



2025

ANNUAL
REPORT



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NOTICE OF THIRTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Third (33rd) Annual General Meeting (“AGM”) of the Company will be held at SVOFO @ Hall Sky Garden, Block A, Level 2, A-2-10, Sunway Nexis, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor on Monday, 12 January 2026 at 9.30 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 2025 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 Au Yee Boon | Ordinary Resolution 1 |
| | b) Mr Lee Boon Siong | Ordinary Resolution 2 |
| 3. | To approve the payment of Directors’ fees amounting to RM500,000 for the period from the date of the 33 rd 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 33 rd AGM until the conclusion of the next AGM of the Company. | Ordinary Resolution 4 |
| 5. | To re-appoint 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

“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.

NOTICE OF THIRTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

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 28 November 2025 which is included in the Annual Report.

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.



NOTICE OF THIRTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

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: 28 November 2025

Notes:-

1. A proxy may but need not be a member of the Company.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. Only a depositor whose name appears on the Record of Depositors as at **31 December 2025** shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Explanatory Notes to Ordinary Business:

Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 July 2025

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.

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

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 33rd 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 Au Yee Boon; and
- b) Mr Lee Boon Siong.

(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.

NOTICE OF THIRTY-THIRD ANNUAL GENERAL MEETING (CONT'D)

Ordinary Resolution 3: Directors' Fees

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 have 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 33rd AGM until the conclusion of the next AGM of the Company.

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, were 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 33rd 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 32nd AGM on 17 January 2025 ("**Previous Mandate**").

As at the date of this notice, 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-THIRD 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.

Ordinary Resolution 7: Proposed Renewal of Share Buy-Back Authority

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 28 November 2025 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 individuals who are standing for election as Directors (excluding Directors for re-election).

No individual is seeking election as a Director at the 33rd 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 33rd 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

DATIN LIM LEE WHENG

Non-Independent Non-Executive Director

AU YEE SOON

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 OFFICEB-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur

Tel : +603 9770 2200

Fax : +603 2201 7774

Email : boardroom@boardroom.com.my

PRINCIPAL PLACE OF BUSINESS

PTD 94657, Batu 6,

Jalan Mersing,

86000 Kluang,

Johor Darul Takzim

Tel : +607 701 0369

Fax : +607 701 0363

E-mail : 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

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

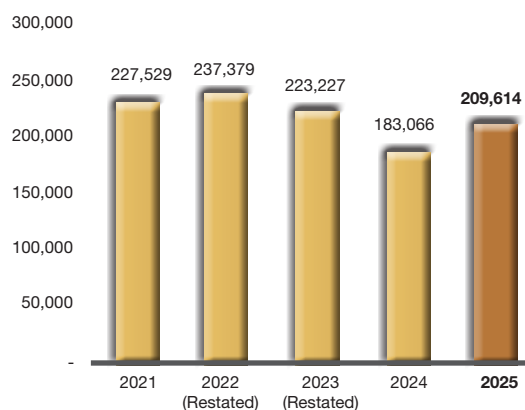
Stock Code : 8966

Sector : Consumer Products & Services

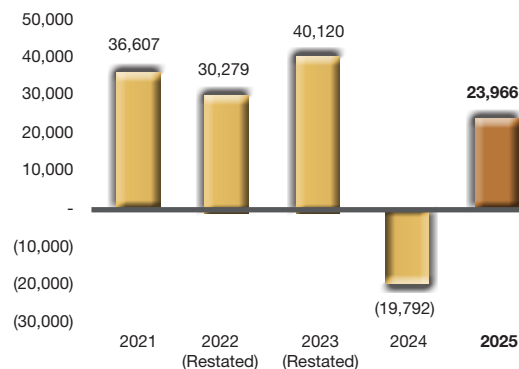
FINANCIAL HIGHLIGHTS

	2021 RM'000	2022 (Restated) RM'000	2023 (Restated) RM'000	2024 RM'000	2025 RM'000
Operating Results:					
Revenue	227,529	237,379	223,227	183,066	209,614
Earnings/(Loss) before interest, taxes, depreciation, and amortisation (EBITDA)	36,607	30,279	40,120	(19,792)	23,966
Profit/(Loss) before tax	21,263	15,020	24,041	(32,047)	12,057
Profit/(Loss) for the year	17,157	9,369	19,907	(35,348)	8,649
Profit/(Loss) attributable to owners of the Company	16,734	8,741	20,869	(29,419)	6,876
Key Data on Financial Position:					
Total assets	397,899	419,258	419,905	411,262	409,469
Paid-up capital	125,960	126,071	126,071	130,699	131,006
Shareholders' funds	263,553	280,519	304,750	317,815	319,184
Net asset per share (RM)	0.99	1.03	1.10	1.06	1.06

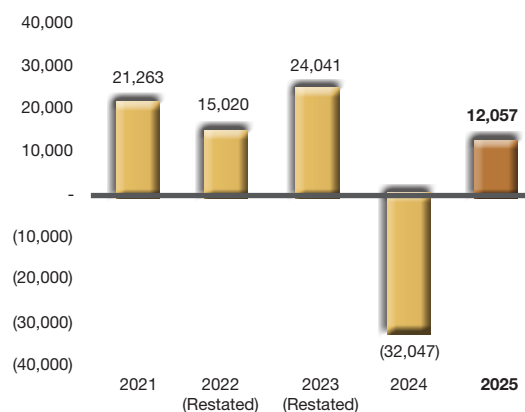
Revenue
(RM'000)



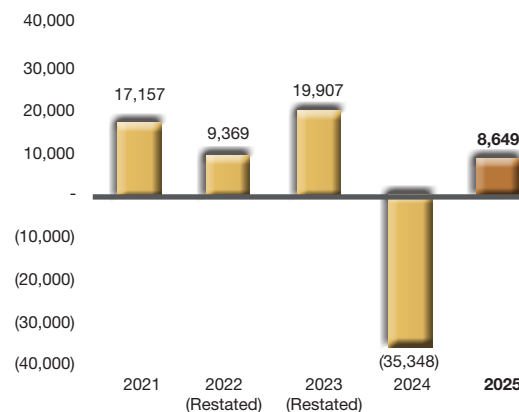
Earnings/(Loss) before interest, taxes, depreciation, and amortisation (EBITDA)
(RM'000)



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

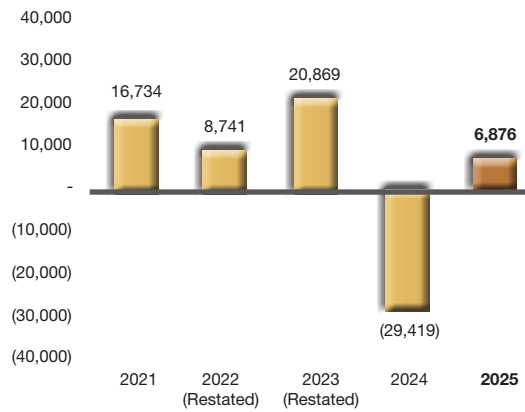


Profit/(Loss) for the year
(RM'000)

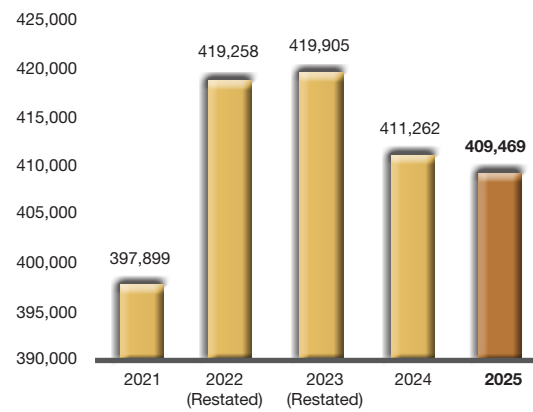


FINANCIAL HIGHLIGHTS (CONT'D)

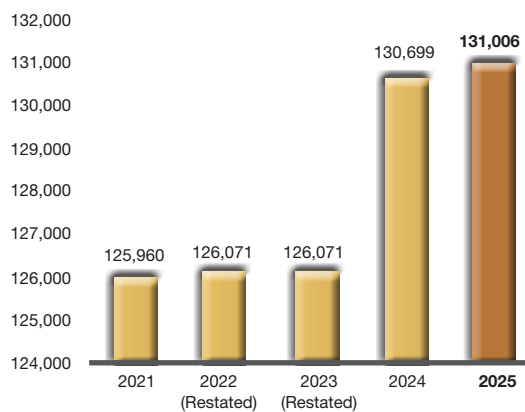
Profit/(Loss) attributable to owners of the Company
(RM'000)



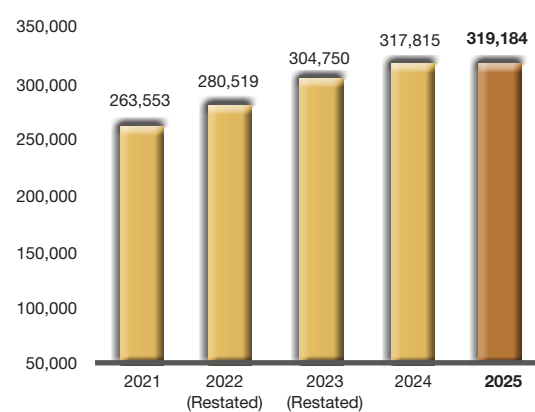
Total assets
(RM'000)



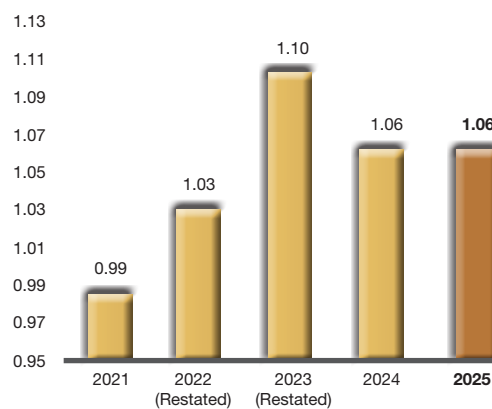
Paid-up capital
(RM'000)



Shareholders' funds
(RM'000)



Net asset per share
(RM)



MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

Techbase Industries Berhad (“Techbase” or the “Company”) was incorporated in Malaysia on 15 October 1992 as an investment holding company. On 31 January 2024, the Company officially changed its name from Prolexus Berhad to Techbase Industries Berhad. Through its subsidiaries, the Company is principally involved in garment manufacturing, fabric production and media-related services.

The global economy in 2025 continued to face challenges arising from uncertainties surrounding US tariff policies, escalating geopolitical conflicts and disruptions in global trade. Nevertheless, inflation in major economies has eased, with some central banks beginning to cut interest rates. According to a report issued by the International Monetary Fund, global growth is expected to remain modest at 3.2% in 2025 and 3.1% in 2026.

On the other hand, according to Bank Negara Malaysia, the domestic growth outlook remains unchanged as resilient domestic demand will continue to support growth. The growth projection remains within the range of 4%-4.8% in 2025. In addition, the Budget 2026 measures announced by the Government of Malaysia will also provide additional impetus to economic activity in 2026. Nevertheless, the outlook for exports will be weighed by the impact from US tariffs. The external environment remains a key source of uncertainty as trade uncertainties and geopolitical tensions will drive up inflation as a result of higher external costs via higher commodity prices and supply disruptions.

Despite that, Techbase and its subsidiaries (“Group”) will continue to focus 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

For the financial year ended 31 July 2025 (“FYE 2025”), the Group recorded revenue of RM209.6 million, an increase of RM26.5 million or 14.5% compared to RM183.1 million in the previous financial year, primarily driven by higher contributions from the apparel division.

The Group reported a profit after tax (“PAT”) of RM8.6 million for FYE 2025, reversing the loss of RM35.3 million in the previous financial year, supported by improved gross margins and tighter cost control, reflecting ongoing operating resilience and agility across key production lines.

REVIEW OF FINANCIAL POSITION

As at 31 July 2025, the Group’s total assets decreased marginally by RM1.8 million to RM409.5 million, from RM411.3 million in the previous financial year. The decrease was mainly due to depreciation of property, plant and equipment and the amortisation of right-of-use assets over lease terms, partly offset by an increase in current assets.

The Group’s total liabilities decreased by RM4.2 million or 5.9% to RM66.4 million, from RM70.6 million in the previous financial year, mainly contributed by a RM7.0 million or 14.4% reduction in borrowings, to RM41.6 million from RM48.6 million, following scheduled repayments of term loans and other banking facilities during the financial year.

The shareholders’ equity attributable to owners rose by RM1.4 million or 0.4% to RM319.2 million, from RM317.8 million in the previous financial year, mainly reflecting the conversion of Irredeemable Convertible Unsecured Loan Stocks (“ICULS”).

As at 31 July 2025, the Group was in a net cash position. Net asset per share remained unchanged at RM1.06 compared with FYE 2024.

BUSINESS REVIEW BY DIVISION

Apparel Division

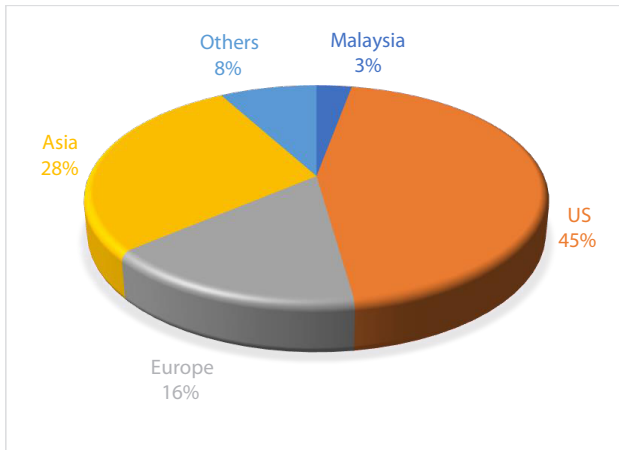
The apparel division specialises in manufacturing apparel products, predominantly sportswear for prominent international brands. Production is based in two apparel manufacturing facilities located in Johor, Malaysia and Jiangsu Province, China, both fully equipped to meet stringent customer requirements for product quality, on-time delivery, cost efficiency and sustainability, among other requirements.

The apparel division recorded external revenue of RM192.6 million compared with RM166.9 million in the previous financial year. The division returned to profitability, posting a segment profit of RM4.8 million and profit after tax of RM2.9 million, compared with losses in FYE 2024. The improvement reflected firmer orders from key customers, steadier factory loading and continuous improvement initiatives grounded in kaizen practices.

In FYE 2025, the apparel division contributed 91.9% of the Group’s revenue, derived from various geographic markets as illustrated in the diagram below. The United States remains the largest export market for the apparel division, accounting for 45% of total apparel sales, followed by Asia and Europe at 28% and 16%, respectively.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Apparel revenue geographical segments



Textile Division

The textile mill in the district of Kluang, Johor, continued to support the Group's vertical integration strategy by supplying upstream fabric manufacturing for both internal and external demand. In-house manufacturing is intended to improve cost control and supply-chain visibility.

External revenue was RM6.7 million, broadly unchanged year on year. The division recorded a lower loss after tax of RM14.0 million compared with a loss after tax of RM16.5 million in the previous financial year. Performance continued to be influenced by under-utilisation and fixed-cost absorption, with the impact moderated by ongoing process discipline and cost control.

Advertising Division

The Group manages and operates media airtime sales and marketing for its Digital Out-of-Home ("DOOH") TV network under the "PowerScreen" brand, currently featuring 16 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 generated revenue of RM10.1 million compared with RM9.3 million in the previous financial year. The division also recorded a profit after tax of RM2.1 million. Results reflected steadier screen occupancy and improved sales packaging of time slots and locations within a disciplined cost base.

RISKS RELATING TO THE BUSINESS AND INDUSTRY

The Group operates in an environment influenced by global economic conditions, evolving consumer demand and changes in trade and regulatory landscapes. Fluctuations

in raw material, energy and logistics costs, as well as movements in foreign exchange rates, may affect the Group's production costs and financial performance. Labour availability, rising labour costs and compliance requirements remain key considerations for the Group's operations. In addition, competition and shifting trade policies continue to shape the Group's performance and business outlook. The Group remains focused on prudent risk management and operational discipline to mitigate the potential impact of these factors.

Business Risks

The Group operates in a dynamic business environment and is exposed to risks commonly faced by the manufacturing sector as well as those specific to the apparel and textile industry. Key risks include fluctuations in global, regional and domestic economic conditions, intensifying competition, labour shortages, volatility in raw material prices, and changes in laws, tax regulations and trade policies affecting the industry. In addition, rising operating costs, foreign exchange fluctuations and tightening credit conditions may also affect the Group's financial performance.

Management remains vigilant in monitoring these developments and continues to implement appropriate risk mitigation measures, including strengthening operational efficiency, enhancing cost management, maintaining close relationships with key customers and suppliers and diversifying product offerings and markets. While these proactive measures aim to cushion the impact of external uncertainties, there can be no assurance that the occurrence of such risks will not have a material effect on the Group's business operations or financial results.

Dependency on Major Customers

The Group remains dependent on a number of major customers which contributed substantial portion of its revenue, particularly international brands within the apparel segment. This concentration of orders among a limited number of customers exposes the Group to potential revenue fluctuations should any key customer adjust its sourcing strategy, reduced orders or undergo changes in business circumstances that affect purchasing volumes.

The Group mitigates this risk by maintaining long-term relationships with major customers, diversifying its customer base across markets and regions and continuously enhancing product quality, reliability and service standards to strengthen customer retention. These initiatives are aimed at enhancing customer retention and reducing reliance on a concentrated customer base. Nevertheless, there can be no assurance that customer concentration risk will not continue to present challenges to the Group's performance, particularly in the event of unexpected shifts in global retail demand or supply chain disruptions.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Exposure to Foreign Exchange Fluctuations

Fluctuations in foreign exchange rates may affect the Group's profit margins, as its operations involve both imports of raw materials and exports of finished products. Currency movements may result in translation gains or losses that could influence the Group's financial performance.

As most of the Group's imports and exports are denominated in United States Dollars (USD), this provides a substantial natural hedge against currency exposure. In addition, the Group maintains credit facilities for foreign exchange forward contracts with several financial institutions and may utilise them when necessary to hedge against adverse movements in exchange rates. Despite these measures, foreign exchange volatility remains an inherent risk and may have an unfavourable impact on the Group's financial results.

Competition

The Group continues to operate in a highly competitive environment, facing challenges from both local and international manufacturers, particularly those based in countries with lower labour and production costs compared to Malaysia. In addition to pricing, factors such as product quality, reliability, timely delivery and sustainability have become increasingly important in the textile and apparel industry.

To remain competitive, the Group continues to enhance its operational efficiency while maintaining its reputation for high quality products and consistent delivery performance. Efforts are also being directed towards process optimisation, automation and continuous improvement initiatives aimed at strengthening productivity and ensuring long-term competitiveness in a dynamic global market.

Dependency on Labour

The Group's operations, particularly in apparel manufacturing, remain reliant on skilled manual labour for specialised processes such as sewing and finishing. While continued investments have been made in automation machinery and equipment to reduce dependence on manual labour, a significant portion of production activities still requires experienced workers. Persistent shortages of manpower, coupled with restrictions on foreign worker recruitment, may lead to production delays and higher operating costs.

The increase in Malaysia's minimum wage from RM1,500 to RM1,700, which took effect in February 2025, together with the proposed implementation of Employees Provident Fund (EPF) contributions for foreign workers, has further elevated the Group's labour costs.

To address these challenges, the Group is taking active steps to enhance labour efficiency and stability by diversifying recruitment channels, balancing the use of local and foreign workers, and advancing automation in production and packaging processes. Continuous efforts are also made to improve workplace safety, training and employee engagement. Nevertheless, any sustained shortage of skilled workers or sharp escalation in labour costs could adversely impact the Group's profit margins and operational performance.

FUTURE PROSPECTS

The Group anticipates that the global business environment will remain mixed, with easing inflationary pressures but continued uncertainty arising from geopolitical tensions, fluctuating commodity prices, and evolving US tariff and global trade policy developments. Domestically, operating costs are expected to remain elevated following the increase in Malaysia's minimum wage, coupled with fluctuations in raw material prices.

Against this backdrop, the Group will continue to prioritise operational efficiency and cost discipline. Ongoing investments in automation, process optimisation and workforce upskilling are expected to enhance productivity and mitigate rising cost pressures. The Group will also focus on strengthening relationships with existing customers, expanding its customer base and exploring new product opportunities to support sustainable growth.

