Bhd was named as the 14th Defendant. The action was commenced by Mah Sau Cheong ("Plaintiff") through his solicitors, Messrs. Alfred Lai & Partners.

Based on the Statement of Claim, it was alleged that the 2nd, 3rd, 4th and 14th Defendants together with others are persons acting in concert pursuant to section 216 of the Capital Markets and Services Act 2007 ("CMSA") and Rule 4.03 of the Rules on Take-Overs, Mergers and Compulsory Acquisitions and they have allegedly conspired with others to breach section 176 of CMSA and section 202 of CMSA and to injure and cause harm to all the other shareholders of South Malaysia Industries Berhad, the 1st Defendant, including the Plaintiff.

The relief claimed by the Plaintiff are as below: -

(i) The 2nd to 30th Defendants jointly and severally pay to the Plaintiff a sum of RM24,084,036 for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the 1st Defendant (16,056,024 ordinary shares) at the price of RM1.50 per share.

(ii) Alternatively, the 2nd to 30th Defendants jointly and severally pay for the Plaintiff a sum of RM17,019,385 for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the 1st Defendant (16,056,024 ordinary shares) at the price of RM1.06 per share.

(iii) Alternatively, the 2nd to 30th Defendants jointly and severally pay to the Plaintiff general damages to be assessed by the High Court of Malaya at Johor Bahru ("Court") for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the 1st Defendant (16,056,024 ordinary shares).

(iv) Alternatively, the 2nd to 30th Defendants jointly and severally pay to the Plaintiff general damages to be assessed by the Court for the losses suffered by the Plaintiff due to the depressed mandatory general offer price in the event that the 2nd to 30th Defendants were ordered to make a mandatory general offer to all the other remaining shareholders of the 1st Defendant, including the Plaintiff.

(v) Costs to be paid by the 2nd to 30th Defendants jointly and severally to the Plaintiff.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

(vi) Such further and/or other relief or reliefs that the Court deems fit and proper.

The action is fixed for case management on 10 December 2024.

On 26 August 2024, the Plaintiff filed a Notice of Application dated 26 August 2024 (Injunction Application) with a certificate of urgency for, among others, the following orders:

(i) an Order that the 2nd Defendant, the 3rd Defendant, 16th Defendant, 28th Defendant, 29th Defendant and/or 30th Defendant, either by themselves, their directors, officers, employees and/or agents, be restrained and an injunction be granted to restrain them from taking any further step under the Notice of Unconditional Mandatory Take-over Offer dated 20 August 2024 to acquire shares in the 1st Defendant until the Suit is disposed or until further order; and

(ii) an Order that the 1st Defendant, either by itself, its directors, officers, employees and/or agents, be restrained and an injunction be granted to restrain them from taking any further step under the Notice of Unconditional Mandatory Take-over Offer dated 20 August 2024 until the Suit is disposed or until further order.

On 5 September 2024, the matter was mentioned before the learned Judicial Commissioner, Tuan Noor Hisham bin Ismail ("JC"). Counsel for the Plaintiff objected to the request by Counsel for the Securities Commission Malaysia ("SC") to appear as amicus curiae. After hearing parties, the learned JC allowed Counsel for the SC to participate in the proceedings as amicus curiae. After hearing oral arguments of Counsel, the learned JC refused to grant an ad interim injunction order sought by the Plaintiff.

The Injunction Application is fixed for hearing on 27 October 2024.

On 8 September 2024, the 1st Defendant filed a Notice of Application dated 8 September 2024 ("Application for Consequential Orders/Further Directions") seeking for the following consequential Orders and/or directions from the Court:

(i) whether arising from the Order or decision dated 5 September 2024, the 1st Defendant is not to proceed and/or take any further steps as set out in the Notice of Unconditional Mandatory Take-Over Offer dated 20 August 2024 until the full and final disposal of the Suit or the Injunction Application whichever is appropriate; and

(ii) in the alternative, that the 1st Defendant is to proceed with and/or take any further steps as set out in the Notice of Unconditional Mandatory Take-Over Offer dated 20 August 2024 until full and final disposal of the Suit or the Injunction Application, whichever is appropriate.

On 26 September 2024, SC filed an application to intervene in Suit 48 ("Intervention Application").

On 27 September 2024, the 28th to 30th Defendants filed an application to transfer the proceedings from Johor Bahru High Court to Kuala Lumpur High Court ("Transfer Application").

The Intervention Application is fixed for hearing on 10 November 2024.

The Transfer Application is fixed for hearing on 29 April 2025.

The Suit 48, Injunction Application and Application for Consequential Orders/Further Directions are fixed for case management on 22 January 2025.

On 10 November 2024, the Court rescheduled the hearing of the Intervention Application to 11 December 2024 as the 26th and 27th Defendants have not entered appearance.

42. CAPITAL MANAGEMENT

The objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Group's overall strategy remains unchanged during the current financial period.

The capital structure of the Group consists of debt (as disclosed in Notes 26, 32 and 33) and equity (as disclosed in Notes 24, 26, 27, 30 and 31).

Gearing Ratio

	The Group	
	2024	**2023 (Restate)**
	RM'000	**RM'000**
Debt	49,137	63,407
Less: Deposits with financial institutions and cash and bank balances	(84,824)	(67,354)
Net debts	(35,687)	(3,947)
Equity	317,815	304,750
Gearing ratio (%)	N/A	N/A

N/A - the gearing ratio may not provide a meaningful indicator of the risk of borrowings.

Debt consists of bank borrowings excluding bank overdrafts, ICULS liabilities component and lease liabilities. Debt to equity ratio is not applicable to the Company as the Company has no net debts at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 JULY 2024

43. PRIOR YEARS' ADJUSTMENTS AND RECLASSIFICATION

In preparing the consolidated financial statements of the Group and of the Company for the financial year ended 31 July 2024, the directors had noted its previously issued financial statements of the Group and of the Company were incorrect. The amounts presented in the financial statements of the Group and of the Company in respect of the year ended 31 July 2023 have been restated to correct those errors identified.

(i) Certain inter-companies' transactions were not derecognised upon the deconsolidation from the disposal of subsidiary companies in prior year resulting in the understatement of property, plant and equipment, right-of-use assets, retained profits and overstatement of statutory reserve, non-controlling interest, deferred tax liabilities.

(ii) A subsidiary company did not account for right-of-use assets for leasing of premises and has expensed off to cost of sales and administrative expenses during the financial year ended 31 July 2022 and 31 July 2023. As a result, there is an understatement of right-of-use assets and lease liabilities as at 31 July 2022 and 31 July 2023 as well as overstatement of the cost of sales and administrative expenses for the financial year ended 31 July 2022 and 31 July 2023.

Other than the above mentioned, certain comparative figures in prior years' Group's statement of profit or loss and other comprehensive income as shown below have been reclassified to enhance comparability with current year's presentation. As a result, certain line items have been amended on the face of the Group's statement of profit or loss and other comprehensive income.

