

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2. External Auditors

The Board has established a transparent relationship with the external auditors through the AC, which has been accorded the authority to communicate directly with the external auditors. The auditors in turn are able to highlight matters which require the attention of the Board to the AC in terms of compliance with the accounting standards and other related regulatory requirements.

The AC undertakes annual assessment of the suitability and independence of the External Auditors. The factors considered by the AC in its assessment include, adequacy of professionalism and experience of the staff, the resources of the external auditors, the fees and the independence of and the level of non-audit services rendered to the Group.

The amounts of audit and non-audit fees paid to the External Auditors or a firm affiliated to the External Auditors by the Company and the Group for the financial year ended 31 May 2024 are as follows:-

	Group (RM)	Company (RM)
Audit	197,028	130,000
Non-Audit	5,000	5,000

The AC had on 30 July 2024 conducted an assessment on the suitability and independence of the external Auditors. Having assessed their performance, the AC is satisfied with the competence and independence of the external auditors and had recommended to the Board, the re-appointment of the External Auditors upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.

Private sessions between the AC members and the External Auditors are held without the presence of the Executive Director and Management. This encourages a greater exchange of independence and open dialogue between both parties.

3. Internal Audit Function

The internal audit function is independent of the operations of the Group and is outsourced to a competent consulting firm to provide its services to meet with the Group's required service level.

Internal auditor reports directly to the AC. The functions of the internal auditor are to ensure a regular review of the adequacy and integrity of its internal control system. The internal auditor will also be required to assist the Group in enhancing its existing risk management framework and adopting a risk-based approach based on COSO assessment model.

The assessment of the internal audit is reported periodically to the AC. The recommendations arising from the internal audit and its implementations would be monitored.

The internal audit function is outsourced to an independent professional firm, Vaersa Advisory Sdn Bhd. The internal audit team is headed by Mr Quincy Gan who possesses the relevant qualification and experience and is assisted by eight members. The internal audit personnel are free from any relationships or conflicts of interest with the Company which could impair their objectivity and independence during the internal audit review. The AC had assessed the performance of the internal auditor on 30 July 2024 and was satisfied with the adequacy of the scope, competency and resources of the internal auditor and that it has the necessary authority to carry out its work.

The expenses incurred for the internal audit function for FYE 2024 is RM16,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

4. Risk Management and Internal Control Framework

The Group has put in place an Enterprise Risk Management framework (“ERM”) which comprises the following elements:

- Communicate and disseminate across the organisation the vision, role and direction of the Group;
- Provide guiding principles and approach towards risk management;
- Process of identification, assessment, evaluation and management of the various principal risks which affect the Group’s business;
- Creation of a risk-awareness culture and risk ownership for more effective management of risks;
- Regular review, tracking and reporting on keys risks identified and corresponding mitigation procedures; and
- Regular review of the effectiveness of the system of internal control.

The framework is applied to determine, evaluate and manage principal risks of the Group. This is complemented by the system of internal control that is integrated into the Group’s operations and processes.

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

1. Communication

The Company is committed to provide clear, accurate and timely disclosure of all material information to its stakeholders and the general public. The Company will ensure compliance with the disclosure requirements as set out in the Listing Requirements at all times.

2. Leverage on Information Technology for Effective Dissemination of Information

The Company maintains various methods of dissemination of information and has established a website at www.keyasic.com from which shareholders and the general public may access among others, the latest information on the activities of the Group; product information; announcements made to Bursa Securities; Annual Report; Board Charter and other policies of the Group.

3. Encourage Shareholder Participation at General Meetings

Notice of the Eighteenth AGM (“18th AGM”) was issued to the shareholders on 29 September 2023, being more than 28 days in advance of the scheduled AGM which was held on 15 November 2023. The shareholders are also made available with a copy of the Company’s Annual Report and the Circular to Shareholders in order for them to have sufficient time to read and understand the Company’s financial and non-financial performance before the actual event takes place.

The 18th AGM of the Company was held virtually through live streaming from the broadcast venue. Shareholders and proxies participated at the 18th AGM remotely using the Remote Participation and Voting facilities without the need to be physically present at the meeting venue.

Pursuant to the Listing Requirements, any resolution set out in the notice of any general meeting, or in any notice of resolutions which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. Voting for all resolutions as set out in the Notice of 18th AGM held on 15 November 2023 were voted by poll and validated by an Independent Scrutineer.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(CONT'D)

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

4. Effective Communication and Proactive Engagement

AGM also provides an effective means of communication with the shareholders where they are encouraged to participate in the open question and answer session during the AGM. The Chairman also provides sufficient time for the open question and answer session during the AGM. The Board responded to the questions submitted by Minority Shareholders Watch Group and the live questions posted from the shareholders at the 18th AGM. The minutes of the 18th AGM was uploaded to the Company's website within 30 business days from the date of the meeting.

Shareholders or potential investors can also send their enquiry to the Company via the Company's website at www.keyasic.com or may contact the Company via the following:-

Tel No : +603-7664 3300
Fax No : +603-7664 3301
Email : info@keyasic.com

This CG Overview Statement was approved by the Board of the Company on 20 September 2024.

STATEMENT ON DIRECTORS' RESPONSIBILITY

It is the Board's responsibility to ensure that the financial statements are prepared in accordance with the Companies Act, 2016 and the applicable approved accounting standards set by Malaysian Accounting Standard Board so as to present a balanced and fair assessment of the Group's financial position and prospects. The Directors are also responsible for keeping proper accounting records, safeguarding the assets of the Company and taking reasonable steps to prevent and enable detection of fraud and other irregularities.