Through prudent management and continuous improvement, the Group remains committed to navigating the evolving market landscape and delivering long term value to its stakeholders.

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 of textile, apparel and fabric face masks. This report covers data compiled internally over 12 months from 1 August 2024 to 31 July 2025 (“FYE 2025”).

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”) acknowledge the importance of business sustainability and its responsibility towards Economic, Environment and Social (EES). The Group adopt policy that promotes positive growth towards all aspect 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

SUSTAINABILITY STATEMENT (CONT'D)

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	<ul style="list-style-type: none"> Annual general meeting Extraordinary general meeting (if required) The Executive Director oversees investor relation matters 	Annually When required Throughout the year
Employees	<ul style="list-style-type: none"> Employee Suggestion and Grievances Committee (ESGC) Corporate Social Responsibility (CSR) Activities Employee engagement programmes and training 	Throughout the year
Customers	<ul style="list-style-type: none"> Engagement via phone, email and face to face with customers in order to have real time visibility on customer feedbacks and expectation Periodic performance audit by customers 	Throughout the year
Local Government Authorities	<ul style="list-style-type: none"> Certification and compliance with Government legislative framework Compliance with the relevant reporting requirement and disclosure 	Throughout the year
Local Communities and NGOs	<ul style="list-style-type: none"> 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 2025, 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.

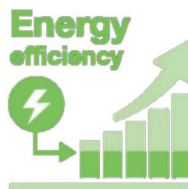
We Care for Our Environment



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 go beyond compliance:



**Waste
Management**



Energy and Carbon



**Water
Management**

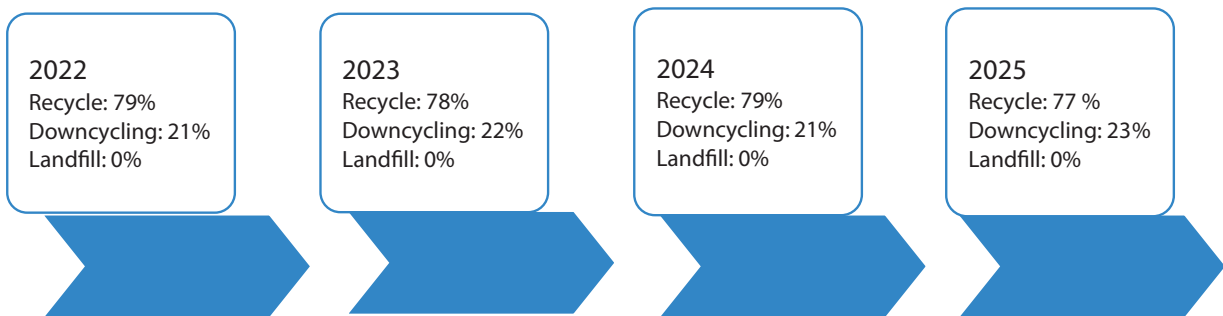
SUSTAINABILITY STATEMENT (CONT'D)

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.

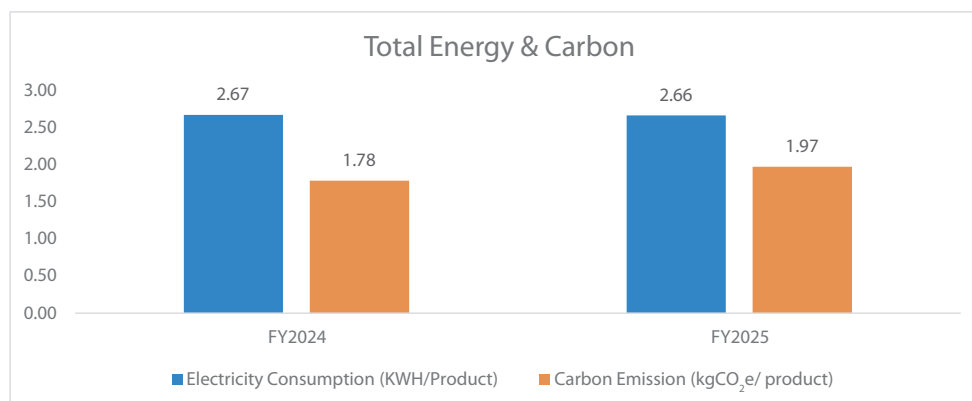


Energy and Carbon



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. In FYE 2025, our organisation maintained stable energy efficiency, with electricity consumption per product decreasing slightly from 2.67 to 2.66 kWh per product compared to FYE 2024. While energy use remained consistent, carbon emissions per product increased from 1.78 to 1.97 kgCO₂e, primarily reflecting changes in the electricity emission factor and production mix.

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 already implemented renewable energy initiatives, including the installation of solar photovoltaic (PV) systems which full operation in FYE 2026 and energy-efficient automation equipment. These advanced technologies enhance operational efficiency while significantly reducing energy consumption and carbon emissions.



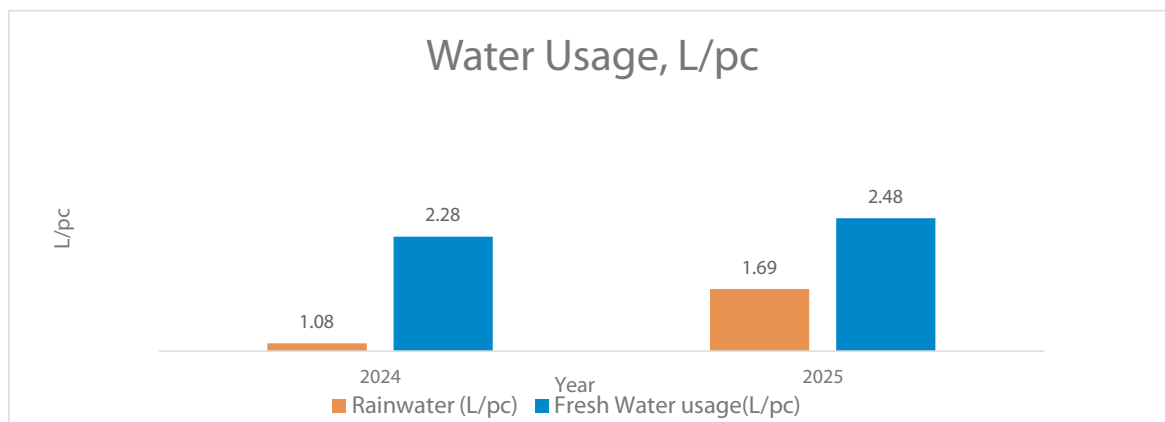
SUSTAINABILITY STATEMENT (CONT'D)

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. In FYE 2025, total water usage per product improved, with a higher share of rainwater utilization increasing from 1.08% to 1.69%, while SAJ (treated or supplied water) usage decreased from 6.20% to 5.29% compared to FYE 2024.

This reflects the company's ongoing efforts to enhance water efficiency and increase the use of alternative water sources. Moving forward, initiatives will continue to focus on expanding rainwater harvesting capacity and optimising water use in production especially from our Textile division to support long-term water sustainability goals.



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 enhanced 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 to raise awareness of mental health issues among employees, we have organised a Health, Safety and Environment ("HSE") talk about Mental Health at workplace in collaboration with KPJ Specialist Hospital and Mahkota Medical Center. This involves activities such as talk conducted by a psychiatrist, health screenings by Farmasi Alpro covering posture assessments and muscle strength tests as well as sleep and neuro-AI screenings for early detection of potential health concerns.

Additionally, we supported Breast Cancer Awareness Month by encouraging employees to wear pink attire, participated in the Health & Safety World Day 2024 organised by the Department of Occupational Health and Safety (DOSH) through the "Ikran Integriti Keselamatan dan Kesihatan Pekerjaan" pledge, and continued to promote employees' health and well-being through various initiatives. We also aimed to improve a harmonised workplace environment by organising sports events such as volleyball and badminton.

SUSTAINABILITY STATEMENT (CONT'D)

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 are committed to maintaining a harmonious and inclusive workplace environment by actively participates in the Worker Voice Program organized by a non-governmental organization (NGO).

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 (ILO) and the Fair Labor Association (FLA).

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.

We Care for Our Community

We believe in giving back to our community and takes an active role in caring for the community. Techbase has collaborated with local authorities and Non-Governmental Organisations (NGOs) in hosting CSR projects every year. During the FYE 2025, we have organised a blood donation campaign, joined water-way and beach clean-up, Tree Planting, sponsored events organised by Batu Pahat Municipal Council and active engagement with local authorities, among others.

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.



SUSTAINABILITY STATEMENT (CONT'D)

Water-Way and Beach Clean-Up (Plastic-Free July) & Tree Planting

For the fourth consecutive year, we organised an environmental awareness programme to promote plastic-free practices. The initiative brought together our employees and the community leaders of Kg. Sungai Lurus to clean and restore the waterway area at Pantai Sungai Lurus, reinforcing our commitment to reducing plastic pollution and preserving the local ecosystem.



We are committed to promoting environmental sustainability through tree planting initiatives. Trees play a vital role in cleaning the air, reducing pollution, producing oxygen, regulating temperature, preventing soil erosion, and providing habitats for wildlife. By planting and protecting trees, we contribute to maintaining the natural balance and supporting a healthier planet for future generations.



SUSTAINABILITY STATEMENT (CONT'D)

Sponsorship of event T-shirt to the Committee of Batu Pahat Smart & Low Carbon City Event and Government agency.



Participated in a bowling competition with KASTAM Batu Pahat held at the Kluang Bowling Centre



Participated in the SDG Colour Fun Run and Walk 2025 as part of the Batu Pahat Smart & Low Carbon City initiative



SUSTAINABILITY STATEMENT (CONT'D)

Participated in the Malaysia Cleaning Day 2025 at the Batu Pahat District level, organised by the Batu Pahat Municipal Council



Participated in IPMC Meeting organised by Batu Pahat Municipal Council

Actively involved in the IPMC meeting with the Batu Pahat Municipal Council and local industries representatives within the community.



SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE FROM BURSA MALAYSIA'S ESG REPORTING PLATFORM

Indicator	Measurement Unit	2025
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	9,183.19
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	117
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Gender Group by Employee Category		
Management Male	Percentage	2.75
Management Female	Percentage	2.00
Executive Male	Percentage	1.71
Executive Female	Percentage	4.90
Non-executive/Technical Staff Male	Percentage	8.17
Non-executive/Technical Staff Female	Percentage	10.91
General Workers Male	Percentage	35.71
General Workers Female	Percentage	33.85
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	3.19
Management Above 50	Percentage	1.56
Executive Under 30	Percentage	0.89
Executive Between 30-50	Percentage	4.83
Executive Above 50	Percentage	0.89
Non-executive/Technical Staff Under 30	Percentage	4.23
Non-executive/Technical Staff Between 30-50	Percentage	11.51
Non-executive/Technical Staff Above 50	Percentage	3.34
General Workers Under 30	Percentage	20.04
General Workers Between 30-50	Percentage	46.55
General Workers Above 50	Percentage	2.97
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.33
Female	Percentage	16.67
Under 30	Percentage	0.00
Between 30-50	Percentage	100.00
Above 50	Percentage	0.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	3,455.34
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	6.16
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,347
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	660
Executive	Hours	1,031
Non-executive/Technical Staff	Hours	2,258
General Workers	Hours	3,219
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	5
Executive	Number	35
Non-executive/Technical Staff	Number	41
General Workers	Number	131
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	31.19
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	265.20
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	299.62
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	229.73
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	69.89
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	150.22
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	1,178.80
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,329.02

Internal assurance

External assurance

No assurance

(*)Restated

PROFILE OF DIRECTORS

DATUK AU YEE BOON

Executive Director,
Male, Malaysian, aged 45

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

Datuk Au holds a degree in Computer Science from the University of Malaya. He has been 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' meeting held during the financial year ended 31 July 2025.

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

Save as disclosed above, 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 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 45

Mr Lee Boon Siong ("Mr Lee") was appointed to the Board as an 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, 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 2025.

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 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 46

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 Group Managing Director of WYSEN Group of Companies. He founded WYSEN Industry Sdn Bhd in 1999, venturing into the business of making office chairs. He then expanded his business by exporting to Australia, Brunei, Middle East, India, Africa and other countries.

In 2004 and 2005, he established WYSEN Office Supplies Sdn Bhd and WYSEN Office Systems Sdn Bhd to sell products to local markets and manufacturing panel workstations respectively. As a Group Managing Director, Datuk Low monitors the entire operations and takes charge of the business development of the Group.

In addition to implementation of quality management project within the Group, Datuk Low established a Corporate Charity Fund in 2009. He was also appointed as the Malaysia Furniture Council Youth Chief and Malaysia Timber Industry Board of Committee Director respectively in 2019. In 2021, he was appointed as the Forest Research Institute Malaysia Board of Research Advisor Committee.

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

Datuk Low has attended all six (6) Board of Directors' meeting held during the financial year ended 31 July 2025.

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 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 42

Mr Tan Chin Yong ("Mr Tan") was appointed to the Board on 19 August 2022 as an Independent Non-Executive Director. 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, Mr Tan does not hold any directorship in other public companies and listed issuers.

Mr Tan has attended all six (6) Board of Directors' meeting held during the financial year ended 31 July 2025.

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 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 42

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, Mr Au does not hold any directorship in other public companies and listed issuers.

Mr Au has attended all six (6) Board of Directors' meeting held during the financial year ended 31 July 2025.

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.

Saved as disclosed above, 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 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.

DATIN LIM LEE WHENG

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

Datin Lim Lee Wheng ("Datin Lim") was appointed to the Board as a 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, Datin Lim does not hold any directorship in other public companies and listed issuers.

Datin Lim has attended all six (6) Board of Directors' meeting held during the financial year ended 31 July 2025.

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.

Saved as disclosed above, she has no family relationship with any Director and/or major shareholders 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 47

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 Techbase Industries Berhad 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 63

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 Techbase Industries Berhad 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 51

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, where he 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 Techbase Industries Berhad 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 57

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 Cheshire University 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 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 Techbase Industries Berhad 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 74

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 Techbase Industries Berhad 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 (“**Techbase**” or the “**Company**”) recognises that good corporate governance practices are fundamental to the effective discharge of its responsibilities in safeguarding shareholders’ investments and protecting the interests of all stakeholders.

The Board remains committed to upholding the principles and best practices of corporate governance as set out in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”) and the Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). These principles are applied consistently throughout Techbase and its subsidiaries (collectively referred to as the “**Group**” or “**Techbase Group**”) to enhance long-term shareholder value, ensure business sustainability, and promote continued growth.

In line with this commitment, the Board is pleased to present the Corporate Governance Overview Statement (“**CG Statement**”) for the financial year ended 31 July 2025 (“**FYE 2025**”), which outlines the key corporate governance practices adopted by the Company and highlights the manner in which the Group has applied the three (3) core principles of the MCCG, namely: -

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 2025 (“**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 providing overall leadership, setting the strategic direction, and ensuring the long-term success and sustainability of the Group. It determines the Group’s strategic objectives, ensures that appropriate risk management and internal control frameworks are in place, and monitors Management’s performance in delivering sustainable value to shareholders and other stakeholders.

In discharging its fiduciary duties, the Board is guided by the Board Charter, which clearly outlines the respective roles, duties, and responsibilities of the Board and each Director. The Board Charter serves as a key reference point for governance processes, delineating matters reserved for the Board’s decision and those delegated to Management. The Board Charter is reviewed periodically to ensure its continued relevance and alignment with prevailing laws, regulations, and best corporate governance practices.

The responsibilities of the Board include, but not limited to, the following:

- a) Reviewing and adopting the strategic plans for the Company and the Group, and subsequently monitoring Management’s implementation of these plans to ensure sustainable growth and the optimisation of returns;
- b) Overseeing the conduct of the Group’s business and affairs;
- c) Reviewing and monitoring the systems of risk management, internal compliance and controls, codes of conduct, continuous disclosure practices, legal compliance, and other significant corporate policies;
- d) Overseeing the development and implementation of the investor relations and shareholders’ communication policies; and
- e) Reviewing the adequacy and integrity of management information and systems within the Company and the Group.

To ensure the effective discharge of its functions 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**”)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board's Responsibilities (Cont'd)

Each of these Committees is entrusted with specific responsibilities to assist the Board in overseeing the Company's affairs, in accordance with their respective Terms of Reference ("TOR"). While authority has been delegated to these Committees, the Board retains full responsibility for the overall direction, control, and performance of the Company and the Group. The TORs of each Committee are reviewed periodically to ensure their continued relevance and alignment with applicable regulatory requirements and best practices.

A copy of the Board Charter and the TORs of the Committees is available on the Company's website at www.techbaseindustries.com.

The roles and responsibilities of the Executive Directors and Independent Non-Executive Directors are clearly defined and well segregated.

The Executive Directors are primarily responsible for the day-to-day management of the Group's operations. They are tasked with implementing policies and strategies approved by the Board and ensuring that the business of the Group is conducted in compliance with applicable laws and regulations. The Executive Directors are also accountable to the Board for the achievement of the Group's objectives and overall performance.

Meanwhile, the Independent Non-Executive Directors play a vital role in providing objective, independent judgment, and constructive challenge to the Executive Directors and the Management. They bring to the Board a diverse range of experience, knowledge, and professional insights, contributing to sound decision-making and the development of effective policies and strategies.

Although all Directors collectively share equal responsibility for the Company's and the Group's performance and operations, the presence of Independent Non-Executive Directors is particularly important in ensuring that decisions made by the Board are balanced, take into consideration the interests of all stakeholders—including shareholders, employees, customers, suppliers, and the community—and uphold the principles of integrity, transparency, and accountability.

Separation of position of the Chairman and Executive Directors

The MCCG has recommended that the roles of the Chairman and the Executive Director to be clearly separated to ensure a balanced distribution of power, accountability and authority. The Chairman should lead the Board, promotes effective deliberation, ensures timely and accurate information flow, and facilitates communication with shareholders. Meanwhile, the Executive Directors oversee the Group's day-to-day operations, implement the Board's decisions, and ensure that the business is managed with integrity and in compliance with all relevant laws and regulations.

The Company acknowledges this practice but does not currently 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. While this practice departs from the recommendation of the MCCG for the separation of the two (2) roles, the Board believes that the presence of Independent Non-Executive Directors, who collectively form the majority on the Board, provides sufficient checks and balances to ensure that no single individual dominates the Board's decision-making process.

The Independent Non-Executive Directors exercise objective judgment and provide effective oversight of Management, thereby mitigating any potential conflict of interest that may arise from the combined role. The Board will continue to monitor and review this arrangement periodically to ensure it remains appropriate and effective in light of the Group's evolving business needs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 serve 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 in 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 14 to 23 of this Annual Report.

Qualified and Competent Company Secretaries

The Company Secretaries play an essential role in supporting the Board to discharge its governance responsibilities effectively. They are qualified and competent professionals registered under the Companies Act 2016 and they are members of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). Both the Company Secretaries are experienced in corporate governance, regulatory compliance, and company secretarial practices.

The responsibilities of the Company Secretaries include:

- Advising the Board on its statutory duties, governance obligations, and compliance with applicable laws, rules, and regulations;
- Ensuring that accurate and up-to-date records of Board and Committee meetings are properly maintained;
- Facilitating communication between the Board, its Committees, and Management to ensure effective information flow; and
- Coordinating the preparation and timely circulation of meeting agendas, papers, and minutes.

All Directors have access to the advice and services of the Company Secretaries, who act as a source of guidance on governance matters and corporate compliance issues. The appointment and removal of the Company Secretaries are subject to the approval of the Board, ensuring their accountability directly to the Board as a whole.

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 currently comprises six (6) members, consisting of two (2) Executive Directors, two (2) Independent Non-Executive Directors, and two (2) Non-Independent Non-Executive Directors. Among them, one (1) of the Non-Independent Non-Executive Directors is a female Director, in compliance with the Listing Requirements of Bursa Securities, which mandate the presence of at least one (1) female Director on the Board.

Accordingly, the Company has complied with Paragraph 15.02 of the Listing Requirements, which requires at least two (2) or one-third (1/3) of the Board members, whichever is higher, to comprise Independent Directors. In the event of any vacancy on the Board that results in non-compliance with Paragraph 15.02, the Company will ensure that such vacancy is filled within three (3) months to restore compliance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Composition (Cont'd)

The current Board composition reflects a balance of knowledge, experience, skills, and competence necessary to discharge its duties effectively. The Directors bring diverse perspectives and professional expertise from various backgrounds, including business management, accounting, finance, and operations, which collectively enrich the Board's deliberations and decision-making processes.