The effects of the restatements to the financial statements of the Group and of the Company are summarised as below:

	As previously stated RM'000	Prior year adjustments RM'000	As restated RM'000
The Group			
Statement of financial position as at 31 July 2022			
Non-Current Assets			
Property, plant and equipment	172,395	576	172,971
Right-of-use assets	14,872	1,643	16,515

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

	As previously stated RM'000	Prior year adjustments RM'000	As restated RM'000
Capital and Reserves			
Reserves	7,902	(376)	7,526
Non-controlling interests	30,162	(154)	30,008
Retained earnings	144,549	3,110	147,659
Non-Current Liabilities			
Deferred tax liabilities	833	(310)	523
Lease liabilities	817	36	853
Current Liabilities			
Other payables and accruals	19,017	(100)	18,917
Lease liabilities	854	13	867
Statement of financial position as at 31 July 2023			
Non-Current Assets			
Property, plant and equipment	166,793	577	167,370
Right-of-use assets	14,399	2,234	16,633
Deferred tax assets	-	216	216
Capital and Reserves			
Reserves	9,446	(376)	9,070
Non-controlling interests	29,519	(154)	29,365
Retained earnings	166,638	3,099	169,737
Non-Current Liabilities			
Deferred tax liabilities	95	(95)	-
Lease liabilities	900	368	1,268
Current Liabilities			
Other payables and accruals	13,729	(99)	13,630
Lease liabilities	586	284	870
Statement of profit or loss and other comprehensive income for the financial year ended 31 July 2023			
Cost of sales	(191,252)	7	(191,245)
Other operating income	30,191	475	30,666
Administrative expenses	(23,201)	(474)	(23,675)
Finance costs	(3,999)	(19)	(4,018)

NOTES TO THE FINANCIAL STATEMENTS *cont'd*
31 JULY 2024

44. SUBSEQUENT EVENTS

On 20 August 2024, the Company's subsidiaries, Honsin Apparel Sdn. Bhd. ("Honsin") and HiQ Media (Malaysia) Sdn. Bhd. ("HiQ") entered into a collaboration agreement with Target 1 Sdn. Bhd. ("T1") (collectively known as the "Parties"). Upon the execution of the Collaboration Agreement, Honsin and HiQ will be classified as persons acting in concert ("PAC") with T1 and have collectively own more than 33% shares of South Malaysia Industries Berhad ("SMI"), thereby triggering the obligation to extend a mandatory general offer to acquire all the remaining shares in SMI not owned by the Parties as well as the other PAC of the Parties (if any).

The Collaboration Agreement will not have any effect on the share capital and substantial shareholders' shareholdings of the Company.

The Collaboration Agreement is not expected to have any material immediate effect on the earnings per share, net assets per share and gearing for the financial year ending 31 July 2025.

TOP 10 PROPERTIES HELD BY THE GROUP
31 JULY 2024

No	Company	Location	Description	Land area/ built up area	Existing use	Tenure (approximate age of building)	Carrying Amount as at 31 July 2024 (RM'000)	Year of acquisition/ revaluation
1	Trans Pacific Textile (M) Sdn Bhd	GRN 562708, Lot 88901 (aka PTD 94657), Mukim Kluang, Kluang, Johor.	A textile factory cum office with boiler house and waste water treatment plant	107,780 metre^2 (49,756 metre^2)	Factory and office	Freehold (6 years)	70,049	2016
2	Trans Pacific Textile (VN) Co., Ltd	Lot No. 125 & 126, Long Jiang Industrial Park, Tan Lap 1 Commune, Tan Phuoc District, Tien Giang Province, Vietnam.	Land	61,950 metre^2	Vacant	Leasehold 41 years expiring on 26.11.2057	10,929	2016
3	Honsin Apparel Sdn Bhd	Lot 590 (New Lot 2596) Mukim of Simpang Kanan, Batu Pahat, Johor.	An apparel factory cum office with storage building	12,147 metre^2 (14,683 metre^2)	Factory and office	Freehold (24 1/2 years to 28 years)	9,207	2010*
4	Novel Realty Sdn Bhd	Lot 1606 GM 16, Mukim of Tanjung Kupang, Kg Pok Kechil Tanjung Kupang, Johor Bahru, Johor.	Land	27,797 metre^2	Vacant	Freehold	8,657	2013
5	Plas Industries Sdn Bhd	Plot No. 255 (iii), Kawasan Perusahaan Mak Mandin, Mukim 14, Seberang Perai Utara, Pulau Pinang.	3 storey factory and a single-storey factory with an annexed two storey office block in front	6,898 metre^2 (8,769 metre^2)	Factory, warehouse and office	Leasehold 60 years expiring on 21.2.2052 (24 years)	7,437	2010*
6	Honways Apparel Shuyang Limited	Land Certification No. 27141, Property Certification No. 0013753, Shuyang Development Zone, Jiangsu, China.	A factory with 14 units of buildings	26,667 metre^2 (21,157 metre^2)	Factory, office, hostel, canteen and warehouse	Leasehold 50 years expiring on 16.11.2055 (8 to 17 years)	6,816	2010
7	Trans Pacific Textile (M) Sdn Bhd	HS(D) 88338 PTD 105280 (aka Lot 5476), Mukim Kluang, Kluang, Johor.	Land	34,606 metre^2	Waste-water treatment plant	Freehold	4,024	2017
8	Novel Realty Sdn Bhd	Lot 6631, Mukim of Sri Gading, Batu Pahat, Johor	Land	9,769 metre^2	Vacant	Freehold	1,240	2013
9	Trans Pacific Textile (M) Sdn Bhd	Lot 59507 No.3, Jalan 3/10, Taman Sri Kluang, 86000 Kluang, Johor.	Double storey bungalow	595 metre^2 (530 metre^2)	Management hostel	Freehold (30 years)	784	2018
10	Trans Pacific Textile (M) Sdn Bhd	Lot 37273, No.6, Jalan Malinja 6, Kawasan Perindustrian Matahari, 86000 Kluang, Johor.	Factory lot	683 metre^2 (405 metre^2)	Worker Hostel	Freehold (30 years)	754	2018

* Years of revaluation

At the date of transition to MFRSs in the financial year ended 31 July 2013, the Group and the Company had elected to apply optional exemption to use the previous revaluation of the said assets, adjusted for depreciation (if any) as deemed costs under MFRSs. Upon transition to MFRSs, the Group and the Company had elected to measure all its property, plant and equipment using the cost model under MFRS 116, Property, Plant and Equipment.