In preparing the financial statements, the Directors have taken the necessary steps and actions as follows:-

- (a) selecting suitable accounting policies and then applying them consistently. This is done through discussion with the current reporting auditor if there is any changes in the accounting standard that may affect the way of the financial statement is presented;
- (b) stating whether applicable accounting standards have been followed;
- (c) making judgments and estimates that are reasonable and prudent. The Board makes judgment and estimate by carefully consider all aspect of the variables concerned and especially in the case of sustainability on the book value of the intangible assets; and
- (d) preparing the financial statements on a going concern basis, having made reasonable enquiries and assessment on the resources of the Company on its ability to continue further business in foreseeable future.

SUSTAINABILITY STATEMENT

OVERVIEW AND SCOPE OF SUSTAINABILITY AT KEY ASIC BERHAD

Sustainability is one of the strategic pillars for Key ASIC Berhad. Our sustainability performance is considered fundamental to our business success and sustainability is in fact embedded in our day to day operations. Central to our approach is a strong emphasis on health and safety. It is a core value for our culture and provides the framework for the way employees are expected to behave. We are committed to enthrall and engage with communities within which we operate through regular dialogues, socioeconomic footprint studies and community activities. It is an opportunity for us to gain feedback on our operations and how we impact them. In order to focus our efforts and strengthen our benchmarks for economic, environmental and social sustainability.

The Sustainability Committee was established on 19 January 2023 and has been tasked with determining the organisation's sustainability strategy and provides an oversight of our corporate sustainability policies and performance. Senior Management oversees the implementation of the organisation's sustainability approach and ensures that key targets are being met. The respective division's management heads are responsible for identifying, evaluating, monitoring and managing economic, environmental and social risks and opportunities directly.



SUSTAINABILITY STATEMENT (CONT'D)

VISION

The Company is committed to integrate Environmental, Social, and Governance (ESG) considerations into our business practices, operations, and investments. Our goal is to create long-term value for our stakeholders while promoting a more sustainable future.

To be recognised as a responsible industry leader, we strive to achieve our vision through:

1. Working with like-minded investors, partners and clients who share our core values and objectives
2. Ensuring our own business and owned developments are resilient to climate change and in-line with our pathway towards Net Zero
3. Empowering our experienced design and delivery supply chain to act responsibly and ethically to create long-term value of our projects
4. Identifying research opportunities and developing innovative solutions
5. Implementing a feedback loop of regular ESG monitoring and reporting to enable continual improvement

CORE OBJECTIVE

Environment	Social	Governance
<p>The Company is committed to reducing our environmental impact and promoting sustainable practices within our healthcare organization.</p> <p>Our environmental objectives include:</p> <ul style="list-style-type: none"> • Minimizing waste generation and promoting recycling and waste reduction practices. • Reducing our energy consumption and promoting the use of renewable energy sources. • Encouraging sustainable transportation practices for employees, patients, partners and suppliers. • Ensuring responsible procurement practices that prioritize environmentally friendly products and services. • Managing and reducing the use of hazardous materials and waste. • Regularly monitoring and reporting on our environmental performance. 	<p>The Company recognize the importance of our social responsibility to our patients, employees, and the communities we serve.</p> <p>Our social objectives include:</p> <ul style="list-style-type: none"> • Developing high-quality healthcare services that prioritize patient safety and satisfaction. • Providing a safe and healthy work environment for all employees, promoting equal opportunities and fair treatment. • Supporting local communities by promoting volunteerism and providing training and exposures to university students and internship programs and activities, and by partnering with local suppliers and service providers. • Maintaining high ethical standards in all aspects of our business, upholding the principles of transparency, integrity, and accountability. • Encouraging social responsibility among our suppliers and business partners 	<p>The Company is committed to maintaining strong governance practices that prioritize ethical behaviour, transparency, and accountability.</p> <p>Our governance objectives include:</p> <ul style="list-style-type: none"> • Ensuring compliance with applicable laws and regulations. • Maintaining open and transparent communication with our stakeholders, including patients, employees, shareholders, and regulators. • Maintaining a diverse and independent board of directors that prioritizes ESG considerations in decision-making. • Regularly assessing and monitoring our ESG risks and opportunities. • Reporting on our ESG performance and progress towards our ESG objectives.

SUSTAINABILITY STATEMENT (CONT'D)

BOARD'S ROLES IN SUSTAINABILITY

The Board recognises the importance of building a sustainable business, therefore takes into consideration medium to long term view of technology trend, environmental, social and governance impact while developing corporate strategies.

The Board regularly reviews the strategic direction of the Company and the progress of the Company's operations, taking into account changes in the business and political environment and risk factors such as level of competition, market demand, technology changes etc.

The Board promotes good corporate governance in the application of sustainability practices throughout the Company, the benefits of which are believed to translate into better corporate performance. Accordingly, the Company takes cognisance of the global environmental, social, governance and sustainability agenda.

The Company recognises the value of a diverse and skilled workforce and is committed to creating and maintaining an inclusive and collaborative workplace culture that will provide sustainability for the Company into the future. The Company is committed to leveraging the diverse backgrounds in terms of gender, ethnicity and age, experiences and perspectives of our workforce, to provide good customer service to an equally diverse customer base. The Company's commitment in recognising the importance of diversity extends to all areas of our business including recruitment, skills, enhancement, appointment to roles, retention of employees, succession planning and training and development.

STAKEHOLDERS REVIEW & ENGAGEMENT

Stakeholder Group	Engagement Methodology	Frequency of engagement
Customers	Customer feedback management	Regular
	Complaint management	Regular
	Market analysis & trend	Regular
Vendors	Regular evaluation to conform to our ISO standard	Annually
	Vendor relationship management	Regular
Governance & Regulators	Formal meetings/visits	Ad-hoc
	Licensing, audits & inspections	Ad-hoc
	Awareness on anti-bribery and corruption	Annually
	Director training program	Annually
Employees	Employee performance appraisal	Annually
	Dialogue and engagement	Weekly
	Health and safety awareness	Regular
	Employee engagement programmes	Regular
Shareholders	Interim result announcements	Quarterly
	Annual Report	Annually
	Annual General Meetings	Annually

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY & RELEVANT ACTION PLAN

The following is the Company's identified material sustainability matters, identified via management reviews and assessments of the context and strategy with considerations to relevant stakeholders' requirements and expectations. These are critical internal and external risk and opportunities that are pertinent to our long-term growth and continual improvement.