The Independent Non-Executive Directors, in particular, play an instrumental role in ensuring objectivity, providing independent judgment, and offering constructive challenge to Management. Their financial and commercial acumen enables them to evaluate proposals critically, highlight potential risks, and ensure that strategic decisions are made in the best interest of the Company and its stakeholders.

The NC conducts an annual review of the Board's size, composition, and balance, taking into consideration the Directors' skills, experience, gender, and background. As part of the annual evaluation for the FYE 2025, the NC assessed the independence of each Independent Non-Executive Director and was satisfied that all continued to demonstrate independence as defined under the Listing Requirements.

In accordance with the Company's Constitution and the Listing Requirements, all Directors are subject to retirement by rotation at least once every three (3) years and are eligible for re-election. At least one-third (1/3) of the Board shall retire from office at each Annual General Meeting ("AGM") and may offer themselves for re-election. Furthermore, Directors appointed during the year shall hold office until the next AGM, at which they will be eligible for re-election by shareholders.

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 ad-hoc basis as and when necessary to consider business issues that require urgent decision of the Board.

The attendance of the directors at Board and Committee meetings are 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	5/5	1/1	1/1	1/1
Datuk Low Chin Koon Independent Non-Executive Director	6/6	5/5	1/1	1/1	1/1
Au Yee Soon Non-Independent Non-Executive Director	6/6	5/5	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 attendance shown above, each of the Directors have achieved 100% attendance for the Board and Committee meetings during FYE 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Time Commitment (Cont'd)

This have shown that 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.

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 2025, the Directors have attended the training programmes as below:-

Name of Directors	Seminars/Conferences/Training Programmes Attended
Datuk Low Chin Koon	<ul style="list-style-type: none"> Bursa Mandatory Accreditation Programme Part II
Tan Chin Yong	<ul style="list-style-type: none"> The Beneficial Ownership Reporting Framework For Companies Based In The Companies (Amendments) Act 2024 MIA Webinar Series: Issuance & Redemption of Preference Shares 2025 Budget Seminar E-Invoicing Intensive 2-Day Training Workshop Bursa Mandatory Accreditation Programme Part II

Save as disclosed above, Datuk Au Yee Boon, Mr Lee Boon Siong, Mr Au Yee Soon and Datin Lim Lee Wheng did not attend any training during the FYE 2025 due to their busy schedule. They are aware of the duties and responsibilities and will continue to undergo other relevant training programmes to keep abreast with the new regulatory developments and requirements in compliance with the Listing Requirements on continuing education.

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 2025, the NC had undertaken the following activities:

- Assessed existing structure, size, composition and effectiveness of the Board as a whole and 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; and
- Reviewed and recommended the re-election of the retiring Directors for Board approval.

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 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 Committees, as well as the performance of each Director and each Committee member.

The Board's overall effectiveness is assessed annually in several key areas, including the clarity of roles and responsibilities, Board composition, attendance record, intensity of participation at meetings, quality of contributions, and the ability of Directors to provide constructive input during deliberations. On top of that, the effectiveness of the Committees is assessed in terms of structure and processes, accountability, and responsibility as well as effectiveness of the Chairman of respective Committees.

Based on the annual assessment conducted during the FYE 2025, the NC is satisfied with the existing Board composition and concluded that Committees had remained effective and had provided strong support to the Board during FYE 2025, and each individual AC 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 2025 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 Terms of Reference 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.

The basic salaries for the Executive Directors and 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 2025, 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Directors' Remuneration

The details of the Directors' remuneration comprising remuneration received/receivable from the Company and Group during the FYE 2025 are as follows:

Company Level

Directors	Directors' Fees (RM)	Salary (RM)	Bonus (RM)	Other Emoluments (RM)	EPF (RM)	Total (RM)
Datuk Au Yee Boon	–	240,000	–	–	28,800	268,800
Lee Boon Siong	–	–	–	–	–	–
Datuk Low Chin Koon	48,000	–	–	–	–	48,000
Tan Chin Yong	48,000	–	–	–	–	48,000
Au Yee Soon	–	–	–	–	–	–
Datin Lim Lee Wheng	48,000	–	–	–	–	48,000
Total	144,000	240,000	–	–	28,800	412,800

Group Level

Directors	Directors' Fees (RM)	Salary (RM)	Bonus (RM)	Other Emoluments (RM)	EPF (RM)	Total (RM)
Datuk Au Yee Boon	–	360,000	–	56,000	43,200	459,200
Lee Boon Siong	300,000	–	–	–	–	300,000
Datuk Low Chin Koon	48,000	–	–	–	–	48,000
Tan Chin Yong	48,000	–	–	–	–	48,000
Au Yee Soon	–	300,000	–	–	36,000	336,000
Datin Lim Lee Wheng	48,000	–	–	–	–	48,000
Total	444,000	660,000	–	56,000	79,200	1,239,200

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 Senior Management.

The remuneration paid to the Senior Management personnel during the FYE 2025, are being categorised in bands 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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 39 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.

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 2025, 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 acknowledges its overall responsibility for maintaining a sound system of risk management and internal control within the Group. This system is designed to provide reasonable assurance regarding the achievement of the Group's objectives in ensuring effective and efficient operations, safeguarding of assets, compliance with applicable laws and regulations, and adherence to internal policies and procedures.

The AC plays a key role in assisting the Board in reviewing and monitoring the adequacy and integrity of the Group's risk management and internal control systems. The AC's processes are structured to facilitate a proactive framework and continuous dialogue among the AC, Management, and both external and internal auditors in evaluating the Group's risk management framework.

The Group's Senior Management reports regularly to the AC on key risks, control measures, and the effectiveness of mitigation actions. To ensure objectivity and independence, the Group has outsourced its internal audit function to a professional service firm that is independent of the Group's operations and activities. The outsourced internal auditors report directly to the AC, providing impartial assessments and recommendations to enhance the Group's internal control environment.

Further details of the Group's risk management and internal control framework are presented in the Audit Committee Report and the Statement on Risk Management and Internal Control contained in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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.

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.

ANNUAL GENERAL MEETING

The Board views the AGM as an important forum for direct engagement between the Company and its shareholders. The AGM provides shareholders with the opportunity to receive updates on the Company's performance and operations, to seek clarification, and to express their views or concerns directly to the Board and Management. The Board and Senior Management members are present at the AGM to respond to questions and provide explanations on matters relating to the Group's business, financial performance, and future prospects.

The Notice of AGM, together with the Company's Annual Report, is disseminated to shareholders at least twenty-eight (28) days prior to the meeting. This ensures that shareholders are accorded sufficient time to review the proposed resolutions, consider the audited financial statements, and make informed decisions at the AGM.

In compliance with Paragraph 8.29A of the Listing Requirements of Bursa Securities, all resolutions set out in the Notice of AGM are voted on by way of poll. The Company conducts electronic poll voting to facilitate accurate, transparent, and efficient tabulation of votes, with an independent scrutineer appointed to validate the results.

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 2025.

This statement was approved by the Board of Directors of the Company on 21 November 2025

AUDIT COMMITTEE REPORT

The Board of Directors (“**Board**”) of Techbase Industries Berhad (“**Techbase**” or the “**Company**”) is pleased to present the Audit Committee (“**AC**”) Report for the financial year ended 31 July 2025 (“**FYE 2025**”).

The AC, with delegated oversight responsibilities from the Board, assists the Board in discharging its statutory and fiduciary duties by ensuring that the paramount interests of the shareholders and other stakeholders of the Company and its subsidiaries (“**Group**”) are well protected. In carrying out its functions, the AC provides oversight on the Group’s financial reporting process, internal controls, risk management framework, and the internal and external audit functions.

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 is a former audit partner 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 is 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 are 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 five (5) meetings during the FYE 2025 and the attendance of the AC members is set out as below: -

<u>Name of Directors</u>	<u>Attendance</u>
Mr Tan Chin Yong	5/5
Datuk Low Chin Koon	5/5
Mr Au Yee Soon	5/5

The meetings of the AC were structured with formal agendas that were distributed to the AC members with sufficient notification. Notices of meeting together with the agenda and relevant papers were circulated to all AC members at least seven (7) days prior to each meeting to enable them to review the materials and prepare for deliberations. The meetings were of adequate length to allow the AC to deliberate all its agenda and to discuss any emerging issues in detail.

The Company Secretary(ies) or their representatives were present at all meetings to record the proceedings. Upon invitation, the Executive Directors, members of Management, and representatives of the external and internal auditors also attended specific AC meetings to facilitate direct communication and to provide clarifications on audit matters and the operations of the Group.

AUDIT COMMITTEE REPORT (CONT'D)

C. MEETINGS AND ATTENDANCE (CONT'D)

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

D. SUMMARY OF WORK

During the FYE 2025, 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 2025;
- (d) discussed the Audit Planning Memorandum with external auditors for FYE 2025;
- (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.

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.

The primary responsibility of the Internal Auditors is to provide independent and reasonable assurance to the AC and the Board that the Group's system of internal controls is adequate and continues to operate satisfactorily and effectively. The Internal Auditors furnish the AC with independent and objective reports on the state of internal controls within the Group, the level of compliance with established policies, procedures and relevant statutory requirements, the extent to which the Group's assets are properly accounted for and safeguarded, as well as recommendations for improvements to operations, processes and control systems.

AUDIT COMMITTEE REPORT (CONT'D)

E. INTERNAL AUDIT FUNCTION (CONT'D)

During the financial year, the Internal Auditors presented their audit findings to the AC and supported the Management in curating action plans to address the identified areas for improvement. These action plans are designed to ensure the adequacy and effectiveness of the Group's internal control system and to mitigate risks arising from any weaknesses identified. Follow-up reviews were subsequently conducted to ensure that the management had appropriately addressed the weaknesses highlighted and effectively implemented the corrective actions recommended within the stipulated timeframe.

The AC and the Board are satisfied with the performance and independence of the Internal Auditors. In the interest of maintaining greater objectivity, continuity and independence in the internal audit function, the Board has resolved to continue outsourcing the internal audit function to an independent professional firm.

The total costs incurred by the Internal Auditors in discharging their functions and responsibilities respectively for the FYE 2025 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 on page 42 to 44 of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“**Board**”) of Techbase Industries Berhad (“**Techbase**” or the “**Company**”) is pleased to present the Statement on Risk Management and Internal Control (“**Statement**”) of Techbase, which outlines the nature and scope of risk management and internal control of the Company and its subsidiaries (“**Group**”) during the financial year ended 31 July 2025 (“**FYE 2025**”).

This Statement has been prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, after taking into consideration the recommendations of the Malaysian Code on Corporate Governance 2021, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD’S RESPONSIBILITY

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

The Board confirms that there is an ongoing risk management process in place to identify, evaluate and manage significant risks to mitigate the risks that could 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 imposed on management in respect of day-to-day operations as well as major non-operating transactions;
3. formalised standard operating procedures to ensure compliance with internal policies 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 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. a Whistleblower 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 statements and reports 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 risks arising from natural disasters, workforce unrest, 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 employees receive trainings on the Group's policies and procedures;
- risk management processes 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 form the basis for 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 the 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 observation 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 are reported to the AC, which in turn reports these matters to the Board.

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 and review internal auditor's findings and recommendations. During the FYE 2025, 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.

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

REVIEW OF THE 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 the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The review was performed in accordance with Malaysian Approved Standard on Assurance 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 management and internal control system.

Based on the review performed, 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 during 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 operated adequately and effectively, in all material aspects, based on the risk management and internal control framework of the Group.

During the financial year under review, the Board is satisfied that no material losses, deficiencies or errors arose from any inadequacy or failure of the Group’s internal control system which 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 21 November 2025.

DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

The Directors are required by the Companies Act 2016 ("**Act**") to prepare financial statements for each financial year in accordance with the applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards and the requirements of the Act in Malaysia.

The Directors are responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have ensured that the Management has:

- (i) Adopted appropriate accounting policies and applied them consistently;
- (ii) Made judgements and estimates that are reasonable and prudent; and
- (iii) Prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

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 2025 are as follows: -

Type of Fees	Group (RM'000)	Company (RM'000)
Audit Fees	340	50
Non-audit Fees	5	5

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 2025 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 as at the financial year ended 31 July 2025 is as follows:-

	Timeframe for Utilisation	Amount to be utilised (RM'000)	Utilised as at 31 July 2025 (RM'000)	Balance to be utilised as at 31 July 2025 (RM'000)
Installation of roof-top solar PV systems	Within 24 months	10,000	9,054	946
Working capital	Within 24 months	28,217	28,217	-
Estimated expenses in relation to the Rights Issue of ICULS	Immediate	800	800	-
		39,017	38,071	946

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 2025, the Company has yet to grant 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 2025.



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DIRECTORS' REPORT

The directors of **TECHBASE INDUSTRIES BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2025.

PRINCIPAL ACTIVITIES

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

The information on the names of subsidiary companies, places of incorporation, principal activities and the effective equity interests held by the Company in its subsidiary companies are as disclosed in Note 15 to the financial statements.

RESULTS OF OPERATIONS

	The Group RM'000	The Company RM'000
Profit/(Loss) before tax	12,057	(8,622)
Income tax expense	<u>(3,408)</u>	<u>(1,078)</u>
Profit/(Loss) for the financial year	<u>8,649</u>	<u>(9,700)</u>
Profit/(Loss) attributable to:		
Owners of the Company	6,876	(9,700)
Non-controlling interests	<u>1,773</u>	<u>-</u>
	<u>8,649</u>	<u>(9,700)</u>

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.

**DIRECTORS' REPORT
(CONT'D)****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 from RM130,699,000 to RM131,006,000 through the issuance of 1,537,000 new ordinary shares by way of conversion of 6,145,000 Irredeemable Convertible Unsecured Loan Stock ("ICULS") of RM0.20 per ICULS into 1,537,000 new ordinary shares on the basis of four (4) ICULS for every one (1) new share, and the allotment of 750 new ordinary shares for a cash consideration of RM150.

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

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

WARRANTS B

The Warrants B were constituted under the deed poll dated 14 June 2021 as disclosed in Note 25 to the financial statements.

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

As at 31 July 2025, the total number of Warrants B that remain unexercised was 133,586,000.

TREASURY SHARES

As at 31 July 2025, the Company held of 809,000 of its 301,402,000 issued ordinary shares as treasury shares. Further relevant details are disclosed in Note 26 to the financial statements.

DIRECTORS' REPORT (CONT'D)

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

On 5 April 2024, the Company completed the Renounceable Right Issue of up to RM102,578,000 nominal value of 2,051,567,000, five (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 of the Company held on the entitlement date ("Right Issue").

Pursuant to the Rights Issue, the Company allotted and issued 780,343,000 ICULS with nominal value of RM39,017,000 which was granted listing on the Main Market of Bursa Malaysia Securities Berhad on 5 April 2024.

The salient features of the ICULS are disclosed in Note 27 to the financial statements.

As at 31 July 2025, the total number of outstanding ICULS that remain unconverted was 708,871,000.

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, of which comprised up to 30% of Share Grants and at least 70% of ESOS Options, to the eligible directors and employees of the Company and its subsidiary companies (excluding dormant subsidiary companies) ("ESS"). The 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 ESS are disclosed in Note 28 to the financial statements.

As at 31 July 2025, no grants or options had been issued under the ESS.

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 had satisfied themselves that there were 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 their values as shown in the accounting records in the ordinary course of business had been written down to amounts which the current assets might be expected so to realise.

DIRECTORS' REPORT (CONT'D)

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 the 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 their obligations as and when they fall due.

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

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*

DIRECTORS' REPORT (CONT'D)

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

*Directors of the Company and of its subsidiary companies

DIRECTORS' INTERESTS

The interests in the shares of the Company of those who were directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares		
	Balance at 1.8.2024	Bought	Sold
Interests in the Company			
Datuk Au Yee Boon			
Direct interest	11,100,200	-	-
Indirect interest*	4,923,500	-	-
Datin Lim Lee Wheng			
Indirect interest^	11,100,200	-	-

	Number of ICULS over ordinary shares		
	Balance at 1.8.2024	Bought	Sold
Interests in the Company			
Datuk Au Yee Boon			
Direct interest	70,501,000	-	(18,000,000)
Indirect interest*	24,617,500	-	(22,500,000)
Datin Lim Lee Wheng			
Indirect interest^	70,501,000	-	(18,000,000)

* 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 a beneficial interest in the shares of all subsidiary companies to the extent that the Company has an interest.

DIRECTORS' REPORT (CONT'D)

None of the other directors in office at the end of the financial year held shares, or had any beneficial interest in the shares of the Company or its related corporations 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 have received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the directors 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 ended 31 July 2025 as follows:

	The Group RM'000	The Company RM'000
Executive directors:		
Fee	300	-
Salaries and other emoluments	660	240
Defined contribution plans	80	29
	<u>1,040</u>	<u>269</u>
Non-Executive directors:		
Fees	144	144
	<u>1,184</u>	<u>413</u>

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group amounted to RM56,000.

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 RM39,000 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.

DIRECTORS' REPORT (CONT'D)

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 2025 are as follows:

	The Group RM'000	The Company RM'000
Auditors' remuneration:		
Statutory audit	340	50
Other services	5	5
	<u>345</u>	<u>55</u>

SUBSEQUENT EVENTS

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

**DIRECTORS' REPORT
(CONT'D)****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,

DATUK AU YEE BOON

LEE BOON SIONG

Petaling Jaya,
21 November 2025

STATEMENT BY DIRECTORS

The directors of **TECHBASE INDUSTRIES 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 2025 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,

DATUK AU YEE BOON

LEE BOON SIONG

Petaling Jaya,
21 November 2025

STATUTORY DECLARATION BY THE DIRECTOR

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **LEE BOON SIONG**, the director primarily responsible for the financial management of **TECHBASE INDUSTRIES 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
21th day of November, 2025.

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TECHBASE INDUSTRIES BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **TECHBASE INDUSTRIES BERHAD**, which comprise the statements of financial position as at 31 July 2025 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 64 to 168.

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 2025, 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"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

INDEPENDENT AUDITORS' REPORT (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
<p>Impairment of property, plant and equipment and right-of-use assets</p> <p>As of 31 July 2025, the carrying amounts of property, plant and equipment and right-of-use assets of the Group are RM145,400,000, and RM12,118,000, respectively.</p> <p>Certain subsidiary companies within the Group have identified indicators of impairment for some of their property, plant and equipment and right-of-use assets, requiring an assessment of recoverable amounts.</p> <p>The recoverable amounts have been determined based on fair value less costs to sell ("FVLCTS"), using available market information and recent comparable transactions as valuation inputs.</p> <p>We determined this to be a key audit matter due to significant management's judgement and estimates involved in determining the recoverable amount.</p> <p>The assessment of recoverable amount of non-financial assets made by the directors of the Company is as disclosed in Notes 11 and 12 to the financial statements.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> (i) Obtained an understanding of the relevant controls management has in place to identify impairment indicators and assessed whether the methodology and assumptions used for the assessments were appropriate, including the reasonableness of any resulting impairment charge; (ii) Assessed management's selection of comparable assets and evaluated the appropriateness of the methodology used to adjust the sales prices of these comparables, including assessing the rationale for adjustments relating to age, condition, and other relevant factors; (iii) Verified the accuracy of the computation and input data provided by the management; (iv) 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; and

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters	Our audit performed and responses thereon
	(v) Assessed the reliability and relevance of the market data sources used by management to obtain sales prices of comparable assets.