ANALYSIS OF SHAREHOLDINGS
AS AT 30 OCTOBER 2024

Total Issued Share	:	300,362,788 Ordinary Shares (excluding 809,200 treasury shares)
Types of Shares	:	Ordinary Share
Voting Rights	:	One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 OCTOBER 2024
(as shown in the Record of Depositors)

Size of Shareholdings	No. of Shareholders	No. of Shares	Percentage of Shareholdings (%)
1 to 99	306	12,023	*
100 to 1,000	436	199,764	0.07
1,001 to 10,000	2,066	11,328,143	3.77
10,001 to 100,000	2,215	73,549,000	24.49
100,001 to less than 5% of issued shares	369	194,275,458	64.68
5% and above of issued shares	1	20,998,400	6.99
Total	**5,393**	**300,362,788**	**100.00**

* *Negligible*

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 30 OCTOBER 2024

		Direct Interest		Indirect Interest	
	Names	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1.	Datuk Au Yee Boon	11,100,200	3.70	4,923,500 [(a)]	1.64
2.	Datuk Low Chin Koon	-	-	-	-
3.	Lee Boon Siong	-	-	-	-
4.	Tan Chin Yong	-	-	-	-
5.	Au Yee Soon	-	-	-	-
6.	Datin Lim Lee Wheng	-	-	11,100,200 [(b)]	3.70

SUBSTANTIAL SHAREHOLDER AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 OCTOBER 2024

		Direct Interest		Indirect Interest	
	Names	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1.	DATUK AU YEE BOON	11,100,200	3.70	4,923,500 [(a)]	1.64
2.	YI-LAI INDUSTRY BERHAD	28,498,400	9.49	-	-
3.	YI-LAI MARKETING SDN BHD	20,405,000	6.79	-	-
4.	YB VENTURES BERHAD	-	-	48,903,400 [(c)]	16.28

[(a)] *Deemed interested by virtue of his interest in Techbase Solution Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

[(b)] *Deemed interested by virtue of the interest of her spouse, Datuk Au Yee Boon pursuant to Section 59(11)(c) of the Companies Act 2016.*

[(c)] *Deemed interested by virtue of its interest in Yi-Lai Industry Bhd and Yi-Lai Marketing Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

ANALYSIS OF SHAREHOLDINGS *cont'd*
AS AT 30 OCTOBER 2024

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 OCTOBER 2024

	Names	No. of Shares	Percentage of Shareholdings (%)
1.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YI-LAI INDUSTRY BERHAD*	20,998,400	6.99
2.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YI-LAI MARKETING SDN BHD*	13,117,800	4.37
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON*	11,100,200	3.70
4.	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR YI-LAI INDUSTRY BERHAD (SMART)*	7,500,000	2.50
5.	PHILLIP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YI-LAI MARKETING SDN BHD*	7,287,200	2.43
6.	KENANGA NOMINEES (TEMPATAN) SDN BHD *RAKUTEN TRADE SDN BHD FOR KHOR CHONG YAK*	7,258,300	2.42
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TECHBASE SOLUTION SDN BHD*	4,923,500	1.64
8.	GOO MOI	4,093,100	1.36
9.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LAU HOCK LEE*	4,089,300	1.36
10.	LIM SIOK HWA	3,950,000	1.32
11.	MOHD JOHAR BIN ARIF	3,560,000	1.19
12.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *SIA BOON HUAT*	3,129,700	1.04
13.	TA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YAP KIM CHOO*	2,762,550	0.92
14.	LIM HOEI BOON	2,648,930	0.88
15.	MOK SEEN TOH	2,070,500	0.69
16.	KESAVAN A/L S SUNDRAM	2,000,000	0.67
17.	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR FOO WEI SENG (E-SGM)*	1,852,100	0.62
18.	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR KHADMUDIN BIN MOHAMED RAFIK*	1,773,300	0.59
19.	GEE HIN ENGINEERING SDN BHD	1,709,300	0.57
20.	QUEK PHAIK IM	1,700,000	0.57
21.	ER SOON PUAY	1,639,500	0.55
22.	LEE KOK HOONG	1,500,050	0.50
23.	CHUA CHEE SENG	1,500,000	0.50
24.	LOW HING NOI	1,500,000	0.50
25.	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR QUEK PHAIK IM (E-KLC)*	1,410,000	0.47
26.	LIM KIM CHAN	1,369,000	0.46
27.	CARTABAN NOMINEES (ASING) SDN BHD *EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD*	1,304,400	0.43
28.	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHONG SOON WENG (E-IMO)*	1,300,000	0.43
29.	LEE ENG GEE	1,250,000	0.42
30.	ISHAK BIN MD SAID	1,200,000	0.40

ANALYSIS OF WARRANTS B
AS AT 30 OCTOBER 2024

Total Issued Warrants : 133,585,898 Warrants B
Total Outstanding Warrants : 133,585,898 Warrants B

DISTRIBUTION OF WARRANTS B AS AT 30 OCTOBER 2024
(as shown in the Record of Depositors)

Size of Warrant Holdings	No. of Warrant Holders	No. of Warrants	Percentage of Warrants (%)
Less than 100	924	44,583	0.03
100 to 1,000	513	251,548	0.19
1,001 to 10,000	1,556	6,720,536	5.03
10,001 to 100,000	820	28,794,376	21.55
100,001 to less than 5% of issued shares	210	89,573,755	67.05
5% and above of issued shares	1	8,201,100	6.14
Total	**4,024**	**133,585,898**	**100.00**

THIRTY LARGEST WARRANTS B HOLDERS AS AT 30 OCTOBER 2024
(as shown in the Record of Depositors)

	Names	No. of Warrants	Percentage of Warrants (%)
1.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD) *PLEDGED SECURITIES ACCOUNT FOR LAU HOCK LEE (7000365)*	8,201,100	6.14
2.	OOI CHONG LIP	4,000,000	2.99
3.	TAN KAH CHUN	3,426,500	2.57
4.	CHONG VINCENT	3,366,700	2.52
5.	LIEW JUAN XIAN	2,671,600	2.00
6.	ER SOON PUAY	2,276,000	1.70
7.	PHILLIP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR GOH KIM CHOON*	2,131,200	1.60
8.	ROHAZIFAH BINTI SAMSUDIN	2,025,000	1.52
9.	LIM HOEI BOON	1,824,465	1.37
10.	KONG OON CHEE	1,500,000	1.12
11.	NGU TECK PING	1,500,000	1.12
12.	KENANGA NOMINEES (TEMPATAN) SDN BHD *RAKUTEN TRADE SDN BHD FOR ER SOON PUAY*	1,488,300	1.11
13.	TAN WEI MIN	1,429,800	1.07
14.	TA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YAP KIM CHOO*	1,381,275	1.03
15.	CHIN TAI YING	1,355,700	1.01
16.	LIM KIM CHAN	1,334,500	1.00
17.	GOH HONG HWA	1,263,800	0.95

ANALYSIS OF WARRANTS B *cont'd*
AS AT 30 OCTOBER 2024

THIRTY LARGEST WARRANTS B HOLDERS AS AT 30 OCTOBER 2024
(as shown in the Record of Depositors)

	Names	No. of Warrants	Percentage of Warrants (%)
18.	WONG LEE ING	1,188,500	0.89
19.	YIO KIM SIM	1,110,600	0.83
20.	SIM YEN CHEW	1,107,000	0.83
21.	LAU HOCK LEE	1,000,000	0.75
22.	LIM KEAN GHEE	1,000,000	0.75
23.	TAN SWEE GUAN	1,000,000	0.75
24.	CHEONG KEAN KONG	995,400	0.75
25.	KENANGA NOMINEES (TEMPATAN) SDN BHD	913,000	0.68
26.	WEE LEE ENG	800,100	0.60
27.	CHU ENG HOCK	800,000	0.60
28.	HLIB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN HAI YIEW (CCTS)*	800,000	0.60
29.	PUA KOCK BOON @ PHUA KOCK BOON	800,000	0.60
30.	LIM BENG CHEONG	770,000	0.58

DIRECTORS' INTEREST IN WARRANTS B AS AT 30 OCTOBER 2024
(as per the Register of Directors' Warrant Holdings)

None of the Directors hold any Warrants B in the Company.