Material sustainability issues	
Economics	Research & Development and commitment to innovation on AI and its application for medical and security usage.
	Customer satisfaction and complaint management process for adherence and enhancement of products and service deliverables
	Sustainable value chain management with vendors, subcontractors, transporters, assessment, evaluation and improvements through our ISO standard
Social responsibilities	Workforce diversity and human rights factor inculcation within human resources development and capital management
	Occupational Safety & Health Management policies and practices enforcement
Environmental stewardships	Product and Services Responsibility Compliance to local statutory and regulatory requirements

We periodically update the full list of sustainability matters and revise our prioritisation annually based on our corporate strategy and external developments.

The Group is realising key benefits from integrating sustainability in business by including:

- Enhancement of process risk management via risk-based thinking group wide.
- To strengthen our international market presence without compromising aspects of quality and sustainability, and to be responsive to the challenges and changing expectations of stakeholders within the healthcare industry.
- Promoting innovation and attracting new customers with improvement initiatives and marketing strategy.
- Maintaining a licence to operate for best practices, fulfilling stakeholders needs and compliance to obligations.
- Securing capital with periodic business context and stakeholders review of requirements an expectation on environment, social and governance matters.
- To provide a safe working environment that is conducive for the personal and professional growth of our employees and corporate culture that is built on good communication practices, transparency and integrity.
- To strengthen our commitment to manage our impact on the environment by prioritizing strict adherence to environmental regulations.

KEY ASIC BERHAD'S SUSTAINABILITIES INITIATIVES

The Company has undertaken the following initiatives as an integral part of its business operations and practices by contributing to the welfare of its employees, stakeholders, the general public and the environment it operates in.

CORPORATE SOCIAL RESPONSIBILITIES ("CSR")

The Group remains committed to support the community as a responsible corporate citizen during the financial year under review. The Group's CSR initiatives are focused on enhancement of the workplace and environment conservation.

SUSTAINABILITY STATEMENT (CONT'D)

We acknowledge the importance of both financial and non-financial strategies in our continuous efforts to maintain long term and sustainable performance for the Group. While we focus on managing our business deliverables through improving financial profitability and shareholders' value, we are also mindful of our goals to provide a sustainable workplace for our human assets' career developments as they are critical components to our growth and to promote a sustainable environmentally responsible organisation.

WORKPLACE

Our people are our valuable assets. The Group provides its employees a quality work environment which complies with the health and safety standard as we understand a good environment would raise the efficiency and productivity of employees besides improving the quality of life of our employees.

We practice open door policy where employees have easy accessibility to their superiors. Two-way communications are encouraged to ensure share of ideas and/or work grievances to improve work processes and working environment. Periodical downward communication sessions from key management team with subordinates are also carried out as a way to impart the Company's fundamentals and directions while addressing issues of concern.

VENDOR

Sustainability in the supply chain from upstream to downstream is essential to maintain smooth business operations. Therefore, we are guided and adhere strictly to our ISO standard in selection process of suppliers with the capacity to conduct business ethically, with professionalism and preparedness to adapt to changes that impact sustainability under the risk management plan is of paramount importance. We also valued co-generation of opportunity with our suppliers, under an efficient assessment program. All these arrangements are in place to manage risk by making our resources secured from few suppliers, critical suppliers and suppliers who fail to comply with rules and regulations, or stakeholders' expectations. These risks can ultimately harm our reputation and disrupt our business.

The selection of suppliers is on the basis of commitment to comply to Key ASIC's business processes for sustainable business. Conduct assessment and certification of suppliers annually and continuously in order to mitigate risk in the supply chain.

ENVIRONMENT

The Group remains committed towards environmental conservation; continuing on recycle program as part of our efforts to reduce our environmental and carbon footprints and our commitment as an environmentally responsible organisation.

In line with commitment to reduce carbon footprints, employees are encouraged to fully maximise the benefits of electronic environment (eg email, instant messaging and etc.) for communication and only print hard copy when necessary. Employees are also encouraged to print on both sides of paper to minimise paper usage. Energy efficient bulbs are used throughout and all computer peripherals and lighting are switched off when not in use. This year, the total electricity consumption of the Group was 185,550 kilowatt hours.

The Group acknowledges that the important of water conservation, and is dedicated to reducing overall water consumption in our business operations. The Group's initiatives in this regard raising awareness among employees for responsible water usage behavior, and to manage potential leak and wastages of water in the business and operation premises.

This year, the total water consumption at Malaysia and Taiwan office was 5200m³.

We prioritise responsible waste management to mitigate our environmental footprint and contribute positively to the communities we serve. Recognising the potential hazards and adverse environment impacts associated with waste production, we place special emphasis on waste management at our construction sites. Our approach is cautious, ensuring that waste handling practices safeguard both the environment and public health. This commitment underscores our dedication to sustainable practices and community well-being.

SUSTAINABILITY STATEMENT (CONT'D)

HEALTH AND SAFETY

At Key ASIC Berhad, we believe in creating a strong safety culture. The Group reports on employee incidents and identifies trends and key risk areas, such as employee injuries, needle-stick injuries, employee falls, employee mobility incidents, occupational health-related incidents, infection-related incidents and exposure to bodily fluids. Our safety mechanism also entails the submission of health and safety recommendations about workplace conditions, the continual improvement of occupational health and safety standards by applying the lessons gained through experience and ongoing instruction and advice for staff and management.

The Group is pleased to report that there are ZERO number of work-related fatalities and lost time incident rate in financial year ended 31 May 2024.