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.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT (CONT'D)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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 (CONT'D)

Other Matter

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 KAI JIE
03726/04/2027 J
Chartered Accountant**

Petaling Jaya
21 November 2025

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	6	209,614	183,066	3,603	3,721
Cost of sales		(171,156)	(152,300)	-	-
Gross profit		38,458	30,766	3,603	3,721
Other operating income		38,470	18,033	1,549	819
Administrative expenses		(21,729)	(21,360)	(2,390)	(3,051)
Reversal/(Impairment) losses on financial assets		50	336	(7,543)	-
Impairment losses on non-financial assets		-	-	(3,666)	-
Selling and distribution expenses		(10,378)	(13,551)	-	-
Other operating expenses		(29,681)	(42,384)	(167)	(30)
Profit/(Loss) from operations		15,190	(28,160)	(8,614)	1,459
Finance costs	7	(3,133)	(3,887)	(8)	(4)
Profit/(Loss) before tax	8	12,057	(32,047)	(8,622)	1,455
Income tax expense	9	(3,408)	(3,301)	(1,078)	(287)
Profit/(Loss) for the financial year		8,649	(35,348)	(9,700)	1,168

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(CONT'D)

	The Group		The Company	
	2025	2024	2025	2024
Note	RM'000	RM'000	RM'000	RM'000
Other comprehensive (loss)/income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences for foreign operations	(6,149)	1,692	-	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Fair value loss on unquoted investments	(62)	(65)	(62)	(65)
Other comprehensive (loss)/income for the financial year, net of tax	(6,211)	1,627	(62)	(65)
Total comprehensive income/(loss) for the financial year, net of tax	2,438	(33,721)	(9,762)	1,103
Profit/(Loss) for the financial year attributable to:				
Owners of the Company	6,876	(29,419)	(9,700)	1,168
Non-controlling interests	1,773	(5,929)	-	-
	8,649	(35,348)	(9,700)	1,168

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		1,378	(27,198)	(9,762)	1,103
Non-controlling interests		<u>1,060</u>	<u>(6,523)</u>	<u>-</u>	<u>-</u>
		<u>2,438</u>	<u>(33,721)</u>	<u>(9,762)</u>	<u>1,103</u>
Earnings/(Loss) per share attributable to owners of the Company:					
Basic (sen)	10	2.3	(10.5)		
Diluted (sen)	10	<u>1.4</u>	<u>(6.4)</u>		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2025

		The Group		The Company	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	145,400	155,569	31	37
Right-of-use assets	12	12,118	15,930	-	-
Investment properties	13	11,379	12,250	-	-
Intangible assets	14	-	-	-	-
Investment in subsidiary companies	15	-	-	99,913	103,579
Investment in a joint venture	16	-	-	-	-
Other investments	17	511	573	511	573
Goodwill on consolidation	18	2,712	2,712	-	-
Deferred tax assets	19	214	38	27	38
Total Non-Current Assets		172,334	187,072	100,482	104,227
Current Assets					
Inventories	20	19,602	25,141	-	-
Trade receivables	21	45,354	26,496	-	-
Other receivables, deposits and prepayments	22	3,664	4,275	14	10
Amount due from subsidiary companies	36	-	-	66,375	52,285
Amount due from a joint venture	36	-	10	-	-
Tax recoverable		3,899	3,240	-	-
Other investments	17	106,007	80,204	683	663
Short term funds	23	119	115	119	115
Deposits with financial institutions	23	6,558	15,772	-	9,000
Cash and bank balances	23	51,932	68,937	446	9,299
Total Current Assets		237,135	224,190	67,637	71,372
Total Assets		409,469	411,262	168,119	175,599

STATEMENTS OF FINANCIAL POSITION

(CONT'D)

		The Group		The Company	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	24	131,006	130,699	131,006	130,699
Treasury shares	26	(128)	(128)	(128)	(128)
ICULS equity	27	35,319	35,635	35,319	35,635
Reserves	29	5,509	11,007	(1,510)	(1,448)
Retained earnings	30	147,478	140,602	(2,695)	7,005
Equity attributable to Owners of the Company					
		319,184	317,815	161,992	171,763
Non-controlling interests		23,902	22,842	-	-
Total Equity		343,086	340,657	161,992	171,763
Non-Current Liabilities					
Deferred tax liabilities	19	1,851	1,626	-	-
Lease liabilities	31	792	1,520	-	-
ICULS liabilities	27	92	138	92	138
Borrowings	32	19,727	27,552	-	-
Total Non-Current Liabilities		22,462	30,836	92	138
Current Liabilities					
Trade payables	33	7,201	5,468	-	-
Other payables and accruals	34	12,690	11,867	340	423
Amount due to subsidiary companies	36	-	-	5,242	3,196
Contract liabilities	35	421	439	-	-
Lease liabilities	31	1,234	912	-	-
ICULS liabilities	27	35	18	35	18
Borrowings	32	21,922	21,004	-	-
Tax payable		418	61	418	61
Total Current Liabilities		43,921	39,769	6,035	3,698
Total Liabilities		66,383	70,605	6,127	3,836
Total Equity and Liabilities		409,469	411,262	168,119	175,599

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

	Attributable to Owners of the Company										
	Non-distributable					Distributable					
	Share capital RM'000	Treasury shares RM'000	ICULS equity component 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 2023	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)

STATEMENTS OF CHANGES IN EQUITY
(CONT'D)

	Attributable to Owners of the Company										
	Non-distributable					Distributable					
	Share capital RM'000	Treasury shares RM'000	ICULS equity component 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:	-	-	-	-	-	-	(284)	284	-	-	-
Share options lapsed											
Issuance of shares arising from conversion of ICULS	4,628	-	35,635	-	-	-	-	-	40,263	-	40,263
	4,628	-	35,635	-	-	-	(284)	284	40,263	-	40,263
As at 31 July 2024	130,699	(128)	35,635	11,528	927	(1,448)	-	140,602	317,815	22,842	340,657

STATEMENTS OF CHANGES IN EQUITY
(CONT'D)

	Attributable to Owners of the Company									
	Non-distributable				Distributable					
	Share capital RM'000	Treasury shares RM'000	ICULS equity component RM'000	Currency translation reserve RM'000	Statutory reserve RM'000	Fair value 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 2024	130,699	(128)	35,635	11,528	927	(1,448)	140,602	317,815	22,842	340,657
Profit for the financial year	-	-	-	-	-	-	6,876	6,876	1,773	8,649
Currency translation differences of foreign operations	-	-	-	(5,436)	-	-	-	(5,436)	(713)	(6,149)
Other comprehensive loss for the financial year	-	-	-	-	-	(62)	-	(62)	-	(62)
Total comprehensive (loss)/income for the financial year	-	-	-	(5,436)	-	(62)	6,876	1,378	1,060	2,438

STATEMENTS OF CHANGES IN EQUITY
(CONT'D)

	Attributable to Owners of the Company									
	Non-distributable				Distributable					
	Share capital RM'000	Treasury shares RM'000	ICULS equity component RM'000	Currency translation reserve RM'000	Statutory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Transaction with owners:										
Equity and liabilities component adjustment	-	-	(9)	-	-	-	-	(9)	-	(9)
Issuance of shares arising from conversion of ICULS	307	-	(307)	-	-	-	-	-	-	-
	307	-	(316)	-	-	-	-	(9)	-	(9)
As at 31 July 2025	131,006	(128)	35,319	6,092	927	(1,510)	147,478	319,184	23,902	343,086

STATEMENTS OF CHANGES IN EQUITY
(CONT'D)

	Attributable to Owners of the Company					
	Non-distributable			Distributable		Total equity RM'000
Share capital RM'000	Treasury shares RM'000	ICULS equity component RM'000	Fair value reserve RM'000	ESOS reserve* RM'000	Retained earnings 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	-
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	-	35,635	-	(436)	(1,508)
						38,319
As at 31 July 2024	130,699	(128)	35,635	(1,448)	7,005	171,763

STATEMENTS OF CHANGES IN EQUITY
(CONT'D)

	Attributable to Owners of the Company					
	Non-distributable			Distributable		
	Share capital RM'000	Treasury shares RM'000	ICULS equity component RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
The Company						
As at 1 August 2024	130,699	(128)	35,635	(1,448)	7,005	171,763
Loss for the financial year	-	-	-	-	(9,700)	(9,700)
Other comprehensive loss for the financial year	-	-	-	(62)	-	(62)
Total comprehensive loss for the financial year	-	-	-	(62)	(9,700)	(9,762)
Transaction with owners:						
Equity and liabilities component adjustment	-	-	(9)	-	-	(9)
Issuance of shares arising from conversion of ICULS	307	-	(307)	-	-	-
	307	-	(316)	-	-	(9)
As at 31 July 2025	131,006	(128)	35,319	(1,510)	(2,695)	161,992

* ESOS reserve represents the equity-settled share options granted by the Company to employees under the Employee Share Option Scheme, which expired on 8 September 2023 with all unexercised options lapsed.

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS (USED IN)/ FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	12,057	(32,047)	(8,622)	1,455
Adjustments for:				
Amortisation of right-of-use assets	1,611	1,284	-	-
Amortisation of intangible assets	-	5	-	-
Depreciation of property, plant and equipment	8,078	8,232	13	16
Depreciation of investment properties	25	25	-	-
Deposits forfeited	2	-	-	-
Fair value (gain)/loss on other investments	(32,864)	27,354	3	-
(Gain)/Loss on:				
Disposal of property, plant and equipment and right- of-use assets	(2,349)	291	-	-
Disposal of investment properties	(165)	-	-	-
Disposal of other investments	16,575	(16,262)	-	-
Termination of lease term	(1)	(25)	-	-
Income distribution from unit trusts	(27)	(127)	(27)	(70)
Impairment loss on:				
Amount due from subsidiary companies	-	-	7,543	-
Investment in subsidiary companies	-	-	3,666	-
Amount due from a joint venture	17	-	-	-
Intangible asset written off	-	3,281	-	-
Interest expense	3,133	3,887	8	4
Interest income	(955)	(1,273)	(1,521)	(749)

STATEMENTS OF CASH FLOWS

(CONT'D)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment written off	35	48	-	-
Reversal of impairment loss on trade receivables	(67)	(336)	-	-
Inventories written down	1,788	300	-	-
Inventories written off	469	847	-	-
Unrealised (gain)/loss on foreign exchange	(1,864)	36	163	30
Operating profit/(loss) before working capital changes	5,498	(4,480)	1,226	686
Changes in working capital:				
Decrease/(Increase) in:				
Inventories	2,960	2,500	-	-
Trade receivables	(20,753)	28,580	-	-
Other receivables, deposits and prepayments	565	165	(4)	37
Increase/(Decrease) in:				
Trade payables	1,810	(1,995)	-	-
Other payables and accruals	3,949	(637)	(83)	4
Contract liabilities	(18)	(589)	-	-
Cash (used in)/from operations	(5,989)	23,544	1,139	727
Interest received	645	1,189	3	93
Income tax paid	(3,295)	(3,058)	(721)	(348)
Income tax refunded	2	-	-	-
Net Cash (Used In)/From Operating Activities	(8,637)	21,675	421	472

STATEMENTS OF CASH FLOWS
(CONT'D)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES				
Advance to subsidiary companies	-	-	(20,763)	(22,249)
Advance to a joint venture	(7)	(10)	-	-
Income distribution from other investments	27	127	27	70
Interest received	16	58	-	-
Net change in other investments	(9,514)	(18,801)	(23)	(59)
Purchase of property, plant and equipment	(5,904)	(10,259)	(7)	-
Proceeds from disposal of:				
Property, plant and equipment and right-of-use assets	11,550	1,232	-	-
Investment properties	1,011	-	-	-
Real property gains tax paid	(368)	-	-	-
Net Cash Used In Investing Activities	<u>(3,189)</u>	<u>(27,653)</u>	<u>(20,766)</u>	<u>(22,238)</u>
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES				
Advance from/(Repayment to) subsidiary companies	-	-	2,263	(1,331)
Interest paid	(3,162)	(3,883)	(29)	-
Interest received	294	26	262	-
Proceeds from:				
Allotment of new shares	-	1,361	-	1,361
Issuance of shares pursuant to ICULS	-	39,016	-	39,016
Uplift deposits with financial institutions	583	110	-	-
Repayment of borrowings	(5,252)	(14,749)	-	-
Repayment of lease liabilities	(1,384)	(771)	-	-
Net Cash (Used In)/From Financing Activities	<u>(8,921)</u>	<u>21,110</u>	<u>2,496</u>	<u>39,046</u>

STATEMENTS OF CASH FLOWS

(CONT'D)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
NET				
(DECREASE)/INCREASE				
IN CASH AND CASH				
EQUIVALENTS	(20,747)	15,132	(17,849)	17,280
Effect of exchange differences	(3,406)	441	-	-
CASH AND CASH				
EQUIVALENTS AT				
BEGINNING OF THE				
FINANCIAL YEAR	<u>80,641</u>	<u>65,068</u>	<u>18,414</u>	<u>1,134</u>
CASH AND CASH				
EQUIVALENTS AT END				
OF THE FINANCIAL				
YEAR (NOTE 23)	<u>56,488</u>	<u>80,641</u>	<u>565</u>	<u>18,414</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

1. GENERAL INFORMATION

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

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

The information on the names of subsidiary companies, places of incorporation, principal activities and the effective equity interests held by the Company in the subsidiary company is disclosed in Note 15.

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 Kuala Lumpur, Malaysia.

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

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 21 November 2025.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Adoption of amendments to MFRSs

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

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

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

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 121	Lack of Exchangeability ¹
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11 ²
MFRS 18	Presentation and Disclosure in Financial Statements ³
MFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Deferred to a date to be determined and announced by MASB.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 new MFRSs and 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.

Investment in subsidiary companies

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

Investment in a 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.

In the Company’s separate financial statements, investment in a joint venture is stated at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 for 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 garments, apparels and fabrics usually includes the manufacturing of garments and fabrics and trading of fabric face masks. Revenue is recognised when the Group satisfies a performance obligation which is when control of the products has transferred, being the products are delivered to the customer.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(b) Provision of advertising and agency services

Revenue from the provision of advertising and agency services is recognised over time as the Group satisfies its performance obligations by rendering advertising and agency services to customers. A performance obligation is satisfied over time when the customer simultaneously receives and consumes the benefits provided as the Group performs.

Revenue is recognised based on the price specified in the contract, net of rebates, discounts and taxes.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue is recognised with a credit term of 30 to 120 days, which is consistent with market practice.

Leases

Leasehold land is stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is provided on the straight-line basis over the lease period of 45 years.

Lease accounting

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. Right-of-use assets are amortised on a straight-line basis over the period as follows:

Buildings	2 to 3 years
Land use rights	31 and 41 years
Advertising sites	2 to 5 years
Motor vehicles	5 years

The lease liabilities are initially measured at the present value of the lease payments that are paid after the 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Lessor accounting

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

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:

Buildings	10 to 50 years
Multimedia boards	5 years
Plant and machinery	10 to 20 years
Equipment and fixtures	5 to 10 years
Motor vehicles	5 years

Capital-in-progress is not depreciated until it is completed and ready for intended use.

Investment properties

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

Freehold land is not depreciated. Following the reclassification of the freehold buildings from property, plant and equipment to investment properties in the previous 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 measured 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 measured at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Cost of inventories comprises cost of purchase and other costs incurred in bringing the inventories to their present location and condition and is determined as follows:

- raw materials: 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 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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- 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).

(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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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.

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.

(ii) *Equity instruments designated as at FVTOCI*

On initial recognition, the Group and the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with MFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iii) *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 and the Company designate 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 and the Company have 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 recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other operating income” or “other operating 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the 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 unit 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 unit. 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 case 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 (or group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating units (or 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 the asset in prior years. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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. 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 30 days past due, unless the Group and the Company have reasonable and supportable information that demonstrates otherwise.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Probability of default

The Group and the Company consider information developed internally or obtained from external sources that indicates a 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 such financial assets are generally not recoverable.

The Group and the Company consider that default has occurred when a financial asset is more than 90 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. For financial assets, the exposure at default 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and making 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.

Statements of cash flows

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

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 and restricted cash at financial institutions.

4. CRITICAL 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) Critical judgements in applying the Group's and the Company's accounting policies

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**(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 non-financial assets

The Group and the Company assess whether there is any indication of impairment for non-financial assets and performs 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 non-financial assets are determined based on fair value less costs to sell.

Significant judgement is involved by management to adjust the sales prices of comparable assets such as adjustments for age, condition and other relevant factors.

The carrying amounts at the reporting date for non-financial assets are disclosed in Notes 11, 12 and 15.

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 is 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.

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

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of their receivables, include, trade and other receivables, amount due from a joint venture 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

Impairment of goodwill on consolidation

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

The carrying amount of the Group's goodwill on consolidation and key assumptions used to determine the recoverable amount are disclosed in Note 18.

Valuation of inventories

In determining the allowance for slow-moving inventories, management is required to exercise significant judgement and make estimates. Inventories are assessed at each reporting date, and the required allowance is estimated by considering factors such as the age of inventory, historical and projected sales trends, current market conditions and the expected selling prices of the items.

The carrying amount of inventories are disclosed in Note 20.

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)

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 operating segments:

	Apparels RM'000	Textile RM'000	Advertising RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
The Group						
2025						
Revenue						
External sales	192,596	6,705	10,149	164	-	209,614
Inter-segment sales	70,714	-	-	4,646	(75,360)	-
Total revenue	263,310	6,705	10,149	4,810	(75,360)	209,614
Result						
Profit/(Loss) from operations	4,961	(10,898)	2,655	6,334	12,138	15,190
Finance costs	(211)	(3,137)	(73)	(1,023)	1,311	(3,133)
Profit/(Loss) before tax	4,750	(14,035)	2,582	5,311	13,449	12,057
Income tax expense	(1,805)	-	(525)	(1,078)	-	(3,408)
Profit/(Loss) for the financial year	2,945	(14,035)	2,057	4,233	13,449	8,649

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

The Group						
2025						
Result						
Segment assets	283,524	112,265	14,271	308,385	(308,976)	409,469
Segment liabilities	116,036	122,026	3,580	34,936	(210,195)	66,383
Other information						
Amortisation of right-of-use assets	644	-	978	(11)	-	1,611
Depreciation of property, plant and equipment	2,802	4,757	505	14	-	8,078
Depreciation of investment properties	-	-	-	25	-	25
Interest income	(1,549)	(18)	(114)	(1,522)	2,248	(955)
Fair value gain on other investments	(30,420)	-	(2,447)	3	-	(32,864)
Property, plant and equipment written off	12	22	1	-	-	35
Inventories written down/(back)	1,966	(178)	-	-	-	1,788
Inventories written off	226	243	-	-	-	469

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	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)

The Group						
2024						
Result						
Segment assets	Apparels RM'000	Textile RM'000	Advertising RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
	265,678	120,172	12,501	288,405	(275,494)	411,262
Segment liabilities	85,416	115,899	6,497	19,687	(156,894)	70,605
Other information						
Amortisation of intangible assets	5	-	-	-	-	5
Amortisation of right-of-use assets	581	-	363	340	-	1,284
Depreciation of property, plant and equipment	3,024	4,689	503	16	-	8,232
Depreciation of investment properties	-	-	-	25	-	25
Interest income	(1,083)	(23)	(72)	(95)	-	(1,273)
Fair value loss on other investments	22,665	-	4,689	-	-	27,354
Property, plant and equipment written off	27	21	-	-	-	48
Inventories written down	300	-	-	-	-	300
Inventories written off	-	847	-	-	-	847
Intangible asset written off	3,281	-	-	-	-	3,281

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Geographical segments

Revenue by location of customers is analysed as follows:

	2025 RM'000	2024 RM'000
Malaysia	22,400	23,024
United States of America	86,358	71,728
Europe	30,951	26,128
Asia	54,480	52,119
Other countries	15,425	10,067
	<u>209,614</u>	<u>183,066</u>

Revenue from major customers

Total revenue from 4 (2024: 2) major customers that individually contributed more than 10% of the Group's revenue was from the apparels segment and amounted to RM132,341,000 (2024: RM86,065,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. FINANCE COSTS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
Borrowings	3,021	3,827	-	-
Lease liabilities	104	56	-	-
ICULS	8	4	8	4
	<u>3,133</u>	<u>3,887</u>	<u>8</u>	<u>4</u>

8. PROFIT/(LOSS) BEFORE TAX

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

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Amortisation of right-of-use assets	1,611	1,284	-	-
Amortisation of intangible assets	-	5	-	-
Auditors' remuneration:				
Statutory audit	340	283	50	40
Other services	5	5	5	5
Depreciation of property, plant and equipment	8,078	8,232	13	16
Depreciation of investment properties	25	25	-	-
Fair value (gain)/loss on other investments	(32,864)	27,354	3	-
(Gain)/Loss on:				
Disposal of property, plant and equipment and right-of-use assets	(2,349)	291	-	-
Disposal of investment properties	(165)	-	-	-
Disposal of other investments	16,575	(16,262)	-	-
Termination of lease term	(1)	(25)	-	-

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Income distribution from unit trusts	(27)	(127)	(27)	(70)
Impairment loss on:				
Amount due from subsidiary companies	-	-	7,543	-
Investment in subsidiary companies	-	-	3,666	-
Amount due from a joint venture	17	-	-	-
Intangible asset written off	-	3,281	-	-
Interest income	(955)	(1,273)	(1,521)	(749)
Property, plant and equipment written off	35	48	-	-
Reversal of impairment loss on trade receivables	(67)	(336)	-	-
Inventories written down	1,788	300	-	-
Inventories written off	469	847	-	-
(Gain)/Loss on foreign exchange:				
Unrealised	(1,864)	36	163	30
Realised	9	678	-	-
Rental income	(162)	(184)	-	-
Lease expenses relating to short term lease:				
Advertising sites	268	543	-	-
Machinery and equipment	59	46	-	-
Premises	243	324	14	14
Staff costs	59,327	61,271	1,680	1,466

Included in staff costs of the Group and of the Company are directors' remuneration of RM1,184,000 (2024: RM864,000) and RM413,000 (2024: RM253,000), respectively as further disclosed in Note 36(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 RM5,202,000 (2024: RM5,940,000).