ANALYSIS OF 5-YEAR 0.10% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK ("ICULS")

AS AT 30 OCTOBER 2024

Total Issued ICULS	:	780,342,595 ICULS
Total Outstanding ICULS	:	709,791,495 ICULS

DISTRIBUTION OF ICULS HOLDINGS AS AT 30 OCTOBER 2024
(as shown in the Record of Depositors)

Size of ICULS Holdings	No. of ICULS Holders	No. of ICULS	Percentage of ICULS (%)
1 to 99	0	0	-
100 to 1,000	7	2,300	- *
1,001 to 10,000	25	169,100	0.02
10,001 to 100,000	201	10,162,175	1.43
100,001 to less than 5% of issued shares	211	287,439,920	40.50
5% and above of issued shares	4	412,018,000	58.05
Total	**448**	**709,791,495**	**100.00**

* *Negligible*

THIRTY LARGEST ICULS HOLDERS AS AT 30 OCTOBER 2024
(as shown in the Record of Depositors)

	Names	No. of ICULS	Percentage of ICULS (%)
1.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YI-LAI INDUSTRY BERHAD*	159,992,000	22.54
2.	PHILLIP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YI-LAI MARKETING SDN BHD*	113,936,000	16.05
3.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YI-LAI MARKETING SDN BHD (7004625)*	85,589,000	12.06
4.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON*	52,501,000	7.40
5.	TYE LIM HUAT	32,000,000	4.51
6.	LIM KIAN WAT	20,151,500	2.84
7.	OOI CHIN HOCK	16,335,500	2.30
8.	LIM POH FONG	12,823,900	1.81
9.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR LOH TECK WAH*	10,500,000	1.48
10.	KU LIAN SIN	9,539,800	1.34
11.	CHONG TECK SENG	9,477,300	1.34
12.	LIM POH FONG	8,623,900	1.21
13.	NG CHIN KIONG	8,200,000	1.16
14.	NG SHI ZHI	8,000,000	1.13
15.	LOW HING NOI	7,500,000	1.06
16.	NG CHEE LAI	6,466,600	0.91

ANALYSIS OF 5-YEAR 0.10% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK ("ICULS") *cont'd*

AS AT 30 OCTOBER 2024

THIRTY LARGEST ICULS HOLDERS AS AT 30 OCTOBER 2024
(as shown in the Record of Depositors)

	Names	No. of ICULS	Percentage of ICULS (%)
17.	TAN SU HANG	6,005,000	0.85
18.	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR QUEK PHAIK IM (E-KLC)*	5,000,000	0.70
19.	WANG LEONG KAY	4,500,000	0.63
20.	LUI NAI KEONG	4,400,000	0.62
21.	LEE KOK HOONG	3,640,050	0.51
22.	NG SEA YONG	3,300,000	0.46
23.	MOHD JOHAR BIN ARIF	3,050,000	0.43
24.	KENANGA NOMINEES (TEMPATAN) SDN BHD *RAKUTEN TRADE SDN BHD FOR ER SOON PUAY*	3,000,000	0.42
25.	PUBLIC INVEST NOMINEES (ASING) SDN BHD *EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)*	2,775,000	0.39
26.	SUA TIEN FONG	2,725,800	0.38
27.	KOH ENG POH	2,500,000	0.35
28.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR TEOH SENG NYAP (MY3558)*	2,300,000	0.32
29.	KENANGA NOMINEES (TEMPATAN) SDN BHD *RAKUTEN TRADE SDN BHD FOR KHOR CHONG YAK*	2,257,000	0.32
30.	AU YONG MUN YUE	2,200,000	0.31

DIRECTORS' INTEREST IN ICULS AS AT 30 OCTOBER 2024
(as per the Register of Directors' ICULS Holdings)

		Direct		Indirect	
	Names	No. of ICULS	Percentage (%)	No. of ICULS	Percentage (%)
1.	Datuk Au Yee Boon	52,501,000	7.40	2,117,500 [(a)]	0.30
2.	Datuk Low Chin Koon	-	-	-	-
3.	Lee Boon Siong	-	-	-	-
4.	Tan Chin Yong	-	-	-	-
5.	Au Yee Soon	-	-	-	-
6.	Datin Lim Lee Wheng	-	-	52,501,000 [(b)]	7.40

(a) *Deemed interested by virtue of his interest in Techbase Solution Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

(b) *Deemed interested by virtue of the interest of her spouse, Datuk Au Yee Boon pursuant to Section 59(11)(c) of the Companies Act 2016.*

SHARE BUY-BACK STATEMENT

IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE UP TO 10% OF THE COMPANY'S TOTAL NUMBER OF ISSUED SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

THIS SHARE BUY-BACK STATEMENT IS IMPORTANT AND REQUIRED YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL INDEPENDENT ADVISER IMMEDIATELY.

1. DISCLAIMER STATEMENT

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused this Share Buy-Back Statement ("**Statement**") prior to its issuance and takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

2. INTRODUCTION

At the Thirty-First (31st) Annual General Meeting ("**AGM**") of Techbase Industries Berhad (formerly known as Prolexus Berhad) ("**Techbase**" or the "**Company**") held on 19 January 2024, the Company had obtained a mandate from the shareholders of Techbase ("**Shareholders**") to purchase and/or hold up to ten percent (10%) of total number of issued shares of the Company. The said mandate shall, in accordance with the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), expire at the conclusion of the forthcoming Thirty-Second (32nd) AGM of the Company, unless such mandate is renewed at the forthcoming 32nd AGM.

On 25 November 2024, the Board of Directors of the Company ("**Board**") announced its intention to seek shareholders' approval for the Proposed Renewal of Share Buy-Back Authority. The Proposed Renewal of Share Buy-Back Authority is subject to compliance with Section 127 of the Companies Act 2016 ("**Act**") and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by any relevant authorities at the time of purchase.

The purpose of this Statement is to provide you with the relevant information on the Proposed Renewal of Share Buy-Back Authority and set out the Board's recommendation thereon. In addition, the Company will seek your approval for the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 32nd AGM of the Company.

3. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

3.1 Quantum

The Board proposes to seek the Company's shareholders' approval on the Proposed Renewal of Share Buy-Back Authority for the Company to purchase up to 10% of the total number of issued Shares at any point of time within the period stated in Section 3.2 of this Statement.