EMPLOYEES' WELFARE

To attract and retain talent, we strive to create a conducive and supportive working environment for all of our employees. This includes not only competitive compensation and benefit but also a workplace culture that promotes teamwork, innovation, and continuous improvement. The Group implemented Employee's Share Option Scheme ("ESOS") to all eligible employee to instil a sense of ownership amongst. Our commitment to employee development and well-being is integral to our overall strategy, ensuring that we maintain a motivated, skilled and dedicated workforce. To support employee's health and well-being, we provide medical benefits, group hospitalisation and insurance coverage.

The Group is dedicated to foster strong relationships with employees and enhancing their quality of life through comprehensive health benefits and extensive training programs. These initiatives demonstrate our commitment to valuing, motivating, and support our employees, thereby contributing to the overall success and sustainability of the Group.

TRAININGS

External and internal trainings are provided to employees to enhance their skills and abilities which would offer excellent opportunities for career enhancement.

DIVERSITY

The Group understands that its employees are valuable to the success of its operations. The Group embraces diversity at workplace, in term of age, gender, ethnicity and social background. By having a diverse workforce, the Group is able to tap into a pool of people from various backgrounds with different experiences and perspectives. This also enables the Group to increase its competitiveness by having the generate creative solutions to market/customer problems.

The following tables and chart provide a summary of our employee profile in regards to diversity:

Employee Category	Male	Female
Management	21%	8%
Executive	47%	24%

Employee by age group for financial year ended 31 May 2024:

Age group	Gender						Ethnicity							
	Male	%	Female	%	Total	%	Malays	%	Chinese	%	Others	%	Total	%
21-30	7	27	4	33	11	29	7	26	2	33	2	40	11	29
31-40	6	23	5	42	11	29	6	22	2	33	3	60	11	39
41-50	10	38	3	25	13	34	12	44	1	17	–	–	13	34
51-60	2	8	–	–	2	5	1	4	1	17	–	–	2	5
61-70	1	4	–	–	1	3	1	4	–	–	–	–	1	3
	26	100	12	100	38	100	27	100	6	100	5	100	38	100

SUSTAINABILITY STATEMENT (CONT'D)

Director by age group for financial year ended 31 May 2024:

Age group	Gender						Ethnicity							
	Male	%	Female	%	Total	%	Malays	%	Chinese	%	Indian	%	Total	%
41-50	–	–	1	100	1	20	–	–	1	25	–	–	1	20
51-60	–	–	–	–	–	–	–	–	–	–	–	–	–	–
61-70	3	75	–	–	3	60	1	100	2	50	–	–	3	60
71-80	1	25	–	–	1	20	–	–	1	25	–	–	1	20
	4	100	1	100	5	100	1	100	4	100	–	–	5	100

STATEMENT OF ASSURANCE

This Sustainability Statement has not been subjected to an assurance process.

PERFORMANCE DATA

The Company is required to provide mandatory ESG disclosures as part of the Listing Requirements. This aligns with the updated Sustainability Reporting Guide. The table below present performance data on the sustainability matters.

Indicator	Measurement Unit	Financial Year Ended 31 May 2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	0.00
General Workers	Percentage	0.00
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	0
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	6.06
Management Between 30-50	Percentage	66.67
Management Above 50	Percentage	27.27
Executive Under 30	Percentage	37.12
Executive Between 30-50	Percentage	62.88
Executive Above 50	Percentage	0.00
Non-executive/Technical Staff Under 30	Percentage	0.00
Non-executive/Technical Staff Between 30-50	Percentage	0.00

SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	Financial Year Ended 31 May 2024
Non-executive/Technical Staff Above 50	Percentage	0.00
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	0.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	75.76
Management Female	Percentage	24.24
Executive Male	Percentage	64.72
Executive Female	Percentage	35.28
Non-executive/Technical Staff Male	Percentage	0.00
Non-executive/Technical Staff Female	Percentage	0.00
General Workers Male	Percentage	0.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	20.00
Above 50	Percentage	80.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Percentage	185.55
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	38
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	12
Executive	Hours	17
Non-executive/Technical Staff	Hours	0
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	10.53
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	2
Executive	Number	5
Non-executive/Technical Staff	Number	0
General Workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	Financial Year Ended 31 May 2024
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.521500

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

The Board is pleased to present its Statement on Risk Management and Internal Control which outlines the nature and scope of the risk management and internal control of the Group for the financial year 31 May 2024. This Statement on Risk Management and Internal Control is issued in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on the status of the Group's compliance with the principles and best practices relating to risk management and internal control as stipulated in the Malaysian Code of Corporate Governance ("the Code").

The Board is committed to maintaining a sound system of internal control of the Company and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Company during the year.

2. BOARD RESPONSIBILITIES

The Board recognises the importance of sound internal controls and risk management in safeguarding the assets of the Group. However, such systems are designed to manage rather than eliminate the business risk totally. It should be noted that any system could provide only reasonable and not absolute assurance against material misstatement or fraud.

The Group has in place an on-going process to identify, evaluate, monitor and manage any significant risks through the internal controls set out in order to attain a reasonable assurance that business objectives have been met. These controls are regularly reviewed by the Board and subject to continuous improvement.

3. RISK MANAGEMENT FRAMEWORK

The Board has established an organisation with clearly defined lines of accountability and delegated authority.

The Group has put in place an Enterprise Risk Management framework ("ERM") where risk analysis of the Group is conducted on a regular basis including constantly reviewing the process in identifying, evaluating and putting up necessary action to assess and monitor the impacts of the risk on the operation and business. The process requires management to comprehensively identify and assess all types of risks in terms of likelihood and magnitude of impact as well as to address the adequacy and application of mechanisms in place to manage, mitigate, avoid or eliminate these risks. Key ASIC Bhd is certified under the ISO9001:2015, hence it is part of the company's duty to take precautionary and preventive actions to minimize or eliminate some of the recognised potential risks.