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

9. INCOME TAX EXPENSE

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Estimate tax payable:				
Current financial year	3,341	1,796	760	277
Under/(Over) provision in prior financial years	28	(337)	318	-
	<u>3,369</u>	<u>1,459</u>	<u>1,078</u>	<u>277</u>
Deferred tax (Note 19):				
Current financial year	(31)	1,126	-	8
Under provision in prior years	69	716	-	2
	<u>38</u>	<u>1,842</u>	<u>-</u>	<u>10</u>
Real property gain tax	1	-	-	-
	<u>3,408</u>	<u>3,301</u>	<u>1,078</u>	<u>287</u>

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

A reconciliation of income tax expense applicable to profit/(loss) 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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax	12,057	(32,047)	(8,622)	1,455
Taxation at statutory rate of 24% (2024: 24%)	2,894	(7,691)	(2,069)	349
Effect of tax rates in other countries	(1,225)	(404)	-	-
Tax effects of:				
Non-taxable income	(11,350)	(4,385)	(7)	(174)
Expenses not deductible	9,812	11,074	2,855	110
Utilisation of previously unrecognised deferred tax assets	(222)	(17)	(19)	-
Deferred tax assets not recognised	3,401	4,345	-	-
Under/(Over) provision in prior financial years:				
Estimated tax payable	28	(337)	318	-
Deferred tax	69	716	-	2
Real property gains tax	1	-	-	-
	<u>3,408</u>	<u>3,301</u>	<u>1,078</u>	<u>287</u>

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

At the end of the reporting period, the estimated amount of (taxable)/deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unutilised investment tax allowance 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		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Temporary differences arising from property, plant and equipment	(30,372)	(33,736)	-	-
Unutilised tax losses	65,003	57,433	-	-
Unabsorbed capital allowances	65,275	62,881	-	-
Unutilised investment tax allowances	69,907	69,907	-	-
Others	75	156	75	156
	<u>169,888</u>	<u>156,641</u>	<u>75</u>	<u>156</u>

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 future chargeable profits.

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

Pursuant to Section 8 of the Finance Act, 2021 (Act 833), the amendments to Subsection 44(5F) of Income Tax Act, 1967, the time limit of the carried forward unutilised tax losses is 10 consecutive years of assessment.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

Expiry date of the unutilised tax losses is summarised below:

	The Group	
	2025	2024
	RM'000	RM'000
Year of assessment:		
2028	4,019	6,171
2029	10,713	10,713
2030	24	24
2031	5,751	5,751
2032	7,876	7,876
2033	13,073	13,073
2034	13,825	13,825
2035	9,722	-
	<u>65,003</u>	<u>57,433</u>

10. EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings/(loss) per share attributable to owners of the Company are computed by dividing the profit/(loss) 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 earnings/(loss) per share of the Group has been calculated by dividing the Group's profit/(loss) 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	
	2025	2024
Profit/(Loss) attributable to owners of the Company (RM'000)	<u>6,876</u>	<u>(29,419)</u>
Weighted average number of ordinary shares in issue ('000)	<u>300,258</u>	<u>279,149</u>
Basic earnings/(loss) per share (sen)	<u>2.3</u>	<u>(10.5)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Diluted

The diluted earnings/(loss) per share of the Group has been calculated by dividing the Group's profit/(loss) 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	
	2025	2024
Profit/(Loss) attributable to owners of the Company (RM'000)	<u>6,876</u>	<u>(29,419)</u>
Weighted average number of ordinary shares in issue ('000)	300,258	279,149
Adjustment for dilutive effect of convertible instruments ('000)	<u>177,218</u>	<u>178,754</u>
	<u>477,476</u>	<u>457,903</u>
Diluted earnings/(loss) per share (sen)	<u>1.4</u>	<u>(6.4)</u>

The Warrants B in issue were not in-the-money and therefore had no dilutive effect on the earnings/(loss) per share.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

11. PROPERTY, PLANT AND EQUIPMENT

The Group 2025		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-in- progress RM'000	Total RM'000
Cost									
As at 1 August 2024		22,673	112,866	4,746	68,002	18,967	3,408	8,620	239,282
Additions		-	62	530	745	2,902	42	1,623	5,904
Disposals		(241)	(6,027)	-	(959)	(3,036)	(86)	-	(10,349)
Written offs		-	-	(1,001)	(497)	(154)	-	(22)	(1,674)
Reclassifications		-	-	197	-	13	-	(210)	-
Exchange differences		-	(851)	-	(728)	(147)	(26)	(61)	(1,813)
As at 31 July 2025		22,432	106,050	4,472	66,563	18,545	3,338	9,950	231,350
Accumulated depreciation									
As at 1 August 2024		-	34,750	3,231	32,056	10,997	2,679	-	83,713
Additions		-	2,448	488	3,564	1,399	179	-	8,078
Disposals		-	(2,000)	-	(908)	(65)	(86)	-	(3,059)
Written offs		-	-	(999)	(490)	(150)	-	-	(1,639)
Exchange differences		-	(380)	-	(612)	(125)	(26)	-	(1,143)
As at 31 July 2025		-	34,818	2,720	33,610	12,056	2,746	-	85,950
Carrying amount									
As at 31 July 2025		22,432	71,232	1,752	32,953	6,489	592	9,950	145,400

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	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-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	450	691	8,279	10,259
Disposals	-	(56)	-	(3,981)	(162)	(466)	-	(4,665)
Written offs	-	-	-	(2,523)	(2,464)	(153)	-	(5,140)
Reclassifications	445	(445)	-	-	-	-	-	-
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	68,002	18,967	3,408	8,620	239,282
Accumulated depreciation								
As at 1 August 2023	-	32,938	2,790	33,725	12,024	2,832	-	84,309
Additions	-	2,413	441	3,686	1,484	208	-	8,232
Disposals	-	-	-	(2,838)	(94)	(210)	-	(3,142)
Written offs	-	-	-	(2,523)	(2,416)	(153)	-	(5,092)
Transferred to investment properties (Note 13)	-	(580)	-	-	-	-	-	(580)
Exchange differences	-	(21)	-	6	(1)	2	-	(14)
As at 31 July 2024	-	34,750	3,231	32,056	10,997	2,679	-	83,713

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	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-in- progress RM'000	Total RM'000
Carrying amount								
As at 31 July 2024	22,673	78,116	1,515	35,946	7,970	729	8,620	155,569

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	The Company	
	2025	2024
	RM'000	RM'000
Equipment and fixtures		
Cost		
As at 1 August	220	220
Additions	7	-
	<u>227</u>	<u>220</u>
As at 31 July		
Accumulated depreciation		
As at 1 August	183	167
Charge for the financial year	13	16
	<u>196</u>	<u>183</u>
As at 31 July		
Carrying amount		
As at 31 July	<u>31</u>	<u>37</u>

(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 32 are:

	The Group	
	2025	2024
	RM'000	RM'000
Freehold land	20,163	21,523
Buildings	69,274	73,210
Plant and machinery	23,744	25,697
Capital-in-progress	71	103
	<u>113,252</u>	<u>120,533</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(b) Buildings

Included in the Group's buildings is a building erected on a leasehold land located in Jiangsu Province, China, with a carrying amount of RM6,167,000 (2024: RM6,816,000), which is depreciated based on the remaining leasehold period of 30 years (2024: 31 years), expiring on 16 November 2055.

(c) Change in accounting estimate

In the previous financial year, the Group's management conducted a review of the useful lives of property, plant, and equipment. Accordingly, the estimated useful lives of freehold buildings were revised from 20 years to 40 or 50 years, depending on the age and condition of each building. The estimated useful lives of the leasehold building were also revised from 20 years to the remaining lease period of 31 years, to reflect more accurately the buildings' expected economic benefits over time. The change in the useful lives of property, plant and equipment resulted in a decrease in depreciation and loss before tax of the Group by RM3,117,000 in the previous financial year.

(d) Impairment of property, plant and equipment

The management carried out an impairment assessment on the property, plant and equipment for a subsidiary company, Trans Pacific Textile (M) Sdn. Bhd. as there were indicators of impairment arising from recurring losses, capital deficiency and operations running below optimal production capacity.

As the subsidiary company operates a single manufacturing plant, the impairment assessment was performed at the entity level, which represents a single cash-generating unit ("CGU"). The recoverable amount of the CGU was determined based on its fair value less costs to sell ("FVLCTS").

The FVLCTS of the manufacturing plant as at 31 July 2025 was determined by management based on an internal assessment using the comparison approach. Under this approach, the fair value was estimated with reference to recent market transactions of comparable industrial properties within the same vicinity, adjusted for differences in location, size, age, condition, building specifications, and other relevant factors to reflect prevailing market conditions. The management's assessment was supported, among others, by valuations carried out on 11 September 2024 by an independent firm of professional valuers not related to the Group, which also adopted the comparison approach involving an analysis of recent market evidence and values of comparable properties in the surrounding area. No updated valuation was performed during the financial year ended 31 July 2025, as management is of the view that there have been no significant changes in market conditions or assumptions that would materially affect the fair value of the manufacturing plant.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The estimated fair value was subsequently reduced by the estimated costs of disposal to arrive at the recoverable amount. Based on management's assessment, the recoverable amount of the manufacturing plant and related assets exceeded the carrying amount. Accordingly, no impairment loss on property, plant and equipment was recognised for the financial year ended 31 July 2025.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

12. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Buildings RM'000	Land use rights RM'000	Advertising sites RM'000	Motor vehicle RM'000	Total RM'000
The Group						
2025						
Cost						
As at 1 August 2024	2,600	1,045	13,087	2,791	838	20,361
Additions	-	13	-	791	-	804
Disposals	(2,600)	-	-	-	-	(2,600)
Modification of lease term	-	179	-	-	-	179
Termination of lease term	-	(16)	-	-	-	(16)
Exchange differences	-	-	(1,442)	-	-	(1,442)
As at 31 July 2025	-	1,221	11,645	3,582	838	17,286
Accumulated depreciation						
As at 1 August 2024	607	548	1,627	1,369	280	4,431
Charge for the financial year	82	378	5	978	168	1,611
Disposals	(689)	-	-	-	-	(689)
Termination of lease term	-	(12)	-	-	-	(12)
Exchange differences	-	-	(173)	-	-	(173)
As at 31 July 2025	-	914	1,459	2,347	448	5,168
Carrying amount						
As at 31 July 2025	-	307	10,186	1,235	390	12,118

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Leasehold land RM'000	Buildings RM'000	Land use rights RM'000	Advertising sites RM'000	Motor vehicle 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	29	367	357	363	168	1,284
Termination of lease term	-	(549)	-	-	-	(549)
Exchange differences	-	(12)	(63)	-	-	(75)
As at 31 July 2024	607	548	1,627	1,369	280	4,431
Carrying amount						
As at 31 July 2024	1,993	497	11,460	1,422	558	15,930

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Group's right-of-use assets consist of buildings, advertising sites and motor vehicle. The lease terms for right-of-use assets range from 2 to 5 years (2024: 2 to 5 years). The Group has options to extend the lease terms for a further 1 to 3 years (2024: 1 to 3 years) at the end of the lease term.

The aggregate additional costs for the right-of-use assets of the Group were acquired under lease arrangements and are recognised as corresponding increases to lease liabilities.

The motor vehicle has been charged to a financial institution for finance lease obligations as disclosed in Note 31.

Leasehold land

Lease of land for the Group's factory building at PT 172 (HSD 13621), Seksyen 3, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang, Malaysia. The land for the factory building is leased over a period of 99 years expiring on 21 February 2052. The Group does not have an option to purchase the leasehold interest in land at the expiry of the lease period. The leasehold land is amortised over the period of its remaining lease term of 27 years (2024: 28 years). The leasehold land was disposed on 3 March 2025.

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 RM9,708,000 (2024: RM10,929,000), and in Jiangsu Province, China, with a carrying amount of RM478,000 (2024: RM530,000). The land use rights in Tien Giang Province, Vietnam, have a remaining leasehold period of 32 years (2024: 33 years), expiring on 26 November 2057. The land use rights in Jiangsu Province, China, have a remaining leasehold period of 30 years (2024: 31 years), expiring on 16 November 2055.

For the land use rights in Tien Giang Province, Vietnam, the assets were originally acquired to support a proposed factory development project which was subsequently abandoned due to unfavourable economic conditions. The discontinuation of the project constitutes an impairment indicator. Subsequent to the financial year end 31 July 2025, the subsidiary company holding the land use rights, Trans Pacific Textile (VN) Co. Ltd., was disposed of to a third party at a consideration exceeding its net assets, including the carrying amount of the land use rights, as disclosed in Note 44. The disposal consideration provides observable market evidence that the recoverable amount exceeded the carrying amount. Accordingly, no impairment loss has been recognised.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

13. INVESTMENT PROPERTIES

	Freehold Land RM'000	Freehold buildings RM'000	Total RM'000
The Group			
2025			
Cost			
As at 1 August 2024	11,286	1,569	12,855
Disposals	(846)	-	(846)
As at 31 July 2025	10,440	1,569	12,009
Accumulated depreciation			
As at 1 August 2024	-	605	605
Charge for the financial year	-	25	25
As at 31 July 2025	-	630	630
Carrying amount			
As at 31 July 2025	10,440	939	11,379
2024			
Cost			
As at 1 August 2023	-	-	-
Transfer 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	-	-	-
Transfer 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 2024	11,286	964	12,250

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

(a) Assets pledged as securities to financial institutions

The carrying amounts of investment property of the Group pledged as securities for banking facilities as disclosed in Note 32 granted to the Company and a subsidiary company are:

	2025 RM'000	2024 RM'000
Freehold land	<u>8,657</u>	<u>8,657</u>

(b) Fair value of investment properties is categorised as follows:

	2025 RM'000	2024 RM'000
Level 3		
Investment properties	<u>13,883</u>	<u>13,883</u>

There were no Level 1 or Level 2 investment properties and no transfers between Level 1 and Level 2 during the financial year ended 31 July 2024 and 31 July 2025.

Level 3 fair value

The estimated fair values of the investment properties were determined based on information available through internal research and the directors' best estimate. The most significant unobservable input in this valuation approach is the adjusted price per square foot of comparable properties, which reflect differences in property size, age, condition and location.

(c) The following are recognised in profit or loss in respect of investment properties:

	2025 RM'000	2024 RM'000
Rental income	8	-
Depreciation of investment properties	<u>25</u>	<u>25</u>

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

- (d) The investment properties are leased to tenants under operating leases with rental receivable on a monthly basis. Minimum lease payment receivable on lease of investment properties are as follows:

	2025 RM'000	2024 RM'000
Within 1 year	24	-
Between 1 and 2 years	12	-
	<u>36</u>	<u>-</u>

- (e) Change in accounting estimate

In the previous financial year, the Group conducted a review of the estimated 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 estimated useful lives of investment properties has resulted in a decrease in depreciation and loss before tax of the Company by RM53,000 in the previous financial year.

14. INTANGIBLE ASSETS

	Trademarks RM'000	Software RM'000	Total RM'000
The Group			
Cost			
As at 1 August 2023	67	3,260	3,327
Written off	<u>(67)</u>	<u>(3,260)</u>	<u>(3,327)</u>
As at 31 July 2024/1 August 2024/31 July 2025	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated depreciation			
As at 1 August 2023	41	-	41
Charge for the financial year	5	-	5
Written off	<u>(46)</u>	<u>-</u>	<u>(46)</u>
As at 31 July 2024/1 August 2024/31 July 2025	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount			
As at 31 July 2024/31 July 2025	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

In the previous financial year, 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 Company	
	2025	2024
	RM'000	RM'000
In Malaysia:		
Unquoted shares - at cost	92,839	92,839
Less: Accumulated impairment loss	(5,730)	(2,064)
	<u>87,109</u>	<u>90,775</u>
Outside Malaysia:		
Unquoted shares - at cost	<u>12,804</u>	<u>12,804</u>
	<u>99,913</u>	<u>103,579</u>

The movements for impairment losses during the financial year are as follows:

	2025	2024
	RM'000	RM'000
As at 1 August	2,064	2,102
Impairment loss recognised during the financial year	3,666	-
Reversal during the financial year	-	(38)
	<u>5,730</u>	<u>2,064</u>

In the current financial year, the Company recognised impairment loss of RM3,666,000 on its investment in a subsidiary company, which has been dormant and continued to incur losses, indicating deterioration in its financial performance.

Details of the subsidiary companies are as follows:

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		2025	2024	
		%	%	
Honsin Apparel Sdn. Bhd. ("HASB")	Malaysia	100	100	Manufacturing of apparels, fabric face masks and investment holding

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		2025 %	2024 %	
Plas Industries Sdn. Bhd. ("PISB")	Malaysia	100	100	Provision of apparel manufacturing services
Prox Technology Sdn. Bhd. ("PTSB")	Malaysia	100	100	Wholesale of textiles, clothing and its related products
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	Provision of marketing services and investment holding
Trans Pacific Textile (M) Sdn. Bhd. ("TPTM")	Malaysia	94.44	94.44	Manufacturing of fabric and apparels
Prolexus International Limited ("PIL")*	Hong Kong	100	100	Trading of apparels
Trans Pacific Textile (HK) Limited ("TPTHK")*	Hong Kong	100	100	Investment holding

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		2025 %	2024 %	
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	Cutting and manufacturing of garments
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 and retailing of apparels
Subsidiary company of Trans Pacific Textile (HK) Limited:				
Trans Pacific Textile (VN) Co. Ltd. (“TPTVN”)*	Vietnam	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		2025 %	2024 %	
Subsidiary company of Honways International Limited:				
Honways Apparel Shuyang Limited (“HASL”)*	People’s Republic of China (“PRC”)	64	64	Manufacturing of apparels and investment holding
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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2025	2024	2025	2024	2025	2024
	%	%	RM'000	RM'000	RM'000	RM'000
HIL	36	36	1,179	(1,336)	18,411	17,232
HASL	36	36	566	(1,973)	(3,441)	(4,007)
HKA	55.2	55.2	(341)	(625)	(975)	(634)
TPTM	5.56	5.56	(778)	(915)	(541)	237
HiQ	48.09	48.09	361	(647)	11,071	10,710
					24,525	23,538
Individually immaterial subsidiary companies with non-controlling interests					(623)	(696)
Total non-controlling interests					23,902	22,842

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Summarised financial information in respect of the subsidiary companies 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	
	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Statement of financial position</u>						
Non-Current assets	2,661	5,047	8,065	9,492	-	-
Current assets	41,820	46,694	19,245	20,166	22	24
Current liabilities	(57)	(3,874)	(29,609)	(30,958)	(1,233)	(1,326)
Net assets/(liabilities)	44,424	47,867	(2,299)	(1,300)	(1,211)	(1,302)
<u>Statement of profit or loss and other comprehensive income</u>						
Revenue	13,348	18,605	49,632	50,341	-	10
Loss for the financial year	(1,253)	(3,712)	(1,109)	(5,078)	-	(1,132)
Total comprehensive loss for the financial year	(1,253)	(3,712)	(1,109)	(5,078)	-	(1,132)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Honways International Limited		Honways Apparel Shuyang Limited		HK Apparel Shuyang Limited	
	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Statement of cash flows						
Net cash (used in)/from:						
Operating activities	(2,191)	(2,039)	2,331	(4,111)	-	(383)
Investing activities	-	-	19	114	-	401
Financing activities	1,443	(5,975)	(2,429)	4,364	-	-
Net changes in cash and cash equivalents	(748)	(8,014)	(79)	367	-	18

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	Trans Pacific Textile (M) Sdn. Bhd.		HiQ Media (Malaysia) Sdn. Bhd.	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Statement of financial position</u>				
Non-Current assets	104,293	109,071	3,493	2,977
Current assets	7,972	11,060	26,240	25,694
Non-Current liabilities	(19,727)	(27,552)	(399)	(1,096)
Current liabilities	(102,298)	(88,306)	(6,803)	(5,400)
Net assets	(9,760)	4,273	22,531	22,175
<u>Statement of profit or loss and other comprehensive income</u>				
Revenue	6,706	6,904	10,149	9,321
(Loss)/Profit for the financial year	(14,035)	(16,462)	356	(1,732)
Total comprehensive (loss)/income for the financial year	(14,035)	(16,462)	356	(1,732)
<u>Statement of cash flows</u>				
Net cash (used in)/from:				
Operating activities	(5,584)	(7,666)	3,452	3,155
Investing activities	(6)	(57)	(3,972)	(1,650)
Financing activities	6,493	5,047	(955)	1,034
Net changes in cash and cash equivalents	903	(2,676)	(1,475)	2,539

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. INVESTMENT IN A JOINT VENTURE

	The Group	
	2025 RM'000	2024 RM'000
In Malaysia:		
Unquoted shares in Malaysia - at cost	458	458
Less: Share of post-acquisition reserve	(458)	(458)
	<u>-</u>	<u>-</u>

The Company has recognised its share of post-acquisition losses of the joint venture up to the extent of its equity interest, and the carrying amount has been fully written down, as the joint venture remains dormant and continues to incur losses, indicating deterioration in its financial position.