As at 30 October 2024, being the latest practicable date ("**LPD**") of this Statement, the Company's issued share capital is RM130,960,224 comprising 301,171,988 ordinary shares (including 809,200 treasury shares) ("**Shares**") and the Company has:-

a) 133,585,898 outstanding Warrants B 2021/2026 expiring on 29 June 2026 ("**Warrants**");

b) 709,791,495 outstanding 5-year, 0.10%, irredeemable convertible unsecured loan stocks ("**ICULS**");

c) up to 171,682,407 Share Grants and ESOS Options which may be granted to eligible directors and employees of the Group pursuant to the maximum allowable amount under the employees' share scheme, which took effect on 4 June 2024 for a period of 5 years ("**ESS**") based on the assumption that 809,200 treasury shares are resold on the open market and all the outstanding ICULS and Warrants as mentioned above are converted/exercised into new Shares.

Based on the above, the maximum number of Shares that may be purchased is as follows:

	Minimum Scenario	**Maximum Scenario**
	No. of Shares	**No. of Shares**
Total number of issued Shares as at the LPD(1)	301,171,988	301,171,988
Less: Treasury Shares	(809,200)	-(5)
Assuming all the outstanding Warrants are exercised(2)	-	133,585,898
Assuming all the outstanding ICULS are converted(3)	-	709,791,495
To be issued pursuant to the ESS(4)	-	171,682,407
	300,362,788	1,316,231,788
Maximum number of Shares that may be purchased	30,036,278	131,623,178

Notes:

(1) *Including 809,200 Shares which are held by the Company as treasury shares as at the LPD.*

(2) *Assuming all the outstanding 133,585,898 Warrants are fully exercised into 133,585,898 new Shares at the exercise price of RM0.41.*

(3) *Assuming all the outstanding 709,791,495 ICULS are converted into 709,791,495 new Shares by surrendering 1 ICULS and paying RM0.15 in cash, which is the difference between the issue price of the ICULS surrendered and the conversion price of RM0.20 for 1 new Share.*

(4) *Assuming 171,682,407 Share Grants and ESOS options granted based on the maximum allowable amount under the ESS are vested and fully exercised into 171,682,407 new Shares.*

(5) *Assuming 809,200 treasury shares are resold in the open market at their respective acquisition prices.*

3.2 Duration

The mandate from the Shareholders for the Proposed Renewal of Share Buy-Back Authority, once approved by the Shareholders, will be effective immediately from the date of the passing of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority at the forthcoming 32nd AGM and will continue to be in force until:

(i) the conclusion of the next AGM of the Company following the 32nd AGM at which such resolution was passed, at which time the said authority will lapse unless the authority is renewed by an ordinary resolution passed at a general meeting of the Company, either unconditionally or subject to conditions; or

SHARE BUY-BACK STATEMENT *cont'd*

(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the Shareholders in a general meeting,

whichever occurs first.

3.3 Source of Funds

The Proposed Renewal of Share Buy-Back Authority will be funded through internally generated funds and/or external borrowings. The maximum amount of funds to be allocated by the Company for purchasing the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority will be subject to the Company's retained profits. The Company's latest audited retained profits as at 31 July 2024 is RM7.0 million.

If funded through internally generated funds, the purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority is not expected to have a material impact on the Company's cash flow. In addition, if the purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority is to be financed through bank borrowings, the Company shall ensure that its repayment capabilities and such repayment will not have a material effect on the Company's cash flow.

3.4 Treatment of the Purchased Shares

Pursuant to Section 127(4) of the Act, the Board may, at its discretion, deal with the Shares so purchased in the following manner:

(i) to cancel the Shares so purchased;

(ii) to retain the Shares so purchased in treasury which is referred to as "treasury shares" under the Act; or

(iii) to retain part of the Shares so purchased as treasury shares and cancel the remainder of the Shares.

Pursuant to Section 127(7) of the Act, where such Shares are held as treasury shares, the Board may, at their discretion:

(i) distribute the Shares as dividends to shareholders;

(ii) resell the Shares or any of the Shares in accordance with the relevant rules of Bursa Securities;

(iii) transfer the Shares, or any of the Shares for the purposes of or under an employees' share scheme;

(iv) transfer the Shares, or any of the Shares as purchase consideration;

(v) cancel the Shares or any of the Shares; or

(vi) sell, transfer or otherwise use the Shares for such other purposes as the minister may by order prescribe.

Upon each purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority, an immediate announcement will be made to Bursa Securities in respect of the intention of the Board to either retain the Shares purchased as treasury shares or cancel them or a combination of both. An immediate announcement will also be made to Bursa Securities of any resale, transfer or cancellation of treasury shares.

In considering how the Shares so purchased will be dealt with, the Directors will take into consideration, amongst others, factors such as the prevailing market price of the Shares, the intrinsic value of the Shares and effects on the Company and subsidiaries' ("**Group**") earnings and net assets.

While the purchased Shares are held as treasury shares, the holder of treasury shares shall not confer:

(i) the right to attend or vote at meetings and any purported exercise of such rights is void; and

(ii) the right to receive dividends or other distribution, whether cash or otherwise, of the Company's assets including any distribution of assets upon winding up of the Company.

In addition, the treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of shares in the Company for any purposes including, without limiting the generality of Section 127(9) of the Act, the provisions of any law or requirements of the Company's Constitution or the Listing Requirements on substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

3.5 Public Shareholding Spread

Any purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the public shareholding spread requirements pursuant to Paragraph 8.02(1) of the Listing Requirements.

Based on the Company's Record of Depositors as at the LPD, the Company's public shareholding spread is approximately 78.26%. The Board will be mindful of ensuring that the minimum public shareholding spread of 25% is met and maintained before implementing any purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

3.6 Purchase Price and Resale or Transfer Price

(i) **Purchase price**

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own Shares on Bursa Securities at a price which is not more than 15% above the weighted average market price of the Shares for the 5 market days immediately before the purchase.

(ii) **Resale or transfer price**

Pursuant to Paragraph 12.18 of the Listing Requirements, the Company may only resell the treasury shares on Bursa Securities or transfer the treasury shares at:

(a) a price which is not less than the weighted average market price for the Shares for the 5 market days immediately before the resale or transfer; or

(b) a discounted price of not more than 5% to the weighted average market price for the Shares for the 5 market days immediately before the resale or transfer provided that:

(1) the resale or transfer takes place not earlier than 30 days from the date of purchase; and

(2) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

SHARE BUY-BACK STATEMENT *cont'd*

4. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The rationale for the Proposed Renewal of Share Buy-Back Authority is as follows:

(i) it allows the Company to take preventive measures against speculation, particularly when the Shares are undervalued which would in turn, stabilise the market price of the Shares and hence, enhance investors' confidence;

(ii) if the Shares purchased are retained as treasury shares, the Board may distribute the treasury shares as share dividends to reward the Shareholders and thus, minimise the cash outlay required for dividends in the future whilst stabilising the market price of the Shares; and

(iii) the resultant reduction of the share capital base (in respect of Shares purchased which are then cancelled) may potentially enhance the Earnings Per Share ("**EPS**") and the net assets ("**NA**") per Share of the Company and its group of companies ("**Group**") (all things being equal).

5. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

5.1 Issued Share Capital

The maximum number of ordinary shares the Company may purchase shall not exceed 10% of the Company's total number of issued Shares.

As at the LPD, the Company has 301,171,988 Shares in issue (including 809,200 treasury shares) and the following securities:-

(i) 133,585,898 outstanding Warrants; and

(ii) 709,791,495 outstanding ICULS;

(iii) up to 171,682,407 Share Grants and ESOS Options which may be granted to eligible directors and employees of the Group pursuant to the maximum allowable amount under the ESS based on the assumption that 809,200 treasury shares are resold on the open market and all the outstanding ICULS and Warrants as mentioned above are converted/exercised into new Shares.

The effects of the Proposed Renewal of Share Buy-Back Authority are illustrated as follows:-

Minimum Scenario	:	Assuming 809,200 treasury shares are retained, and none of the outstanding ICULS, Warrants and ESOS options are converted/exercised into new Techbase Shares before the implementation of the Proposed Renewal of Share Buy-Back Authority.
Maximum Scenario	:	Assuming 809,200 treasury shares are resold in the open market and that all of the outstanding ICULS, Warrants and ESOS options are converted/exercised into new Techbase Shares before the implementation of the Proposed Renewal of Share Buy-Back Authority.

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SHARE BUY-BACK STATEMENT *cont'd*

The pro forma effects of the Proposed Renewal of Share Buy-Back Authority as follows:

	Minimum Scenario	Maximum Scenario
	No. of Shares	No. of Shares
Total number of issued Shares as at the LPD[(1)]	301,171,988	301,171,988
Less: Treasury Shares	(809,200)	-[(5)]
	300,362,788	301,171,988
Assuming all the outstanding Warrants are exercised[(2)]	-	133,585,898
Assuming all the outstanding ICULS are converted[(3)]		709,791,495
To be issued pursuant to the ESS[(4)]		171,682,407
	300,362,788	1,316,231,788
Assuming all Shares Purchased are to be cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority	(30,036,278)	(131,623,178)
Resultant issued share capital	**270,326,510**	**1,184,608,610**

Notes:

(1) *Including 809,200 Shares which the Company holds as treasury shares as at LPD.*

(2) *Assuming all the outstanding 133,585,898 Warrants are fully exercised into 133,585,898 new Shares at the exercise price of RM0.41.*

(3) *Assuming all the outstanding 709,791,495 ICULS are converted into 709,791,495 new Shares by surrendering 1 ICULS and paying RM0.15 in cash, which is the difference between the issue price of the ICULS surrendered and the conversion price of RM0.20 for 1 new Share.*

(4) *Assuming 171,682,407 Share Grants and ESOS options granted based on the maximum allowable amount under the ESS are vested and fully exercised into 171,682,407 new Shares.*

(5) *Assuming 809,200 treasury shares are resold in the open market at their respective acquisition prices.*

5.2 NA and Gearing

The effects of the Proposed Renewal of Share Buy-Back Authority on the Group's NA per Share will depend on, *inter-alia*, the number of Shares purchased, the purchase price of such purchased Shares, the effective funding cost to finance the purchased of the Shares or any loss in interest income to the Company and the treatment of the Shares so purchased by the Company.

If the purchased shares are kept as treasury shares, the NA per share will decrease unless the cost per share of the treasury shares purchased is below the NA per share at the relevant point in time. This is because the treasury shares, which are required to be carried at cost, must be offset against equity and therefore would result in a decrease in NA of the Company.

Similarly, if the purchased shares are cancelled, the NA per share of the Group will decrease unless the cost per share of the purchased shares is below the NA per share at the relevant point in time.

In the case where the purchased shares are treated as treasury shares and subsequently resold on Bursa Securities, the NA per share of the Group will increase if the Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as share dividends, the NA of the Group will decrease by the cost of the treasury shares.

SHARE BUY-BACK STATEMENT *cont'd*

Assuming that the treasury shares are being retained by the Company and no borrowings are being utilised to fund the purchase of the Shares, all else being equal, the Proposed Renewal of Share Buy-Back Authority may increase the gearing of the Group as the equity will be reduced by the cost of Shares acquired

5.3 Working Capital

Any purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority will reduce the Group's working capital, the quantum of which will depend on the purchase prices of the Shares and the number of the Shares purchased.

However, the Group's working capital will increase if the purchased Shares are resold on Bursa Securities. The quantum of the increase will depend on the selling price of the treasury shares and the number of treasury shares resold on Bursa Securities.

5.4 Cashflow

The Proposed Renewal of Share Buy-Back Authority is not expected to be implemented to the extent that it will adversely affect the cash flow of the Company. The exact effect on the cash flow of the Company will depend on the purchase prices of the Shares and the number of the Shares purchased.

5.5 Earnings and EPS

The effect of the Proposed Renewal of Share Buy-Back Authority on the earnings of the Group will depend on, *inter-alia*, the actual number of Shares purchased and the effective cost of funding to the Group, or any loss in interest income to the Group or opportunity cost in relation to other investment opportunity if internally generated funds are utilised. However, the Proposed Renewal of Share Buy-Back Authority, if carried out, is not expected to have any material effect on the EPS of the Company for the FYE 31 July 2025.

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SHARE BUY-BACK STATEMENT *cont'd*

5.5 Directors' and Substantial Shareholders' Shareholdings

The pro forma effects of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors and the substantial shareholders of Techbase based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the LPD, assuming the Proposed Renewal of Share Buy-Back Authority is undertaken in full by the Company, are as follows:

Minimum Scenario

	As at the LPD				(I) After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	**No. of Shares**	**%(4)**	**No. of Shares**	**%(4)**	**No. of Shares**	**%(5)**	**No. of Shares**	**%(5)**
Datuk Au Yee Boon	11,100,200	3.70	4,923,500(1)	1.64	11,100,200	4.11	4,923,500(1)	1.82
Yi-Lai Industry Berhad	28,498,400	9.49	-	-	28,498,400	10.54		
Yi-Lai Marketing Sdn Bhd	20,405,000	6.79	-	-	20,405,000	7.55	-	-
YB Ventures Berhad	-	-	48,903,400(2)	16.28	-	-	48,903,400(2)	18.09
Directors								
Datuk Au Yee Boon	11,100,200	3.70	4,923,500(1)	1.64	11,100,200	4.11	4,923,500(1)	1.82
Lee Boon Siong	-	-	-	-	-	-	-	-
Datuk Low Chin Koon	-	-	-	-	-	-	-	-
Tan Chin Yong	-	-	-	-	-	-	-	-
Au Yee Soon	-	-	-	-	-	-	-	-
Datin Lim Lee Wheng	-	-	11,100,200(3)	3.70	-	-	11,100,200(3)	4.11