The framework is applied to determine, evaluate and manage principal risks of the Group. This is complemented by the system of internal control that is integrated into the Group's operations and processes. The Group reviews and analyses various principal risks likely to be encountered, and in particular the following risks which are more pertinent to the Group:

Information Technology ("IT") Risk

Confidential files and intellectual property information of the Group are stored and protected in the Group's servers located in Malaysia and Taiwan. Virus attack and hacking threats are imminent in this modern world and it is part of the IT risk that the Company is constantly facing.

The Group has taken precautionary security measures to protect its own servers by having proper IT security such as firewall and anti-virus software to prevent unauthorised access to its computers systems, virus attack and ward off potential hackers. In order to maintain the continuity of the business, both servers in Malaysia and Taiwan are backup periodically.

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

3. RISK MANAGEMENT FRAMEWORK (CONT'D)

Intellectual Property ("IP") Risk

It is part of the core business competency of the Group to create intellectual property and to derive new product from existing and most of the time through licensing of 3rd party IP. Unauthorised use or sharing of IP from the Group's library will have material impact to the Group financially and may expose the Company to international lawsuit.

In recognising the threats, the Group has put up several procedures to secure and limit the access to the Group's IP server to only authorized personnel within the Group. On top of that, all employees are compulsory to sign IP non-disclosure agreement upon accepting job offer within the Group.

Production Risk

The Group has diversified its manufacturing partners, reducing the risk and reliability of single source.

The Company is taking precaution action to work closely with our outsourced partners to ensure that they have a contingency plan for any outcome, to minimize or eliminate any risk that could jeopardize any delivery to our customers. It is also part of the Company's action plan to continue sourcing for alternative sources to ensure uninterrupted production delivery to our customer.

Design Development Risk

Our engineers engage closely with customer in developing IP as part of the deliverable in our IP design service contract with them. It is part of the design development risk that the outcome of the final design could have different characters than the intended one. The failure to comply with the requirements as specified in the customer design service contract will have a huge impact to the Company's financial as unnecessary costs may have to incur in order to rectify any design's fault.

The Company has documented system in place to avert design flaw that could jeopardize customer product by having design review, approval, validation and working closely with customer at every stage of design and development till mass production.

The process encompasses assessments and evaluations at business unit process level before being examined on a Group perspective.

Besides, the Group has established an internal rule of hiring that the Group recruit only the top-notch and talented engineers in the R&D department to ensure the R&D capabilities are of the world class.

The Group's risk management continues to be driven by the Chief Executive Officer and assisted by management. The Chief Executive Officer and management are responsible for identifying, evaluating and monitoring of risks and taking appropriate and timely actions to manage risk. These processes are embedded and carried out as part of the Group's operating and business management processes. External and relevant professionals would be drawn on to assist and provide advices to the management team when necessary. In order to ensure the objectivity of the review of the risk management and systems of internal control in the Group, the Audit Committee is instituted by the Board to undertake this role.

In conducting its review, the process is regularly reviewed by the Board via the Audit Committee ("AC") at the Board meeting with the assistance of the outsourced independent consulting firm Vaersa Advisory Sdn. Bhd. to further review and improves the existing internal control processes within the Group. The Group will continue to focus on the key risks and corresponding controls to ensure that they are able to respond effectively to the business changes and competitive environment.

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

3. RISK MANAGEMENT FRAMEWORK (CONT'D)

Management further supplements the Audit Committee review on control and risk assessment when presenting the quarterly financial performance and results to the Audit Committee and the Board including pertinent explanations on the performance of the Group. With management consultation, the Audit Committee reviews and analyses the interim financial results in corroboration with management representations on operations and the performance of its subsidiaries as well as deliberates the annual report and audited financial statements before recommending these documents to the Board for approval.

4. INTERNAL CONTROL FRAMEWORK

The key elements of the Group's internal control systems are described below:

- o Quarterly monitoring of operational results against the budget for the Board's review and discussion;
- o Regular and comprehensive information provided to the Board, covering financial performance and key business indicators;
- o Regular updates of internal policies and procedures, to reflect changing risks or resolve operational deficiencies; and
- o Regular management meeting with all key personnel of respective department to address weaknesses and improve efficiency.

The Board is of the view that there is no significant breakdown or weaknesses in the system of internal control of the Group that may have material impact against the operations of the Group for the financial year ended 31 May 2024.

The Company has implemented ISO 9001:2015 Quality Management Systems, where documented internal procedures and standard operating procedures have been put in place. Internal quality audits are carried out by the ISO Committee and annual surveillance audits are conducted by an independent certification body to provide a high assurance of compliance.

The Internal Audit adopts a risk-based approach based on COSO assessment model.

5. MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance to the Bursa Securities' Guidelines, management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and strategies; implementing and maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objectives and performance.

In producing this Statement, the Board has received assurance from the Chief Executive Officer that, to the best of their knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

6. BOARD ASSURANCE AND LIMITATION

The Board confirms that the process for identifying, evaluating and managing significant risks in the Group is on-going. For the financial year under review, there was no material loss resulted from significant control weaknesses. The Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives.

The Board wishes to reiterate that risk management and systems of internal control would be continuously improved in line with the evolving business development, it should be noted that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of internal control and risk management in the Group could only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

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

7. REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 31 May 2024. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 included in the Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

8. CONCLUSION

The Board recognises the necessity to monitor closely the adequacy and effectiveness of the Group's system of internal controls and risk management, taking into consideration the fast-changing business environment. Although the Board is of the view that the present risk management and internal control is adequately in place to safeguard the Company's assets and sufficient to detect any fraud or irregularities, the Board is on a constant watch for any improvement that may strengthen its current system from time to time.

The statement is made in accordance with a resolution of the Board of Directors dated 20 September 2024.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

Private Placement pursuant to the Authority for the Directors to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Company had at the Seventeenth AGM held on 25 November 2022 obtained the shareholders' approval for a general mandate to issue shares in the Company, representing not more than ten percent (10%) of the total number of issued shares of the Company. Subsequently, the Company had at the Eighteenth AGM held on 15 November 2023 obtained the shareholders' approval for a general mandate to issue up to ten percent (10%) of its total number of issued shares.