Details of the joint venture is as follows:

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		2025 %	2024 %	
T&W Synergy Sdn. Bhd.	Malaysia	50	50	Peaching and finishing of fabrics, temporarily ceased in financial year ended 31 July 2024

17. OTHER INVESTMENTS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Non-Current</u>				
Fair value through other comprehensive income ("FVTOCI"):				
Equity instruments	<u>511</u>	<u>573</u>	<u>511</u>	<u>573</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Current</u>				
Fair value through				
profit or loss				
("FVTPL"):				
Equity instruments	106,007	80,204	683	663

- (a) Equity instruments designated at FVTOCI are investments in equity shares of an unquoted company. The investment has been irrevocably designated at FVTOCI as the Group and the Company consider it to be strategic in nature for the purpose of fostering long-term business relationships and supporting potential future collaboration opportunities. Management does not intend to dispose of this investment in the foreseeable future.

During the financial year, the Group and the Company recognised the fair value loss of RM62,000 (2024: RM65,000) for unquoted equity instruments classified as FVTOCI as the fair value of the investment was below its carrying amount.

- (b) Equity instruments designated at FVTPL are investments in equity instruments quoted in Malaysia. The fair value of these equity instruments is determined by reference to published price quotations in an active market. These investments are held for trading purposes.

Financial assets at FVTPL have been pledged as security for borrowings obtained from a financial institution as disclosed in Note 32.

- (c) Included in equity instruments designated at FVTPL is RM1,591,000 (2024: RM2,227,000) relating to an investment in equity instruments quoted in Malaysia, South Malaysia Industries Berhad ("SMI").

On 20 August 2024, the Company's subsidiary companies, Honsin Apparel Sdn. Bhd. ("HASB") 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, HASB and HiQ will be classified as persons acting in concert ("PAC") with T1 and have collectively own more than 33% shares of SMI, thereby triggering the obligation to extend a mandatory general offer ("MGO") 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 agreement contemplates (i) unanimous voting by the parties on material matters, (ii) nomination of one director by the Group and one by the counterparty, and (iii) an MGO to be undertaken by the counterparty as sole offeror.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

At the reporting date, the Group does not control SMI and does not have significant influence because the collaboration terms had not yet resulted in present ability to direct SMI's relevant activities. Accordingly, as the FVTPL designating is irrecoverable at initial recognition, the interest continues to be measured as a financial asset at FVTPL in accordance with MFRS 9. Management will continue to monitor the MGO outcome and reassess this conclusion as facts change.

The Group also had no commitments, guarantees or funding obligations in respect of the collaboration or the MGO.

18. GOODWILL ON CONSOLIDATION

	The Group	
	2025	2024
	RM'000	RM'000
HiQ Media (Malaysia) Sdn. Bhd.	<u>2,712</u>	<u>2,712</u>

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 segment, 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 budgets and projections approved by management.

No impairment loss is required for the goodwill as its recoverable amount exceeds 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 (2024: five-year) cash flow projections are based on the most recent budget approved by management and extrapolated using a steady growth rate of 1.90% (2024: 1.90%) per annum for the subsequent years.

(ii) Discount rate

The discount rate of 13.00% (2024: 13.00%) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The management believes that no reasonably possible changes in any key assumptions would cause the recoverable amount of the CGU fall below its carrying amount except for changes in prevailing operating environment which are not ascertainable.

19. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
As at 1 August	(1,588)	216	38	10
Recognised in profit or loss (Note 9)	(38)	(1,842)	-	(10)
ICULS	(11)	38	(11)	38
As at 31 July	<u>(1,637)</u>	<u>(1,588)</u>	<u>27</u>	<u>38</u>

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

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	214	38	27	38
Deferred tax liabilities	(1,851)	(1,626)	-	-
	<u>(1,637)</u>	<u>(1,588)</u>	<u>27</u>	<u>38</u>

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

The deferred tax in the financial statements is in respect of the tax effects on the following:

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets				
(before offsetting):				
Temporary differences arising from:				
Right-of-use assets and lease liabilities	15	7	-	-
Contract liabilities	101	81	-	-
Provisions	331	243	-	-
Others	27	38	27	38
	<u>474</u>	<u>369</u>	<u>27</u>	<u>38</u>
Offsetting	<u>(260)</u>	<u>(331)</u>	<u>-</u>	<u>-</u>
Deferred tax assets (after offsetting)	<u>214</u>	<u>38</u>	<u>27</u>	<u>38</u>
Deferred tax liabilities				
(before offsetting):				
Temporary differences arising from:				
Revaluation surplus	579	579	-	-
Property, plant and equipment	1,532	1,378	-	-
	<u>2,111</u>	<u>1,957</u>	<u>-</u>	<u>-</u>
Offsetting	<u>(260)</u>	<u>(331)</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities (after offsetting)	<u>1,851</u>	<u>1,626</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. INVENTORIES

	The Group	
	2025	2024
	RM'000	RM'000
Cost:		
Raw materials	8,524	9,521
Work-in-progress	7,655	8,245
Finished goods	5,461	7,624
	<u>21,640</u>	<u>25,390</u>
Less: Allowance for slow moving inventories	(2,038)	(249)
	<u>19,602</u>	<u>25,141</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	167,084	148,019
Inventories written down	1,788	300
Inventories written off	469	847

21. TRADE RECEIVABLES

	The Group	
	2025	2024
	RM'000	RM'000
Trade receivables	45,354	26,762
Less: Allowance for impairment losses	<u>-</u>	<u>(266)</u>
	<u>45,354</u>	<u>26,496</u>

The Group's normal trade credit terms range from 30 to 120 days (2024: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The movements of allowance for impairment losses during the financial year are as follows:

	The Group	
	2025	2024
	RM'000	RM'000
As at 1 August	266	602
Reversal during the financial year	(67)	(336)
Written off during the financial year	<u>(199)</u>	<u>-</u>
As at 31 July	<u>-</u>	<u>266</u>

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

	Gross amount RM'000	Loss allowance RM'000	Net amount RM'000
The Group			
2025			
Neither past due nor impaired	40,811	-	40,811
Past due but not impaired:			
Less than 30 days	3,144	-	3,144
31 to 60 days	1,041	-	1,041
61 to 90 days	164	-	164
More than 90 days	194	-	194
Total past due but not impaired	4,543	-	4,543
	45,354	-	45,354
2024			
Not past due and impaired	21,677	(39)	21,638
Past due and impaired:			
Less than 30 days	2,782	(5)	2,777
31 to 60 days	1,011	(5)	1,006
61 to 90 days	321	(6)	315
More than 90 days	772	(12)	760
Total past due and impaired	4,886	(28)	4,858
Credit impaired:			
Individually impaired	199	(199)	-
	26,762	(266)	26,496

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired relate to customers that have a good track record with the Group. Based on past experience and no adverse information to date, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered recoverable.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

The Group uses a provision matrix to measure ECL of trade receivables. Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Included in the Group's trade receivables balance are receivables with an aggregate carrying amount of RM4,543,000 (2024: RM4,857,000) which are past due at the reporting date. They are not considered to be in default as the default risk of these receivables is low after considering the creditworthiness and past payment history of these receivables and forward-looking information available at the end of the reporting period.

In the current financial year, the Group has written off a trade receivable following the winding up of the customer, as the amount was assessed to be irrecoverable.

22. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Other receivables	350	665	-	-
Deposits	1,283	1,245	3	3
Prepayments	1,057	1,363	11	7
Deferred expenses	93	-	-	-
Advance payment	881	1,002	-	-
	<u>3,664</u>	<u>4,275</u>	<u>14</u>	<u>10</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Short-term funds	119	115	119	115
Deposits with financial institutions	6,558	15,772	-	9,000
Cash and bank balances	51,932	68,937	446	9,299
Bank overdrafts (Note 32)	(528)	(2,007)	-	-
	<u>58,081</u>	<u>82,817</u>	<u>565</u>	<u>18,414</u>
Less: Pledged deposits with financial institutions	<u>(1,593)</u>	<u>(2,176)</u>	<u>-</u>	<u>-</u>
	<u>56,488</u>	<u>80,641</u>	<u>565</u>	<u>18,414</u>

Short-term funds are the Group's and Company's investment in money market funds in Malaysia. These investments represent investments in highly liquid money market instruments which are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value and hence, meet the definition of cash and cash equivalents. Short-term funds are categorised as Level 2 in fair value hierarchy. The fair value of short-term funds is determined by reference to the quoted market bid prices at the close of business at the end of each reporting period. There were no transfers between levels of the fair value hierarchy during the financial year.

Deposits with financial institutions of the Group and of the Company earn interest at rates ranging from 2.30% to 3.85% (2024: 1.30% to 3.85%) per annum. Deposits with financial institutions of the Group and of the Company have maturity terms of 1 to 36 months (2024: 1 to 36 months).

24. SHARE CAPITAL

	The Group and the Company			
	Number of ordinary shares		Amount	
	2025	2024	2025	2024
	Units '000	Units '000	RM'000	RM'000
Issued and fully paid:				
<u>Ordinary shares</u>				
As at 1 August	299,865	276,728	130,699	126,071
Issuance of shares	<u>1,537</u>	<u>23,137</u>	<u>307</u>	<u>4,628</u>
As at 31 July	<u>301,402</u>	<u>299,865</u>	<u>131,006</u>	<u>130,699</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

During the financial year, the Company increased its issued and paid-up share capital from RM130,699,000 to RM131,006,000 through the issuance of 1,537,000 new ordinary shares by way of:

- (i) conversion of 6,145,000 Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of RM0.05 per ICULS into 1,537,000 new ordinary shares on the basis of four (4) ICULS for every one (1) new share at an issue price of RM0.20 per ordinary share; and
- (ii) allotment of 750 new ordinary shares for a cash consideration of RM150.

In the previous year, the Company increased its issued and paid-up share capital from RM126,071,000 to RM130,699,000 through the issuance of 23,137,000 new ordinary shares by way of:

- (i) conversion of 65,326,000 ICULS of RM0.05 per ICULS into 16,331,000 new ordinary shares on the basis of four (4) ICULS for every one (1) new share at an issue price of RM0.20 per ordinary share; and
- (ii) allotment of 6,806,000 new ordinary shares for a cash consideration of RM1,361,000.

The new ordinary shares issued 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 133,586,000 Warrants B pursuant to a bonus issue of warrants exercise ("Warrants B"). The Warrants B were constituted by a deed poll dated 14 June 2021. The Warrants B were 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 RM0.41 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 on 24 June 2026.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- (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 Constitution 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 the financial year, the total number of unexercised Warrants B was 133,586,000 (2024: 133,586,000).

26. TREASURY SHARES

Out of the total 301,402,000 (2024: 299,865,000) issued ordinary shares as at 31 July 2025, 809,000 (2024: 809,000) was held as treasury shares at a cost of RM128,000 (2024: RM128,000) by the Company. As at 31 July 2025, the number of outstanding ordinary shares in issue after the set off was therefore 300,593,000 (2024: 299,056,000) ordinary shares.

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

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

	The Group and the Company	
	2025 RM'000	2024 RM'000
ICULS not converted as at 31 July	35,444	35,751
Equity component, net of deferred tax assets	35,319	35,635
Liability component	127	156
Deferred tax assets (Note 19)	27	38
	<u>35,473</u>	<u>35,829</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 780,343,000 5-year, 0.10% ICULS at its nominal value of RM0.05 each, amounted to RM39,017,000. 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 2025, a total of 6,145,000 (2024: 65,326,000) ICULS have been converted into new ordinary shares of RM0.20 (2024: RM0.20) each via a combination of cash option and non-cash option. The outstanding ICULS in issue as at 31 July 2025 was 708,871,000 (2024: 715,016,000) ICULS.

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

28. **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;
- (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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

- (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 2025, the Company has not granted any shares under the ESS to the eligible Directors and employees.

29. RESERVES

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-distributable:				
Currency translation reserve	6,092	11,528	-	-
Fair value reserve	(1,510)	(1,448)	(1,510)	(1,448)
Statutory reserve	927	927	-	-
	<u>5,509</u>	<u>11,007</u>	<u>(1,510)</u>	<u>(1,448)</u>

Currency translation reserve

The currency 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 FVTOCI 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 regulations of the PRC to the statutory reserve until the reserve balance reaches 50% of their respective registered capital. Such reserve may be used to affect any losses incurred or for capitalisation as paid-up capital.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. RETAINED EARNINGS

The entire retained earnings of the Company are available for distribution as single-tier dividends.

31. LEASE LIABILITIES

The maturity analysis of the lease liabilities is as follows:

	The Group	
	2025	2024
	RM'000	RM'000
Minimum lease payments:		
Less than one year	1,279	976
Later than one year but not later than two years	538	855
Later than two years but not later than five years	236	630
More than five years	112	190
	<hr/>	<hr/>
Total minimum lease payments	2,165	2,651
Less: Future finance charges	(139)	(219)
	<hr/>	<hr/>
Present value of lease liabilities	<u>2,026</u>	<u>2,432</u>

The lease liabilities components are analysed as follows:

	The Group	
	2025	2024
	RM'000	RM'000
Current	1,234	912
Non-Current	792	1,520
	<hr/>	<hr/>
	<u>2,026</u>	<u>2,432</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities.

The lease liabilities comprise buildings, advertising sites and obligations under finance lease on motor vehicles.

Buildings

The incremental borrowing rate of the Group at the end of the reporting period ranges from 3.58% to 3.70% (2024: 3.70%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

Obligations under finance lease

The Group's obligations under finance lease bear effective interest rate of 4.23% (2024: 4.23%) per annum. The obligations under finance lease are secured by a charge over the right-of-use asset of motor vehicle as disclosed in Note 12.

32. BORROWINGS

	The Group	
	2025	2024
	RM'000	RM'000
Secured		
Share margin financing	9,097	6,419
Bankers' acceptance	3,881	205
Term loans	28,143	39,925
Bank overdrafts	528	2,007
	<u>41,649</u>	<u>48,556</u>
	<u>41,649</u>	<u>48,556</u>
	The Group	
	2025	2024
	RM'000	RM'000
Non-Current		
Term loans	<u>19,727</u>	<u>27,552</u>
	<u>19,727</u>	<u>27,552</u>
Current		
Share margin financing	9,097	6,419
Bankers' acceptance	3,881	205
Term loans	8,416	12,373
Bank overdrafts	528	2,007
	<u>21,922</u>	<u>21,004</u>
	<u>21,922</u>	<u>21,004</u>
	<u>41,649</u>	<u>48,556</u>
	<u>41,649</u>	<u>48,556</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The effective interest rates for borrowings (per annum) as at reporting date are as follows:

	The Group	
	2025 %	2024 %
Share margin financing	5.50 - 9.75	6.75 - 9.75
Bankers' acceptance	4.25 - 5.23	4.45 - 5.26
Term loans	4.47 - 6.50	4.72 - 6.75
Bank overdrafts	<u>7.07</u>	<u>7.32</u>

The borrowings are secured by:

- (a) Corporate guarantee of the Company;
- (b) Legal charge over freehold land and buildings and land use rights of certain subsidiary companies;
- (c) First party specific debenture by way of fixed charge created over certain subsidiary companies' plant and machinery and capital-in-progress;
- (d) First/Third party deed of assignment and charge over the Finance Service Reserve Account ("FSRA") of certain subsidiary companies; and
- (e) Pledge of certain subsidiary companies' investments in quoted shares.

33. TRADE PAYABLES

Credit terms of trade payables of the Group and of the Company ranged from 30 to 90 days (2024: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

34. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other payables	3,634	2,657	33	22
Deposits payable	1	1	-	-
Accruals	8,899	9,144	307	401
Value-added tax and Sales and Service Tax payable	<u>156</u>	<u>65</u>	<u>-</u>	<u>-</u>
	<u>12,690</u>	<u>11,867</u>	<u>340</u>	<u>423</u>

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

Included in other payables is an amount of RM1,513,000 (2024: RM1,513,000) owing to Pembinaan Thong Lian Sdn. Bhd.. The outstanding balance remains unsettled as the one of the subsidiary companies, TPTM and Pembinaan Thong Lian Sdn. Bhd. are currently involved in an ongoing legal proceeding, as further disclosed in Note 41(i).

35. CONTRACT LIABILITIES

The contract liabilities primarily relate to advances received from customers to sell the goods or services to be rendered to for apparel and advertising segments. The amount will be recognised as revenue when the performance obligations are satisfied.

The movements in contract liabilities during the financial year are as follows:

	The Group	
	2025	2024
	RM'000	RM'000
As at 1 August	439	1,028
Advance received during the financial year	10,231	8,808
Revenue recognised during the financial year	(10,249)	(9,397)
As at 31 July	<u>421</u>	<u>439</u>

Revenue recognised during the financial year which was included in contract liabilities balances at the beginning of the financial year was RM439,000 (2024: RM1,028,000).

The following table shows the aggregate amount of the transaction price allocated to performance obligations that is unsatisfied (or partially unsatisfied) at the end of the reporting period and the expectation on the revenue from unsatisfied performance obligations to be recognised in the following years.

	The Group	
	2025	2024
	RM'000	RM'000
Within one year	<u>421</u>	<u>439</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. 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 of the Company either directly or indirectly.

(b) Significant related party transactions and balances

Amount due from subsidiary companies which arose mainly from advances are non-trade in nature, unsecured, interest bearing at 3.58% (2024: 3.70%) per annum and receivable on demand.

	The Company	
	2025	2024
	RM'000	RM'000
Amount due from subsidiary companies	73,930	52,297
Less: Allowance for impairment losses	<u>(7,555)</u>	<u>(12)</u>
	<u>66,375</u>	<u>52,285</u>

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

	The Company	
	2025	2024
	RM'000	RM'000
As at 1 August	12	12
Charge for the financial year	<u>7,543</u>	<u>-</u>
As at 31 July	<u>7,555</u>	<u>12</u>

Amount due from a joint venture are non-trade in nature, unsecured, non-interest bearing and receivable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

	The Group	
	2025	2024
	RM'000	RM'000
Amount due from a joint venture	651	644
Less: Allowance for impairment losses	<u>(651)</u>	<u>(634)</u>
	<u>-</u>	<u>10</u>

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

	The Company	
	2025	2024
	RM'000	RM'000
As at 1 August	634	634
Charge for the financial year	<u>17</u>	<u>-</u>
As at 31 July	<u>651</u>	<u>634</u>

Amount due to subsidiary companies is non-trade in nature, unsecured, non-interest bearing and is payable on demand.