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5.5 **Directors' and Substantial Shareholders' Shareholdings (cont'd)**

Maximum Scenario

	As at the LPD				(I) Assuming all treasury shares are resold at cost			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of Shares	%(4)	No. of Shares	%(4)	No. of Shares	%(6)	No. of Shares	%(6)
Datuk Au Yee Boon	11,100,200	3.70	4,923,500(1)	1.64	11,100,200	3.69	4,923,500(1)	1.63
Yi-Lai Industry Berhad	28,498,400	9.49	-	-	28,498,400	9.46	-	-
Yi-Lai Marketing Sdn Bhd	20,405,000	6.79	-	-	20,405,000	6.78	-	-
YB Ventures Berhad	-	-	48,903,400(2)	16.28	-	-	48,903,400(2)	16.24
Directors								
Datuk Au Yee Boon	11,100,200	3.70	4,923,500(1)	1.64	11,100,200	3.69	4,923,500(1)	1.63
Lee Boon Siong	-	-	-	-	-		-	-
Datuk Low Chin Koon	-	-	-	-	-		-	-
Tan Chin Yong	-	-	-	-	-		-	-
Au Yee Soon	-	-	-	-	-		-	-
Datin Lim Lee Wheng	-	-	11,100,200(3)	3.70	-	-	11,100,200(3)	3.69

	(II) After (I) and assuming all the outstanding Warrants are exercised				(III) After (II) and assuming all the outstanding ICULS are converted			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of Shares	%(7)	No. of Shares	%(7)	No. of Shares	%(8)	No. of Shares	%(8)
Datuk Au Yee Boon	11,100,200	2.55	4,923,500(1)	1.13	63,601,200	5.56	7,041,000(1)	0.62
Yi-Lai Industry Berhad	28,498,400	6.56	-	-	188,490,400	16.47	-	-
Yi-Lai Marketing Sdn Bhd	20,405,000	4.69	-	-	219,930,000	19.22	-	-
YB Ventures Berhad	-	-	48,903,400(2)	11.25	-	-	408,420,400(2)	35.68
Directors								
Datuk Au Yee Boon	11,100,200	2.55	4,923,500(1)	1.13	63,601,200	5.56	7,041,000(1)	0.62
Lee Boon Siong	-	-	-	-	-		-	-
Datuk Low Chin Koon	-	-	-	-	-		-	-
Tan Chin Yong	-	-	-	-	-		-	-
Au Yee Soon	-	-	-	-	-		-	-
Datin Lim Lee Wheng	-	-	11,100,200(3)	2.55	-	-	63,601,200(3)	5.56

SHARE BUY-BACK STATEMENT *cont'd*

5.5 Directors' and Substantial Shareholders' Shareholdings (cont'd)

Maximum Scenario

	(IV) After (III) and assuming all the Share Grants and ESOS Options are vested and exercised				(V) After (IV) and the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	**No. of Shares**	**%[9]**	**No. of Shares**	**%[9]**	**No. of Shares**	**%[10]**	**No. of Shares**	**%[10]**
Datuk Au Yee Boon	63,601,200	4.83	7,041,000[1]	0.53	63,601,200	5.37	7,041,000[1]	0.59
Yi-Lai Industry Berhad	188,490,400	14.32	-	-	188,490,400	15.91	-	-
Yi-Lai Marketing Sdn Bhd	219,930,000	16.71	-	-	219,930,000	18.57	-	-
YB Ventures Berhad	-	-	408,420,400[2]	31.03	-	-	408,420,400[2]	34.48
Directors								
Datuk Au Yee Boon	63,601,200	4.83	7,041,000[1]	0.53	63,601,200	5.37	7,041,000[1]	0.59
Lee Boon Siong	-		-	-	-		-	-
Datuk Low Chin Koon	-		-	-	-		-	-
Tan Chin Yong	-		-	-	-		-	-
Au Yee Soon	-		-	-	-		-	--
Datin Lim Lee Wheng	-	-	63,601,200[3]	4.83	-	-	63,601,200[3]	5.37

Notes:

(1) *Deemed interested by virtue of his interest in Techbase Solution Sdn Bhd pursuant to Section 8 of the Act.*
(2) *Deemed interested by virtue of Section 8 of the Act held through Yi-Lai Industry Berhad and Yi-Lai Marketing Sdn Bhd.*
(3) *Deemed interested by virtue of the interest of her spouse, Datuk Au Yee Boon pursuant to Section 59(11)(c) of the Act.*
(4) *Based on our Company's issued share capital of 300,362,788 Shares (excluding 809,200 Shares which are held by the Company as treasury shares) as at the LPD.*
(5) *Based on the issued share capital of 270,326,510 Shares under the Minimum Scenario.*
(6) *Based on our Company's enlarged issued share capital of 301,171,988 Shares assuming 809,200 treasury shares were resold on the open market.*
(7) *Based on our Company's enlarged issued share capital of 434,757,886 Shares.*
(8) *Based on our Company's enlarged issued share capital of 1,144,549,381 Shares.*
(9) *Based on our Company's enlarged issued share capital of 1,316,231,788 Shares.*
(10) *Based on the issued share capital of 1,184,608,610 Shares under the maximum scenario.*

SHARE BUY-BACK STATEMENT *cont'd*

6. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The potential advantages and disadvantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

Potential advantages

(i) enables the Company to take preventive measures against market speculation particularly when the Shares are undervalued which may in turn stabilise the market price and hence, enhance investors' confidence;

(ii) provide the Company with opportunities for potential gains if the purchased Shares are subsequently resold at a higher price;

(iii) provide the Company with the flexibility in attaining the desired capital structure, in terms of debt and equity composition and size of equity; and

(iv) in the event the treasury shares are distributed as share dividends, it will serve to reward the shareholders and thus, minimise the cash outlay required for dividends in the future.

Potential disadvantages

(i) the purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority will reduce the Group's financial resources and may result in the Group forgoing future investment opportunities that may emerge; and

(ii) as the funds to be allocated for the Proposed Renewal of Share Buy-Back Authority may only be made out of the Company's retained profits, it will result in the reduction of financial resources available for distribution as dividends to the shareholders in the immediate future.

Nevertheless, the Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantages or major risk to the Company and its Shareholders as it will only be implemented after considering the interests of both the Company and its Shareholders.

The Board will be mindful of the interests of the Company and the shareholders when undertaking the purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority and in the subsequent resale of treasury shares on Bursa Securities, if any.

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SHARE BUY-BACK STATEMENT *cont'd*

7. PURCHASE, RESALE, TRANSFER AND CANCELLATION OF SHARES IN THE PRECEDING 12 MONTHS

During the preceding 12 months up to the LPD, the Company did not purchase any of its Shares from the open market.