Bursa Malaysia Securities Berhad had on 19 April 2023, approved the listing and quotation of up to 157,213,700 new ordinary shares to be issued under the Private Placement pursuant to the general mandate. Subsequently, the Company had obtained the approval of Bursa Securities vide its letters dated 4 October 2023 and 18 April 2024, for an extension of time of 6 months from 19 October 2023 up to 18 April 2024 and for further extension of time of 6 months from 19 April 2024 up to 18 October 2024 respectively to complete the implementation of the Private Placement.

As at the date of this report, no new ordinary shares were issued under the Private Placement.

2. OPTION, WARRANT AND CONVERTIBLE SECURITIES

Employees' Share Option Scheme ("ESOS")

The shareholders of the Company had at the Extraordinary General Meeting held on 31 March 2022, approved the establishment and the administration of an Employees' Share Option Scheme ("ESOS") and authorised the Company to allot and issue such number of new ordinary shares to the Eligible Persons from time to time pursuant the ESOS. The ESOS was implemented on 7 July 2022 for a period of five (5) years and will expire on 6 July 2027, unless extended further in accordance with the By-Laws of the ESOS.

Total number of options granted and exercised by the eligible Directors and employees of the Group and the outstanding options as at the financial year ended 31 May 2024 ("FYE 2024") are set out in the table below:-

Description	Directors	Senior Management/ Director of Subsidiary	Other eligible employees	Total
Outstanding options unexercised as at 1 June 2023	32,400,000	3,600,000	69,750,000	105,750,000
Options granted during FYE 2024	4,000,000	4,600,000	68,200,000	76,800,000
Options lapsed during the FYE 2024	–	–	4,350,000	4,350,000
Options exercised during the FYE 2024	–	900,000	3,650,000	4,550,000
Outstanding options unexercised as at 31 May 2024	36,400,000	7,300,000	129,950,000	173,650,000

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

2. OPTION, WARRANT AND CONVERTIBLE SECURITIES (CONT'D)

As at FYE 2024, the details of allocations of options to the Directors are as follows:-

Name of Directors	During FYE 2024			
	Number of options unexercised as at 1 June 2023	Number of options granted	Number of options exercised	Number of options unexercised as at 31 May 2024
Chairman/Chief Executive Officer				
Eg Kah Yee	20,400,000	–	–	20,400,000
Independent Non-Executive Director				
Prof. Low Teck Seng	4,000,000 ⁽¹⁾	–	–	4,000,000 ⁽¹⁾
Chen, Chia-Yin	4,000,000 ⁽¹⁾	–	–	4,000,000 ⁽¹⁾
Datuk Md Zubir Ansori Bin Yahaya	–	4,000,000 ⁽¹⁾	–	4,000,000
Non-Independent Non-Executive Director				
Benny T. Hu @ Ting Wu Hu	4,000,000 ⁽¹⁾	–	–	4,000,000 ⁽¹⁾
Total	32,400,000	4,000,000	–	36,400,000

Note:

⁽¹⁾ 3,000,000 options granted to each of the Non-Executive Directors are subject to vesting period on a staggered basis of over a 36 months' period from the date of offer.

In accordance with the Company's ESOS By-Laws, the total number of new shares which may be made available under the ESOS Scheme shall not exceed 15% of the total number of issued shares of the Company (excluding any treasury shares) at any point of time during the existence of the ESOS for the eligible Directors and employees of the Group. The aggregate maximum allocation applicable to directors and senior management of the Group (excluding dormant subsidiaries) is not more than 70% as per the ESOS's By-Laws and the actual percentage granted to them since the commencement of the ESOS up to the FYE 2024 was 21.27.

During the FYE 2024, the Company allotted 4,550,000 new ordinary shares pursuant to the ESOS and subsequent thereto, there were no new options granted and no new ordinary shares allotted arising from the exercise of options, under the ESOS as at the date of this report.

As at the date of this report, the unexercised options under the Company's ESOS are 173,650,000 options.

Other than as disclosed above, there were no warrants and convertible securities issued by the Company during the FYE 2024.

3. MATERIAL CONTRACTS

Neither the Company nor its subsidiary have entered into any contract which are or may be material (not being contracts entered into in the ordinary course of business) involving Directors' and major shareholders' interests since the end of the previous financial year.

ADDITIONAL COMPLIANCE
INFORMATION
(CONT'D)

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

There were no RRPT of a revenue or trading nature transacted during the FYE 2024.

5. SANCTIONS OR PENALTIES

There were no sanctions or material penalties imposed by any regulatory body to the Company and its subsidiaries, Directors or management.

6. VARIANCE IN RESULT

There was no material variation between the audited results for FYE 2024 and the unaudited results previously announced for the similar period.

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 May 2024.

Principal Activities

The principal activities of the Company are engaged in the business of turnkey ASIC (application-specific integrated circuit) design services, providing data processing, data management, disk-based back-up solutions, telecommunications, office automation, network infrastructure and intelligent storage network support.

The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

Financial Results

	Group RM	Company RM
Loss for the financial year	<u>(10,771,079)</u>	<u>(6,780,916)</u>
Attributable to: Owners of the Company	<u>(10,771,079)</u>	<u>(6,780,916)</u>

Reserves and Provisions

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

Dividends

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

DIRECTORS'
REPORT
(CONT'D)

Issue of Shares and Debentures

During the financial year, the Company increased its issued and paid-up share capital from 1,393,511,250 units to 1,398,061,250 units by way of issuance of 4,550,000 new ordinary shares pursuant to the exercise of options under Employee Share Option Scheme (“ESOS”) at an exercise price of RM0.0267 each.

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

There was no issuance of debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issuance of options pursuant to the ESOS.