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	The Company	
	2025	2024
	RM'000	RM'000
Transactions with subsidiary companies		
Management fee	3,603	3,721
Interest income	<u>1,257</u>	<u>656</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(c) Compensation of key management personnel

The remuneration of key management personnel during the financial year are as follows:

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Executive directors:				
Fees	300	194	-	-
Salaries and other emoluments	660	512	240	140
Defined contribution plans	80	62	29	17
	<u>1,040</u>	<u>768</u>	<u>269</u>	<u>157</u>
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-Executive directors:				
Fees	144	96	144	96
	<u>144</u>	<u>96</u>	<u>144</u>	<u>96</u>
Key management personnel:				
Salaries and other emoluments	2,647	2,747	1,139	994
Defined contribution plans	235	243	128	114
	<u>2,882</u>	<u>2,990</u>	<u>1,267</u>	<u>1,108</u>
	<u>4,066</u>	<u>3,854</u>	<u>1,680</u>	<u>1,361</u>

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group amounted to RM56,000 (2024: RM44,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. 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:

	At 1 August RM'000	Financing cash flows RM'000	Non-cash changes				At 31 July RM'000
			Additions of leases RM'000	Modification of leases RM'000	Termination of leases RM'000	Foreign exchange adjustments RM'000	
The Group							
2025							
Borrowings (excluding bank overdrafts)	46,549	(5,252)	-	-	-	(176)	41,121
Lease liabilities	2,432	(1,384)	804	179	(5)	-	2,026
	48,981	(6,636)	804	179	(5)	(176)	43,147
2024							
Borrowings (excluding bank overdrafts)	61,269	(14,749)	-	-	-	29	46,549
Lease liabilities	2,138	(771)	961	883	(779)	-	2,432
	63,407	(15,520)	961	883	(779)	29	48,981

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	At 1 August	Financing cash flows	Non-cash changes - Unrealised gain on foreign exchange	At 31 July
The Company				
2025				
Amount due to subsidiary companies	3,196	2,263	(217)	5,242
2024				
Amount due to subsidiary companies	4,474	(1,331)	53	3,196

38. FINANCIAL INSTRUMENTS

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	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial assets				
<i><u>FVTPL</u></i>				
Short term funds	119	115	119	115
Other investments	106,007	80,204	683	663
<i><u>FVTOCI</u></i>				
Other investments	511	573	511	573
<i><u>Amortised cost</u></i>				
Trade receivables	45,354	26,496	-	-
Other receivables and deposits	1,633	1,910	3	3
Amount due from subsidiary companies	-	-	66,375	52,285
Amount due from a joint venture	-	10	-	-
Deposits with financial institutions	6,558	15,772	-	9,000
Cash and bank balances	51,932	68,937	446	9,299

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
<i>Amortised cost</i>				
Trade payables	7,201	5,468	-	-
Other payables and accruals	12,533	11,801	340	423
Amount due to subsidiary companies	-	-	5,242	3,196
Lease liabilities	2,026	2,432	-	-
Borrowings	41,649	48,556	-	-

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks 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 arises principally from trade receivables, other receivables and deposits, deposits with financial institutions and financial guarantees given to third parties; whereas the Company's exposure to credit risk arises mainly from deposits, amount due from subsidiary companies, deposits with financial institutions 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to third parties and financial institutions for the loan and banking facilities granted to certain subsidiary companies. The Group's maximum exposure in this respect is RM1,139,000 (2024: RM1,172,000) while the Company's maximum exposure in this respect is RM31,960,000 (2024: RM38,937,000) representing the outstanding 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.

The Group and the Company provide advances to the joint venture and subsidiary companies, respectively, and monitors the results of the joint venture and subsidiary companies regularly.

For cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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 two (2024: three) 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. No financial assets carry a significant exposure to credit risk.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

In addition, the Group and the Company are exposed to credit risk in relation to financial guarantees given to third parties and 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 Group and 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 39.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting their 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 in the form of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their 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)

Analysis of financial instruments by remaining contractual maturities

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 or within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000	Total undiscounted cash flows RM'000	Total carrying amount RM'000
The Group						
2025						
Non-derivative financial liabilities						
Trade payables	7,201	-	-	-	7,201	7,201
Other payables and accruals	12,533	-	-	-	12,533	12,533
Lease liabilities	1,279	538	236	112	2,165	2,026
Borrowings	24,142	8,690	12,319	889	46,040	41,649
Financial guarantee*	1,139	-	-	-	1,139	-
	<u>46,294</u>	<u>9,228</u>	<u>12,555</u>	<u>1,001</u>	<u>69,078</u>	<u>63,409</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

	On demand or within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000	Total undiscounted 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	11,801	-	-	-	11,801	11,801
Lease liabilities	976	855	630	190	2,651	2,432
Borrowings	22,112	9,196	20,853	1,046	53,207	48,556
Financial guarantee*	1,172	-	-	-	1,172	-
	<u>41,529</u>	<u>10,051</u>	<u>21,483</u>	<u>1,236</u>	<u>74,299</u>	<u>68,257</u>

* Being financial guarantees provided to third parties and financial institutions for the facilities and banking facilities granted the certain subsidiary companies which will only be uncashed in the event of default by the subsidiary companies.

At the end of the reporting period, the Company only inclusive of current liabilities, therefore no maturity profile were presented.

The Company has provided corporate guarantees in favour of its subsidiary companies, as disclosed in Note 39. At the end of the reporting period, the counterparties to the financial guarantees do not have the right to demand cash as there is no default event by the subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

(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.

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 as their functional currency at the end of the reporting period are as follows:

	USD RM'000	Dominated in RMB RM'000	Total RM'000
The Group			
2025			
Trade receivables	35,123	6,915	42,038
Other receivables and deposit	-	350	350
Deposits with financial institutions	4,265	-	4,265
Cash and bank balances	25,744	6,023	31,767
Trade payables	(3,556)	(2,154)	(5,710)
Other payables and accruals	(454)	(2,014)	(2,468)
Borrowings	-	(592)	(592)
	<u>61,122</u>	<u>8,528</u>	<u>69,650</u>

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

	USD RM'000	Dominated in RMB RM'000	Total RM'000
2024			
Trade receivables	18,570	4,115	22,685
Other receivables and deposits	-	665	665
Deposits with financial institutions	4,596	-	4,596
Cash and bank balances	35,241	6,558	41,799
Trade payables	(1,727)	(1,688)	(3,415)
Other payables and accruals	(248)	(2,275)	(2,523)
Borrowings	-	(3,200)	(3,200)
	<u>56,432</u>	<u>4,175</u>	<u>60,607</u>

**Dominated
in USD
RM'000**

The Company

2025

Cash and bank balances	<u>27</u>
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2024

Cash and bank balances	<u>29</u>
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Foreign currency sensitivity analysis

The following table details the sensitivity to a 10% increase and decrease in the Ringgit Malaysia against USD and RMB. A 10% movement 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 and RMB and vice versa.

	Change in currency rate	Effect on profit before tax RM'000
The Group		
2025		
USD/MYR	Strengthened 10%	6,112
	Weakened 10%	(6,112)
RMB/MYR	Strengthened 10%	853
	Weakened 10%	<u>(853)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Change in currency rate	Effect on profit before tax RM'000
The Group		
2024		
USD/MYR	Strengthened 10%	5,643
	Weakened 10%	(5,643)
RMB/MYR	Strengthened 10%	418
	Weakened 10%	(418)
		<hr/>
The Company		
2025		
USD/MYR	Strengthened 10%	3
	Weakened 10%	(3)
		<hr/>
2024		
USD/MYR	Strengthened 10%	3
	Weakened 10%	(3)
		<hr/>

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 their 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 their 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 their interest rate risk by reviewing their debt portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest rate swap contracts or other derivative instruments for trading or speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

	2025 RM'000	2024 RM'000
The Group		
Fixed rate instruments		
<u>Financial assets</u>		
Deposits with financial institutions	6,558	15,772
Fixed rate instruments		
<u>Financial liabilities</u>		
Lease liabilities	2,026	2,432
Borrowings	12,978	6,624
Floating rate instruments		
<u>Financial liabilities</u>		
Borrowings	28,671	41,932
The Company		
Fixed rate instruments		
<u>Financial assets</u>		
Deposits with financial institutions	-	9,000

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 profit/(loss) before tax by RM72,000 (2024: RM105,000), arising mainly as a result of (lower)/higher interest expense on floating rate 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)

Market price risk

The Group and the Company are 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 increased/(decreased) the Group's and the Company's profit/(loss) before tax by RM1,060,000 (2024: RM802,000) and RM7,000 (2024: RM7,000), respectively, as a result of the changes in fair value of the investments in quoted shares.

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 reporting period.

The carrying amounts of the floating rate term loans approximate their fair values as these instruments bear interest at variable rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. FINANCIAL GUARANTEES

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Bank guarantees issued in favour of third parties granted for utilities and site lease	1,139	1,172	-	-
Corporate guarantees to financial institutions for credit facilities granted to subsidiary companies:	-	-	31,960	38,937
	<u>1,139</u>	<u>1,172</u>	<u>31,960</u>	<u>38,937</u>

40. CAPITAL COMMITMENTS

	The Group	
	2025	2024
	RM'000	RM'000
Approved and contracted for:		
Plant and machinery	<u>98</u>	<u>315</u>

41. MATERIAL LITIGATIONS

(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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

Following the decision of the Adjudicator, PTLNB initiated an Arbitration to claim the following:

- (a) LAD of RM6.52 million;
- (b) Retention sum of RM1.51 million;
- (c) Damages suffered for alleged breach of contract by TPTM and the Architect;
- (d) Interest on any sums awarded in the Arbitral tribunal from such date as the Arbitrator deems fit and proper;
- (e) Cost of the arbitration; and
- (f) 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 PTLNB. The parties have agreed on the appointment of the sole arbitrator and the first preliminary meeting was conducted on 25 August 2022.

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, PTLNB 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 PTLNB to amend its statement of case. In addition, on 18 March 2024, the Arbitral Tribunal had confirmed that the arbitration proceedings were 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 PTLNB to amend their statement of case be set aside. The High Court also ordered that PTLNB's application be remitted back to the Arbitral Tribunal to be reheard on merits and for both parties to be provided with

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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, pursuant to Order for Directions No. 15 dated 9 December 2024 issued by the Arbitral Tribunal, both parties had completed the delivery and exchange of legal submissions.

On 31 July 2025, the Arbitral Tribunal allowed PTLSB's application for the amendment of their statement of case. PTLSB has since filed and served its Amended Statement of Claim. The Respondent, TPTM, had served its amended Statement of Defence and Counterclaim on 29 October 2025.

The Tribunal had ordered for the Claimant to serve its Amended Reply to Defence and Defence to Counterclaim by 26 November 2025. Parties are also to submit its list of witnesses by 16 January 2026 and the corresponding evidence by 6 March 2026. The hearing dates are fixed on 6 to 10 April 2026, 27 to 30 April 2026, 4 to 8 May 2026, 11 and 12 May 2026 and 14 May 2026.

The directors of the Company do not expect the outcome of the action to have a material effect on the 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 defenses and the heads of TPTM's claims in the counterclaim.

(ii) Industrial claim cases

TPTM has engaged a legal firm to represent it to defend the claim brought by Party A and initiate suit against Party A for the following:

- Industrial claim against TPTM had been filed by Party A on constructive dismissal. The hearings were held on 15 July 2024, 16 July 2024, and 6 September 2024, and written submissions were filed by 25 October 2024. On 26 February 2025, the Industrial Court delivered its decision in favour of the Company, dismissing Party A's claim.
- A civil suit against Party A has been initiated by TPTM for breach of employment contract, theft and/or fraud, and negligence in taking care of TPTM's property. The trial has been fixed on 10 June 2026 to 12 June 2026, and the Court has directed the parties to file their witness statements on or before 28 May 2026.

The directors of the Company do not expect the outcome of the action to have a material effect on the Company's financial position.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- (v) Costs to be paid by the 2nd to 30th Defendants jointly and severally to the Plaintiff.
- (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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

- (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 was fixed for hearing on 10 November 2024 while the Transfer Application was 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 8 May 2025 for parties to update the Court on the status of the case.

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.

On 11 December 2024, all parties except for the 26th Defendant entered into a consent order in respect of the Intervention Application. Consequently, SC was made a party to the Suit 48.

On 29 April 2025, the Court vacated the hearing of the Transfer Application.

On 8 May 2025, the Court rescheduled the case management for Suit 48, Injunction Application and Application for Consequential Orders/Further Directions to 15 May 2025. On 15 May 2025, the Court fixed the Transfer Application for hearing on 20 November 2025 and Suit 48, Injunction Application and Application for Consequential Orders/Further Directions for case management on 25 November 2025.

The directors of the Company do not expect the outcome of the legal action to have a material effect on the Group’s and the Company’s financial position. Based on advice from the solicitors having conduct of the matter, the Group and the Company have a reasonably good chance of resisting Suit 48, the Injunction Application, and the Application for Consequential Orders/Further Directions, as well as a reasonably good chance of success in the Transfer Application.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 year.

The Group monitors capital on the basis of its business and operating requirements.

The capital structure of the Group consists of debt (as disclosed in Notes 27, 31 and 32) and equity (as disclosed in Notes 24, 26, 27, 29 and 30).

Gearing Ratio

	The Group	
	2025	2024
	RM'000	RM'000
Debt	43,802	51,144
Less: Short term fund, deposits with financial institutions and cash and bank balances	<u>(58,609)</u>	<u>(84,824)</u>
Net debts	(14,807)	(33,680)
Equity	<u>319,184</u>	<u>317,815</u>
Gearing ratio (%)	<u>N/A</u>	<u>N/A</u>

N/A - the gearing ratio may not be a meaningful indicator of the risk of borrowings.

Debt consists of borrowings, ICULS liabilities component and lease liabilities. Debt to equity ratio is not applicable to the Group as the Group has no net debts at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

43. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures in the prior year's statement of profit or loss and other comprehensive income as shown below have been reclassified to enhance comparability with the current year's presentation. As a result, certain line items have been amended on the face of the statement of profit or loss and other comprehensive income. The items reclassified were as follows:

	As previously stated RM'000	Reclassifications RM'000	As reclassified RM'000
The Group			
Statement of profit or loss and other comprehensive income as at 31 July 2024			
Cost of sales	(161,062)	8,762	(152,300)
Other operating income	19,262	(1,229)	18,033
Administrative expenses	(23,523)	2,163	(21,360)
Reversal of impairment losses on financial assets	-	336	336
Selling and distribution expenses	(12,992)	(559)	(13,551)
Other operating expenses	(32,911)	(9,473)	(42,384)
Statement of financial position as at 31 July 2024			
Non-current assets			
Deferred tax assets	1,117	(1,079)	38
Current assets			
Amount due from a joint ventures	-	10	10
Short term funds	-	115	115
Deposits with financial institutions	15,887	(115)	15,772
Non-current liabilities			
Deferred tax liabilities	2,705	(1,079)	1,626
Current liabilities			
Other payables, deposits and accruals	11,857	10	11,867

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

	As previously stated RM'000	Reclassifications RM'000	As reclassified RM'000
The Company			
Statement of profit or loss and other comprehensive income as at 31 July 2024			
Other operating income	789	30	819
Other operating expenses	-	(30)	(30)

44. SUBSEQUENT EVENTS

Disposal of a subsidiary company

On 4 September 2025, the Company's subsidiary company, TPTHK, entered into a sale and purchase agreement ("SPA") with Vietnam Yongxing Aluminium Co., Ltd and Tan Nhat Nguyet Construction Company Limited to dispose of its entire 100% equity interest in its subsidiary company, TPTVN, for a cash consideration of USD3,486,000.

The salient terms of the SPA are as follows:

- The purchase consideration shall be satisfied entirely in cash as per the scheduled stated in the SPA;
- The completion of the SPA is subject to the fulfilment of conditions precedent, including regulatory and corporate approvals;
- Upon completion, all rights, title and interest in TPTVN shall be transferred to the purchasers, and TPTHK shall cease to have any equity interest in TPTVN; and
- The SPA does not contain any material guarantees, warranties or indemnities by TPTHK other than those customary for such transactions.

Subsequent to the financial year end, following the fulfilment of the conditions precedent and completion of the disposal, TPTVN will cease to be a subsidiary of TPTHK and, consequently, of Techbase Industries Berhad. Accordingly, the Group will discontinue consolidating the financial results of TPTVN from the completion date of disposal.

Conversion of ICULS

Subsequent to the financial year ended 31 July 2025 and up to the date of this report, the Company increased its issued and paid-up share capital from RM131,006,000 to RM132,422,000 through the issuance of 28,320,000 new ordinary shares by way of conversion of ICULS of RM0.05 per ICULS into 7,080,000 new ordinary shares on the basis of four (4) ICULS for every one (1) new share at an issue price of RM0.20 per ordinary share.

TOP 10 PROPERTIES HELD BY THE GROUP

No	Company	Location	Description	Land area/ built up area	Existing use	Tenure (approximate age of building)	Carrying Amount as at 31 July 2025 (RM'000)	Year of acquisition revaluation
1	Trans Pacific Textile (M) Sdn Bhd	Lot 88901, PTD 94657, Mukim Kluang, Kluang, Johor.	A textile factory cum office with boiler house	107,780 metre ² (49,756 metre ²)	Factory, office, boiler house	Freehold (7 years)	68,094	2015
2	Trans Pacific Textile (VN) Co., Ltd	Lot No. 125 & 126, Long Giang 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	9,708	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 (25 1/2 years to 29 years)	9,136	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	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 (9 to 18 years)	6,167	2010
6	Trans Pacific Textile (M) Sdn Bhd	Lot 5476, PTD105280, Mukim Kluang, Kluang, Johor.	Land	36,421 metre ²	Waste-water treatment plant	Freehold	4,024	2017
7	Novel Realty Sdn Bhd	Lot 6631, PTD 22714 HSM 16387, Mukim of Sri Gading, Batu Pahat, Johor	Land	9,769 metre ²	Vacant	Freehold	1,240	2013
8	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 (31 years)	758	2017
9	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 (31 years)	732	2017
10	Novel Realty Sdn Bhd	PTD 199694 HSD 537369, Mukim Pulai, Johor Bahru, Johor	Premium Suite B Condominium	131.55 metre ²	Rental	Leasehold	688	2018

ANALYSIS OF SHAREHOLDINGS

AS AT 31 OCTOBER 2025

Total Issued Share : 307,672,788 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 31 OCTOBER 2025

(as shown in the Record of Depositors)

Size of Shareholdings	No. of Shareholders	No. of Shares	Percentage of Shareholdings (%)
1 to 99	322	12,846	—*
100 to 1,000	431	192,709	0.06
1,001 to 10,000	1,928	10,587,825	3.44
10,001 to 100,000	2,052	69,104,650	22.46
100,001 to less than 5% of issued shares	372	206,776,358	67.21
5% and above of issued shares	1	20,998,400	6.82
Total	5,106	307,672,788	100.00

*Negligible

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 31 OCTOBER 2025

Names	Direct Interest		Indirect Interest	
	No. of Shares	Percentage# (%)	No. of Shares	Percentage# (%)
1. Datuk Au Yee Boon	11,100,200	3.61	4,923,500 ^(a)	1.60
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)	3.61

SUBSTANTIAL SHAREHOLDER AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 31 OCTOBER 2025

Names	Direct Interest		Indirect Interest	
	No. of Shares	Percentage# (%)	No. of Shares	Percentage# (%)
1. DATUK AU YEE BOON	11,100,200	3.61	4,923,500 ^(a)	1.60
2. YI-LAI INDUSTRY BERHAD	28,498,400	9.26	—	—
3. YI-LAI MARKETING SDN BHD	20,405,000	6.63	—	—
4. YB VENTURES BERHAD	—	—	48,903,400 ^(c)	15.89

Notes:

Based on the Company's issued share capital of 307,672,788 ordinary shares (excluding 809,200 ordinary shares which are held by the Company as treasury shares) as at 31 October 2025.