As at LPD, there was a total of 809,200 Shares held as treasury shares. The Company has not resold, transferred and cancelled any of its treasury shares in the preceding 12 months up to the LPD.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest share price of Techbase traded on Bursa Securities for the past 12 months preceding the date of this Statement are as follows:

Month/Year	High (RM)	Low (RM)
2023		
November	0.345	0.305
December	0.350	0.300
2024		
January	0.320	0.270
February	0.300	0.190
March	0.260	0.190
April	0.225	0.185
May	0.200	0.165
June	0.280	0.165
July	0.235	0.180
August	0.185	0.150
September	0.160	0.145
October	0.160	0.125

The last transacted price of Shares on the LPD was RM0.13.

9. IMPLICATION OF MALAYSIAN CODE ON TAKEOVERS AND MERGERS

Pursuant to the Malaysian Code on Take-Overs and Mergers 2016 ("**Code**") and Rules on Take-Overs, Mergers and Compulsory Acquisitions ("**Rules**") issued by the Securities Commission Malaysia ("**SC**"), a person and any person acting in concert with him, will be required to make a mandatory offer for the remaining Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond 33.0% or if his/her/their shareholdings is/are between 33.0% and 50.0% and increases by another 2.0% in any 6 months period. However, an exemption from mandatory offer obligation may be granted by the SC under the Code and Rules upon application by such person(s).

The Company does not intend to undertake the Proposed Renewal of Share Buy-Back Authority such that it will trigger any obligation to undertake a mandatory offer pursuant to the Code and Rules. However, in the event an obligation to undertake a mandatory offer is expected to arise with respect to any parties resulting from the purchase of Shares pursuant to the Proposed Renewal of Share Buy-Back Authority, which is an action outside its direct participation, the relevant parties shall make the necessary application to the SC for an exemption from undertaking the mandatory offer ("**Proposed Waiver**").

SHARE BUY-BACK STATEMENT *cont'd*

If the Proposed Waiver is not approved by the SC, the Company will only proceed with the purchase of Shares pursuant to the Proposed Renewal of Share Buy-Back Authority to the extent that it will not contravene the limit as provided under the Code and Rules.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save for the inadvertent increase in the percentage shareholding and/or voting rights of the shareholders as a result of the Proposed Renewal of Share Buy-Back Authority, none of the Directors and major shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority and the subsequent resale of treasury shares, if any, in the future.

11. DIRECTORS' RECOMMENDATION

The Directors, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, including the rationale and effects of the Proposed Renewal of Share Buy-Back Authority, are of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company.

Accordingly, our Board recommends you to vote in favour of the ordinary resolution to give effect to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 32^{nd} AGM of the Company.

12. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board, and they, individually and collectively, accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein misleading.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Company's Registered Office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan during normal business hours from Mondays to Fridays (except for public holidays) for the period commencing from the date of this Statement up to and including the date of the forthcoming 32nd AGM:

(i) the Company's Constitution; and
(ii) the Company's audited consolidated financial statements for the financial year ended 31 July 2023 and FYE 31 July 2024.

This Share Buy-Back Statement is dated 29 November 2024.

TECHBASE INDUSTRIES BERHAD
(FORMERLY KNOWN AS PROLEXUS BERHAD)
[Registration No. 199201019353 (250857-T)]

PROXY FORM

No. of shares held	CDS Account No.

I/We ______________________________ NRIC/Passport/Company Registration No. ____________________
(FULL NAME IN BLOCK LETTERS)
of ____

Contact No. ______________________ and # email address ______________________

being a member/members of **TECHBASE INDUSTRIES BERHAD (FORMERLY KNOWN AS PROLEXUS BERHAD)** (“**Company**”), hereby appoint:

Full Name *(IN BLOCK LETTERS)*	**NRIC/Passport No.**	**% of shareholdings**
# Contact No.	**# Email Address**	
Address:		

*and/or (Strike out whichever is not desired)

Full Name *(IN BLOCK LETTERS)*	**NRIC/Passport No.**	**% of shareholdings**
# Contact No.	**# Email Address**	
Address:		

*# You are required to fill in the contact no. and email address in order to participate the Thirty-Second Annual General Meeting (“**32nd AGM**”), otherwise, we are unable to register you as the participant of the meeting.*

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the 32nd AGM of the Company which to be held and conducted by way of virtual meeting entirely through live streaming via a Remote Participation and Voting (“RPV”) Facilities from the Broadcast Venue at Unit 702, Level 7, Tropicana Gardens Office Tower, No. 2A, Persiaran Surian, 47810 Petaling Jaya, Selangor on Friday, 17 January 2025 at 11.00 a.m. or at any adjournment thereof, in the manners as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Datuk Low Chin Koon who retires pursuant to Article 107 of the Company’s Constitution.		
2.	To re-elect Mr Au Yee Soon who retires pursuant to Article 107 of the Company’s Constitution.		
3.	To approve the payment of Directors’ fees amounting to RM500,000 for the period from the date of the 32nd AGM until the conclusion of the next AGM of the Company.		
4.	To approve the payment of Directors’ benefits amounting to RM200,000 for the period from the date of the 32nd AGM until the conclusion of the next AGM of the Company.		
5.	To re-appoint Messrs. Morison LC PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
6.	Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016, and waiver of pre-emptive rights over new ordinary shares or other convertible securities in the Company under Section 85(1) of the Companies Act 2016 read together with Article 59 of the Company’s Constitution.		
7.	Proposed renewal of share buy-back authority for the Company to purchase up to 10% of its total number of issued shares.		

Please indicate with an “X” or “√” in the spaces provided above as to how you wish your votes to be cast. If no specific direction as to voting is given, your proxy will vote or abstain from voting at his/her discretion.

Dated this ________ day of ____________________, 2024

____
Signature/Common Seal of Shareholder

Notes:-
1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual AGM using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at https://web.vote2u.my.
2. A proxy may but need not be a member of the Company.
3. A member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
4. For a proxy to be valid, the Proxy Form duly completed, must be deposited at the Share Registrar’s office of the Company, B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof and in the case of a poll, not less than twenty-four (24) hours before the time for taking of the poll. The instrument appointing a proxy transmitted by facsimile or electronic mail will not be accepted.
5. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (“**Exempt Authorised Nominee**”) 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.
6. Where a member is an Exempt Authorised Nominee, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
7. In the case of corporate member, the Proxy Form must be executed under the corporation’s Common Seal or under the hand of an officer or attorney duly authorised.
8. Only a depositor whose name appears on the Record of Depositors as at **2 January 2025** shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

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AFFIX STAMP

THE SHARE REGISTRAR OF
TECHBASE INDUSTRIES BERHAD
(FORMERLY KNOWN AS PROLEXUS BERHAD)
[Registration No. 199201019353 (250857-T)]
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B, Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur, Wilayah Persekutuan
Malaysia

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TECHBASE INDUSTRIES BERHAD
(FORMERLY KNOWN AS PROLEXUS BERHAD)
(Incorporated in Malaysia)
[Registration No. 199201019353 (250857-T)]

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