Employee Share Option Scheme (“ESOS”)

At an Extraordinary General Meeting held on 7 July 2022, the Company’s shareholders approved the establishment on an ESOS. The ESOS was implemented on 7 July 2022 for a period of five years and will expire on 6 July 2027, unless extended further.

The salient features and other details of the ESOS are disclosed in Note 13(a) to the financial statements.

The options offered for the subscription of unissued ordinary shares and the respective exercise prices are as follows:

Grant date	Exercise price RM	Number of options over ordinary shares				
		At 1.6.2023	Granted	Exercised	Lapsed	At 31.5.2024
9 May 2024	0.0230	-	76,800,000	-	(1,400,000)	75,400,000
7 October 2022	0.0267	105,750,000	-	(4,550,000)	(2,950,000)	98,250,000

Directors

The Directors of the Company in office during the financial year until the date of this report are:

Eg Kah Yee*
Benny Ting Wu Hu
Prof. Low Teck Seng
Chen, Chia-Yin
Datuk Md Zubir Ansori Bin Yahaya

* Director of the Company and its subsidiary companies

DIRECTORS' REPORT (CONT'D)

Directors (Cont'd)

The Director of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who are already listed above is:

Thong Kooi Pin

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

Directors' Interests in Shares

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

	Number of ordinary shares		
	At 1.6.2023	Additions	At 31.5.2024
Interest in the Company			
Direct interests			
Eg Kah Yee	1,600,000	-	1,600,000
Indirect interests			
Eg Kah Yee *	325,869,500	-	325,869,500
	Number of options		
	At 1.6.2023	Granted	At 31.5.2024
Interest in the Company			
Direct interests			
Eg Kah Yee	20,400,000	-	20,400,000
Benny Ting Wu Hu	4,000,000	-	4,000,000
Prof. Low Teck Seng	4,000,000	-	4,000,000
Chen, Chia-Yin	4,000,000	-	4,000,000
Datuk Md Zubir Ansori Bin Yahaya	-	4,000,000	4,000,000

* Deemed interest by virtue of the interest in a corporation.

By virtue of their interests in the shares of the Company, the Directors are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act, 2016 in Malaysia.

Other than those disclosed above, none of the other Directors in office at the end of the financial year had any interest in ordinary shares in the Company or its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

Directors' Benefits

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

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

	Group RM	Company RM
Executive Directors:		
Salaries and other emoluments	360,210	-
Non-executive Director:		
Fees	144,000	144,000
ESOS expense	110,933	110,933
	<u>615,143</u>	<u>254,933</u>

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

Indemnity and Insurance Costs

There were no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that no bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT (CONT'D)

Other Statutory Information (Cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

DIRECTORS'
REPORT
(CONT'D)

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

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

	Group RM	Company RM
Auditors' remuneration:		
- Statutory audit	197,028	130,000
- Non-statutory audit	5,000	5,000
	<u>202,028</u>	<u>135,000</u>

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 20 September 2024.

EG KAH YEE

Kuala Lumpur

DATUK MD ZUBIR ANSORI BIN YAHAYA

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 20 September 2024.

EG KAH YEE

Kuala Lumpur

DATUK MD ZUBIR ANSORI BIN YAHAYA

STATUTORY DECLARATION

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

I, THONG KOOI PIN (MIA Membership No: 15167), being the officer primarily responsible for the financial management of Key ASIC Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed at Kuala)
Lumpur in the Federal Territory on)
20 September 2024)

THONG KOOI PIN

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KEY ASIC BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Key ASIC Berhad, which comprise the statements of financial position as at 31 May 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 60 to 128.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT
AUDITORS' REPORT
(CONT'D)

Key Audit Matters

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

Key Audit Matters	How we addressed the key audit matters
<p>Assessment of impairment on intangible assets</p> <p>As at 31 May 2024, the Group's and the Company's carrying amount of intangible assets are RM7,987,661 and RM7,897,115, which represented 24% and 23% of the Group's and of the Company's total assets.</p> <p>The Group and the Company are required to assess at each reporting date whether there is any indication that the intangible assets may be impaired. If such indication exists, the Group and the Company shall estimate the recoverable amount of the intangible assets, which is the higher of fair value less cost to sell or value-in-use ("VIU").</p> <p>The determination of the recoverable amount of the intangible assets, which is established based on value-in-use, required significant judgements and estimates as described in Note 2(c) and Note 5 to the financial statements respectively.</p> <p>Accordingly, assessment of impairment on intangible assets has been identified as key audit matters.</p>	<p>We obtained an understanding of the relevant controls put in place by the Group and the Company in respect of management's assessment on the impairment indicator and determination of recoverable amount of intangible assets and performed procedures to evaluate design and implementation of such controls.</p> <p>We assessed the appropriateness and reasonableness of the VIU calculation by:</p> <ul style="list-style-type: none"> (a) verifying the input data used by management to ensure the accuracy of the underlying assets; and (b) challenging the key assumptions employed in the VIU calculation. <p>We tested management's sensitivity analysis in relation to the key inputs to the impairment test model, as well as performing our own sensitivity analysis which include changes to key assumption.</p>

INDEPENDENT
AUDITORS' REPORT
(CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT
AUDITORS' REPORT
(CONT'D)

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT
AUDITORS' REPORT
(CONT'D)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, is disclosed in Note 7 to the financial statements.

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.