(a) Deemed interest by virtue of his interest in Techbase Solution Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

(b) Deemed interest 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 interest by virtue of its interest in Yi-Lai Industry Berhad and Yi-Lai Marketing Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 OCTOBER 2025

Names	No. of Shares	Percentage of Shareholdings (%)
1. MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR YI-LAI INDUSTRY BERHAD</i>	20,998,400	6.83
2. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR YI-LAI MARKETING SDN BHD (7004625)</i>	13,117,800	4.26
3. MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON</i>	11,100,200	3.61
4. AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR YI-LAI INDUSTRY BERHAD (SMART)</i>	7,500,000	2.44
5. PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR YI-LAI MARKETING SDN BHD</i>	7,287,200	2.37
6. MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TECHBASE SOLUTION SDN BHD</i>	4,923,500	1.60
7. MOHD JOHAR BIN ARIF	4,809,600	1.56
8. QUEK PHAIK IM	4,489,200	1.46
9. GOO MOI	4,093,100	1.33
10. LIM SIOK HWA	3,950,000	1.28
11. MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR SIA BOON HUAT</i>	3,657,800	1.19
12. PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHANG SOON KOON (E-JBU)</i>	3,361,400	1.09
13. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LAU HOCK LEE (7000365)</i>	3,123,300	1.02
14. KENANGA NOMINEES (TEMPATAN) SDNBHD <i>RAKUTEN TRADE SDN BHD FOR KHOR CHONG YAK</i>	3,100,400	1.01
15. TA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR YAP KIM CHOO</i>	2,762,550	0.90
16. LIM HOEI BOON	2,648,930	0.86
17. WONG KIU ING	2,497,400	0.81
18. PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEE LAI HOCK (E-BMM)</i>	2,190,500	0.71
19. MOK SEEN TOH	2,170,500	0.71
20. PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR FOO WEI SENG (E-SGM)</i>	2,130,300	0.69
21. ONG NGOH ING @ ONG CHONG OON	2,000,000	0.65
22. AEGIS COMMUNICATION SDN. BHD.	1,899,300	0.62
23. RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR KHADMUDIN BIN MOHAMED RAFIK</i>	1,773,300	0.58
24. GEE HIN ENGINEERING SDN BHD	1,709,300	0.56
25. ER SOON PUAY	1,639,500	0.53
26. PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR QUEK PHAIK IM (E-KLC)</i>	1,560,000	0.51
27. CHUA CHEE SENG	1,500,000	0.49
28. LOW HING NOI	1,500,000	0.49
29. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN LIAN HONG (8092237)</i>	1,447,400	0.47
30. KONG AH THEN	1,423,000	0.46

ANALYSIS OF WARRANTS B

AS AT 31 OCTOBER 2025

Total Issued Warrants : 133,585,898 Warrants B
Total Outstanding Warrants : 133,585,898 Warrants B

DISTRIBUTION OF WARRANTS B AS AT 31 OCTOBER 2025

(as shown in the Record of Depositors)

Size of Warrant Holdings	No. of Warrant Holders	No. of Warrants	Percentage of Warrants (%)
1 to 99	975	46,960	0.03
100 to 1,000	509	249,647	0.19
1,001 to 10,000	1,493	6,394,785	4.79
10,001 to 100,000	745	26,199,726	19.61
100,001 to less than 5% of issued shares	192	92,493,680	69.24
5% and above of issued shares	1	8,201,100	6.14
Total	3,915	133,585,898	100.00

THIRTY LARGEST WARRANTS B HOLDERS AS AT 31 OCTOBER 2025

(as shown in the Record of Depositors)

Names	No. of Warrants	Percentage of Warrants (%)
1. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LAU HOCK LEE (7000365)</i>	8,201,100	6.14
2. OOI CHONG LIP	4,850,000	3.63
3. CHONG VINCENT	3,982,800	2.98
4. TAN KAH CHUN	3,426,500	2.57
5. LIEW JUAN XIAN	2,801,600	2.10
6. ANAS BIN CHE ZAKARIA	2,770,000	2.07
7. ER SOON PUAY	2,276,000	1.70
8. PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR GOH KIM CHOON</i>	2,085,500	1.56
9. ROHAZIFAH BINTI SAMSUDIN	2,025,000	1.52
10. SIM YEN CHEW	1,602,400	1.20
11. KONG OON CHEE	1,500,000	1.12
12. NGU TECK PING	1,500,000	1.12
13. KENANGA NOMINEES (TEMPATAN) SDN BHD <i>RAKUTEN TRADE SDN BHD FOR ER SOON PUAY</i>	1,488,300	1.11
14. TAN WEI MIN	1,429,800	1.07
15. TA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR YAP KIM CHOO</i>	1,381,275	1.03
16. CHIN TAI YING	1,355,700	1.01
17. LIM KIM CHAN	1,334,500	1.00
18. GOH HONG HWA	1,323,800	0.99
19. LIM HOEI BOON	1,311,965	0.98
20. YIO KIM SIM	1,110,600	0.83
21. KENANGA NOMINEES (TEMPATAN) SDN BHD <i>RAKUTEN TRADE SDN BHD FOR LOO YI FAN</i>	1,090,000	0.82
22. CHEONG KEAN KONG	1,082,400	0.81
23. VONG SAY PHIN	1,060,200	0.79
24. LAU HOCK LEE	1,000,000	0.75

ANALYSIS OF WARRANTS B (CONT'D)

THIRTY LARGEST WARRANTS B HOLDERS AS AT 31 OCTOBER 2025 (CONT'D)

(as shown in the Record of Depositors)

Names		No. of Warrants	Percentage of Warrants (%)
25.	TAN SWEE GUAN	1,000,000	0.75
26.	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. <i>PLEGDED SECURITIES ACCOUNT FOR MOHD SALEHUDIN BIN NOR AL DIN</i>	958,300	0.72
27.	THARMEN ANANTHA A/L SUBRAMANIAN	908,400	0.68
28.	WEE LEE ENG	800,100	0.60
29.	CHU ENG HOCK	800,000	0.60
30.	PUA KOCK BOON @ PHUA KOCK BOON	800,000	0.60

DIRECTORS' INTEREST IN WARRANTS B AS AT 31 OCTOBER 2025

(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 31 OCTOBER 2025

Total Issued ICULS : 780,342,595 ICULS

Total Outstanding ICULS : 680,551,495 ICULS

DISTRIBUTION OF ICULS HOLDINGS AS AT 31 OCTOBER 2025

(as shown in the Record of Depositors)

Size of ICULS Holdings	No. of ICULS Holders	No. of ICULS	Percentage of ICULS (%)
1 to 99	1	25	—*
100 to 1,000	7	1,400	—*
1,001 to 10,000	24	155,600	0.02
10,001 to 100,000	184	9,144,450	1.34
100,001 to less than 5% of issued shares	189	259,232,020	38.09
5% and above of issued shares	4	412,018,000	60.54
Total	409	680,551,495	100.00

*Negligible

THIRTY LARGEST ICULS HOLDERS AS AT 31 OCTOBER 2025

(as shown in the Record of Depositors)

Names	No. of ICULS	Percentage of ICULS (%)
1. MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR YI-LAI INDUSTRY BERHAD</i>	159,992,000	23.51
2. PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR YI-LAI MARKETING SDN BHD</i>	113,936,000	16.74
3. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR YI-LAI MARKETING SDN BHD (7004625)</i>	85,589,000	12.58
4. MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR AU YEE BOON</i>	52,501,000	7.71
5. TYE LIM HUAT	32,000,000	4.70
6. LIM KIAN WAT	20,151,500	2.96
7. KENANGA NOMINEES (TEMPATAN) SDN BHD <i>RAKUTEN TRADE SDN BHD FOR KHOR CHONG YAK</i>	19,010,800	2.79
8. LIM POH FONG	12,823,600	1.88
9. LIM POH FONG	12,417,200	1.82
10. CHOY WUI KONG	11,748,600	1.73
11. AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR LOH TECK WAH</i>	10,500,000	1.54
12. KU LIAN SIN	9,539,800	1.40
13. CHONG TECK SENG	9,477,300	1.39
14. LOW HING NOI	7,500,000	1.10
15. PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR QUEK PHAIK IM (E-KLC)</i>	5,000,000	0.73
16. WANG LEONG KAY	4,500,000	0.66
17. OOI CHIN HOCK	4,335,500	0.64
18. LEE KOK HOONG	4,209,850	0.62
19. NG SEA YONG	3,300,000	0.48

ANALYSIS OF 5-YEAR 0.10% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK ("ICULS") (CONT'D)

THIRTY LARGEST ICULS HOLDERS AS AT 31 OCTOBER 2025 (CONT'D)

(as shown in the Record of Depositors)

Names		No. of ICULS	Percentage of ICULS (%)
20.	MOHD JOHAR BIN ARIF	3,050,000	0.45
21.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>RAKUTEN TRADE SDN BHD FOR ER SOON PUAY</i>	3,000,000	0.44
22.	PUBLIC INVEST NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)</i>	2,775,000	0.41
23.	SUA TIEN FONG	2,713,100	0.40
24.	KOH ENG POH	2,500,000	0.37
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TECHBASE SOLUTION SDN BHD</i>	2,117,500	0.31
26.	ONG SWEE CHOO	2,080,000	0.31
27.	CHOONG CHEE MUN	2,000,045	0.29
28.	HONG TEK HUAT	2,000,000	0.29
29.	LIM CHIEW PIN	2,000,000	0.29
30.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TA KIN YAN</i>	1,800,000	0.26

DIRECTORS' INTEREST IN ICULS AS AT 31 OCTOBER 2025

(as per the Register of Directors' ICULS Holdings)

Names		Direct		Indirect	
		No. of ICULS	Percentage (%)	No. of ICULS	Percentage (%)
1.	Datuk Au Yee Boon	52,501,000	7.71	2,117,500 ^(a)	0.31
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)	7.71

Notes:

(a) Deemed interest by virtue of his interest in Techbase Solution Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

(b) Deemed interest by virtue of the interest of her spouse, Datuk Au Yee Boon pursuant to Section 59(1)(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-BUY 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-Second (32nd) Annual General Meeting ("**AGM**") of Techbase Industries Berhad ("**Techbase**" or the "**Company**") held on 17 January 2025, 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-Third (33rd) AGM of the Company, unless such mandate is renewed at the forthcoming 33rd AGM.

On 21 November 2025, 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 33rd 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 31 October 2025, being the latest practicable date ("**LPD**") of this Statement, the Company's issued share capital is RM132,422,224 comprising 308,481,988 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) 680,551,495 outstanding 5-year, 0.10%, irredeemable convertible unsecured loan stocks ("**ICULS**");

SHARE BUY-BACK STATEMENT (CONT'D)

- c) up to 168,392,907 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⁾	308,481,988	308,481,988
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⁾	—	680,551,495
To be issued pursuant to the ESS ⁽⁴⁾	—	168,392,907
	307,672,788	1,291,012,288
Maximum number of Shares that may be purchased	30,767,278	129,101,228

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 680,551,495 ICULS are converted into 680,551,495 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 168,392,907 Share Grants and ESOS options granted based on the maximum allowable amount under the ESS are vested and fully exercised into 168,392,907 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 33rd AGM and will continue to be in force until:

- the conclusion of the next AGM of the Company following the 33rd AGM at which such resolution was passed, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
- the expiration of the period within which the next AGM after that date is required by law to be held; or
- revoked or varied by an ordinary resolution passed by the Shareholders in a general meeting,

whichever occurs first.

SHARE BUY-BACK STATEMENT (CONT'D)

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 accumulated losses as at 31 July 2025 is RM2.7 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 by 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" in 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 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.

SHARE BUY-BACK STATEMENT (CONT'D)

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 78.89%. For illustrative purposes, assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full based on the total number of issued Shares as at the LPD, and the Shares are purchased from the public shareholders, the pro forma public shareholding spread of our Company would be reduced to approximately 76.57%.

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.

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).

SHARE BUY-BACK STATEMENT (CONT'D)

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 308,481,988 Shares in issue (including 809,200 treasury shares) and the following securities:-

- (i) 133,585,898 outstanding Warrants; and
- (ii) 680,551,495 outstanding ICULS;
- (iii) up to 168,392,907 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.

The pro forma effects of the Proposed Renewal of Share Buy-Back Authority are as follows:

	Minimum Scenario	Maximum Scenario
	No. of Shares	No. of Shares
Total number of issued Shares as at the LPD ⁽¹⁾	308,481,988	308,481,988
Less: Treasury Shares	(809,200)	— ⁽⁵⁾
	307,672,788	308,481,988
Assuming all the outstanding Warrants are exercised ⁽²⁾	—	133,585,898
Assuming all the outstanding ICULS are converted ⁽³⁾		680,551,495
To be issued pursuant to the ESS ⁽⁴⁾		168,392,907
	307,672,788	1,291,012,288
Assuming all Shares Purchased are to be cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority	(30,767,278)	(129,101,228)
Resultant issued share capital	276,905,510	1,161,911,060

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.

SHARE BUY-BACK STATEMENT (CONT'D)

- (3) *Assuming all the outstanding 680,551,495 ICULS are converted into 680,551,495 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 168,392,907 Share Grants and ESOS options granted based on the maximum allowable amount under the ESS are vested and fully exercised into 168,392,907 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.

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 2026.

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	No. of Shares	% ⁽⁵⁾	% ⁽⁶⁾
Datuk Au Yee Boon	11,100,200	3.61	4,923,500 (1)	11,100,200	4.01	1.78
Yi-Lai Industry Berhad	28,498,400	9.26	-	28,498,400	10.29	-
Yi-Lai Marketing Sdn Bhd	20,405,000	6.63	-	20,405,000	7.37	-
YB Ventures Berhad	-	-	48,903,400 (2)	-	-	17.66
Directors						
Datuk Au Yee Boon	11,100,200	3.61	4,923,500 (1)	11,100,200	4.01	1.78
Lee Boon Siong	-	-	-	-	-	-
Datuk Low Chin Koon	-	-	-	-	-	-
Tan Chin Yong	-	-	-	-	-	-
Au Yee Soon	-	-	-	-	-	-
Datin Lim Lee Wheng	-	-	11,100,200 (3)	-	-	4.01

SHARE BUY-BACK STATEMENT (CONT'D)

5.5 Directors' and Substantial Shareholders' Shareholdings (Cont'd)

Maximum 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	% ⁽⁶⁾	No. of Shares	% ⁽⁶⁾
Datuk Au Yee Boon	11,100,200	3.61	4,923,500 ⁽¹⁾	1.60	11,100,200	3.60	4,923,500 ⁽¹⁾	1.60
Yi-Lai Industry Berhad	28,498,400	9.26	—	—	28,498,400	9.24	—	—
Yi-Lai Marketing Sdn Bhd	20,405,000	6.63	—	—	20,405,000	6.61	—	—
YB Ventures Berhad	—	—	48,903,400 ⁽²⁾	15.89	—	—	48,903,400 ⁽²⁾	15.85
Directors								
Datuk Au Yee Boon	11,100,200	3.61	4,923,500 ⁽¹⁾	1.60	11,100,200	3.60	4,923,500 ⁽¹⁾	1.60
Lee Boon Siong	—	—	—	—	—	—	—	—
Datuk Low Chin Koon	—	—	—	—	—	—	—	—
Tan Chin Yong	—	—	—	—	—	—	—	—
Au Yee Soon	—	—	—	—	—	—	—	—
Datin Lim Lee Wheng	—	—	11,100,200 ⁽³⁾	3.61	—	—	11,100,200 ⁽³⁾	3.60

SHARE BUY-BACK STATEMENT (CONT'D)

5.5 Directors' and Substantial Shareholders' Shareholdings (Cont'd)

Maximum Scenario

	(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	
	No. of Shares	% ⁽⁷⁾	No. of Shares	% ⁽⁷⁾	No. of Shares	% ⁽⁸⁾	No. of Shares	% ⁽⁸⁾
Substantial shareholders								
Datuk Au Yee Boon	11,100,200	2.51	4,923,500 ⁽¹⁾	1.11	63,601,200	5.67	7,041,000 ⁽¹⁾	0.63
Yi-Lai Industry Berhad	28,498,400	6.45	-	-	188,490,400	16.79	-	-
Yi-Lai Marketing Sdn Bhd	20,405,000	4.62	-	-	219,930,000	19.59	-	-
YB Ventures Berhad	-	-	48,903,400 ⁽²⁾	11.06	-	-	408,420,400 ⁽²⁾	36.38
Directors								
Datuk Au Yee Boon	11,100,200	2.51	4,923,500 ⁽¹⁾	1.11	63,601,200	5.67	7,041,000 ⁽¹⁾	0.63
Lee Boon Siong	-	-	-	-	-	-	-	-
Datuk Low Chin Koon	-	-	-	-	-	-	-	-
Tan Chin Yong	-	-	-	-	-	-	-	-
Au Yee Soon	-	-	-	-	-	-	-	-
Datin Lim Lee Wheng	-	-	11,100,200 ⁽³⁾	2.51	-	-	63,601,200 ⁽³⁾	5.67

SHARE BUY-BACK STATEMENT (CONT'D)

5.5 Directors' and Substantial Shareholders' Shareholdings (Cont'd)

Maximum Scenario

Substantial shareholders	(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	
	No. of Shares	% ⁽⁹⁾	No. of Shares	% ⁽⁹⁾	No. of Shares	% ⁽¹⁰⁾	No. of Shares	% ⁽¹⁰⁾
Datuk Au Yee Boon	63,601,200	4.93	7,041,000 ⁽¹⁾	0.55	63,601,200	5.47	7,041,000 ⁽¹⁾	0.61
Yi-Lai Industry Berhad	188,490,400	14.60	—	—	188,490,400	16.22	—	—
Yi-Lai Marketing Sdn Bhd	219,930,000	17.04	—	—	219,930,000	18.93	—	—
YB Ventures Berhad	—	—	408,420,400 ⁽²⁾	31.64	—	—	408,420,400 ⁽²⁾	35.15
Directors								
Datuk Au Yee Boon	63,601,200	4.93	7,041,000 ⁽¹⁾	0.55	63,601,200	5.47	7,041,000 ⁽¹⁾	0.61
Lee Boon Siong	—	—	—	—	—	—	—	—
Datuk Low Chin Koon	—	—	—	—	—	—	—	—
Tan Chin Yong	—	—	—	—	—	—	—	—
Au Yee Soon	—	—	—	—	—	—	—	—
Datin Lim Lee Wheng	—	—	63,601,200 ⁽³⁾	4.93	—	—	63,601,200 ⁽³⁾	5.47

Notes:

- (1) Deemed interest by virtue of his interest in Techbase Solution Sdn Bhd pursuant to Section 8 of the Act.
- (2) Deemed interest by virtue of Section 8 of the Act held through Yi-Lai Industry Berhad and Yi-Lai Marketing Sdn Bhd.
- (3) Deemed interest by virtue of the interest of her spouse, Datuk Au Yee Boon pursuant to Section 59(1)(c) of the Act.
- (4) Based on our Company's issued share capital of 307,672,788 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 276,905,510 Shares under the Minimum Scenario.
- (6) Based on our Company's enlarged issued share capital of 308,481,988 Shares assuming 809,200 treasury shares were resold on the open market.
- (7) Based on our Company's enlarged issued share capital of 442,067,886 Shares.
- (8) Based on our Company's enlarged issued share capital of 1,122,619,381 Shares.
- (9) Based on our Company's enlarged issued share capital of 1,291,012,288 Shares.
- (10) Based on the issued share capital of 1,161,911,060 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.

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.

SHARE BUY-BACK STATEMENT (CONT'D)

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)
2024		
November	0.135	0.120
December	0.145	0.120
2025		
January	0.140	0.115
February	0.130	0.110
March	0.120	0.095
April	0.125	0.100
May	0.120	0.100
June	0.105	0.095
July	0.135	0.085
August	0.130	0.100
September	0.115	0.095
October	0.145	0.100

The last transacted price of Shares on the LPD was RM0.105.

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**”).

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.

SHARE BUY-BACK STATEMENT (CONT'D)

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 33rd 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 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 33rd AGM:

- (i) the Company's Constitution; and
- (ii) the Company's audited consolidated financial statements for the financial year ended 31 July 2024 and FYE 31 July 2025.

This Share Buy-Back Statement is dated 28 November 2025.

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** ("Company"), hereby appoint:

Full Name (IN BLOCK LETTERS)	*NRIC/Passport No.	% of shareholdings
Contact No.	Email Address	
Address:		

*and/or

Full Name (IN BLOCK LETTERS)	*NRIC/Passport No.	% of shareholdings
Contact No.	Email Address	
Address:		

or failing *him/her, the Chairman of the Meeting, as *my/our proxy to vote for *me/us on *my/our behalf at the Thirty-Third Annual General Meeting ("33rd AGM") of the Company which to be held at SVOFO @ Hall Sky Garden, Block A, Level 2, A-2-10, Sunway Nexis, Jalan PJU 5/1, Kota Damansara, 47810 Petaling Jaya, Selangor on Monday, 12 January 2026 at 9.30 a.m. or at any adjournment thereof, in the manners as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Datuk Au Yee Boon who retires pursuant to Article 107 of the Company's Constitution.		
2.	To re-elect Mr Lee Boon Siong 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 33 rd 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 33 rd AGM until the conclusion of the next AGM of the Company.		
5.	To re-appoint 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.

(* Please delete if not applicable)

Dated this _____ day of _____, 2025

Signature/Common Seal of Shareholder

Notes:-

1. A proxy may but need not be a member of the Company.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. Only a depositor whose name appears on the Record of Depositors as at **31 December 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**
[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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2025

TECHBASE INDUSTRIES BERHAD

Registration No.: 199201019353 (250857-T)

Unit 702, Tropicana Gardens Office Tower, No. 2A, Persiaran Surian
Tropicana Indah, 47810 Petaling Jaya, Malaysia

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