UHY
Firm Number: AF 1411
Chartered Accountants

OOI CHI YEE
Approved Number: 03684/08/2026 J
Chartered Accountant

KUALA LUMPUR

20 September 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MAY 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Plant and equipment	4	1,640,236	810,610	191,034	302,209
Intangible assets	5	7,987,661	9,148,927	7,897,115	9,140,285
Right-of-use assets	6	405,479	917,160	251,823	484,276
Investment in subsidiary companies	7	-	-	331,887	331,887
		<u>10,033,376</u>	<u>10,876,697</u>	<u>8,671,859</u>	<u>10,258,657</u>
Current assets					
Inventories	8	1,125,639	1,891,431	-	-
Trade receivables	9	3,834,578	3,556,680	2,881,117	20,600
Other receivables	10	1,529,827	1,402,897	947,085	897,563
Amount due from a related party	18	111,074	34,220	-	-
Amount due from subsidiary companies	11	-	-	9,714,641	8,475,721
Tax recoverable		784	-	-	-
Cash and bank balances		<u>17,239,533</u>	<u>23,587,710</u>	<u>11,414,044</u>	<u>16,313,032</u>
		<u>23,841,435</u>	<u>30,472,938</u>	<u>24,956,887</u>	<u>25,706,916</u>
Total assets		<u>33,874,811</u>	<u>41,349,635</u>	<u>33,628,746</u>	<u>35,965,573</u>

STATEMENTS OF
FINANCIAL POSITION
(CONT'D)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
EQUITY					
Share capital	12	69,629,337	69,403,203	69,629,337	69,403,203
Reserves	13	(45,353,964)	(36,322,439)	(41,504,945)	(36,509,827)
Total equity attributable to owners of the Company		<u>24,275,373</u>	<u>33,080,764</u>	<u>28,124,392</u>	<u>32,893,376</u>
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	14	-	-	-	-
Lease liabilities	15	21,585	544,380	21,585	271,937
		<u>21,585</u>	<u>544,380</u>	<u>21,585</u>	<u>271,937</u>
Current liabilities					
Trade payables	16	4,970,180	3,459,581	3,713,352	1,229,624
Other payables	17	3,110,291	2,856,305	344,109	314,050
Amount due to a subsidiary company	11	-	-	84,682	20,689
Amount due to directors	19	1,090,274	1,008,140	1,090,274	1,008,140
Lease liabilities	15	407,108	390,742	250,352	227,757
Tax payable		-	9,723	-	-
		<u>9,577,853</u>	<u>7,724,491</u>	<u>5,482,769</u>	<u>2,800,260</u>
Total liabilities		<u>9,599,438</u>	<u>8,268,871</u>	<u>5,504,354</u>	<u>3,072,197</u>
Total equity and liabilities		<u>33,874,811</u>	<u>41,349,635</u>	<u>33,628,746</u>	<u>35,965,573</u>

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	20	22,928,492	20,816,481	3,195,057	5,196,379
Cost of sales	21	(17,956,064)	(13,487,917)	(2,756,468)	(182,409)
Gross profit/(loss)		4,972,428	7,328,564	438,589	5,013,970
Other operating income	22	722,319	569,806	557,417	345,980
Net (loss)/reversal on impairment of receivables		(22,136)	661,483	(20,966)	657,255
Administrative expenses		(5,230,151)	(5,714,474)	(3,640,980)	(4,324,716)
Other operating expenses		(11,186,050)	(8,165,333)	(4,092,303)	(5,108,130)
Finance costs		(31,292)	(38,750)	(22,673)	(31,948)
Loss before taxation	23	(10,774,882)	(5,358,704)	(6,780,916)	(3,447,589)
Taxation	24	3,803	(9,691)	-	-
Loss after taxation		(10,771,079)	(5,368,395)	(6,780,916)	(3,447,589)
Other comprehensive income for the financial year, net of tax					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		(46,244)	37,262	-	-
Total comprehensive loss for the financial year		(10,817,323)	(5,331,133)	(6,780,916)	(3,447,589)
Loss after taxation attributable to:					
Owners of the company		(10,771,079)	(5,368,395)	(6,780,916)	(3,447,589)
Total comprehensive loss for the financial year attributable to:					
Owners of the company		(10,817,323)	(5,331,133)	(6,780,916)	(3,447,589)
Loss per share attributable to owners of the company (sen)					
- Basic	27(a)	(0.79)	(0.40)		
- Diluted	27(b)	(0.78)	(0.39)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

Group	Attributable to owners of the Company					
	Non-distributable			Distributable		
	Share capital	Employee Share Option Scheme ("ESOS") Reserves	Foreign exchange reserve	Accumulated losses	Total Equity	
Note	RM	RM	RM	RM	RM	RM
At 1 June 2023	69,403,203	2,003,299	(282,396)	(38,043,342)	33,080,764	
Loss for the financial year	-	-	-	(10,771,079)	(10,771,079)	
Other comprehensive loss, net of tax	-	-	(46,244)	-	(46,244)	
Total comprehensive loss for the financial year	-	-	(46,244)	(10,771,079)	(10,817,323)	
Transactions with owners:						
Issuance of ordinary shares						
- pursuant to exercise of Employee Share Option Scheme ("ESOS")	12,13 226,134	(104,650)	-	-	121,484	
- share option granted under ESOS	13 -	1,890,448	-	-	1,890,448	
Lapsed share options	13 -	(40,409)	-	40,409	-	
At 31 May 2024	69,629,337	3,748,688	(328,640)	(48,774,012)	24,275,373	

STATEMENTS OF
CHANGES IN EQUITY
(CONT'D)

	Attributable to owners of the Company				
	Non-distributable	Employee Share Option Scheme ("ESOS") Reserves	Foreign exchange reserve	Retained earnings/ (Accumulated losses)	Total Equity
Note	Share capital RM	RM	RM	RM	RM
Group					
At 1 June 2022	67,892,323	-	(319,658)	(32,682,933)	34,889,732
Loss for the financial year	-	-	-	(5,368,395)	(5,368,395)
Other comprehensive income, net of tax	-	-	37,262	-	37,262
Total comprehensive income/(loss) for the financial year	-	-	37,262	(5,368,395)	(5,331,133)
Transactions with owners:					
Issuance of ordinary shares					
- pursuant to exercise of Employee Share Option Scheme ("ESOS")	12,13 1,510,880	(699,200)	-	-	811,680
- share option granted under ESOS	13 -	2,710,485	-	-	2,710,485
Lapsed share options	13 -	(7,986)	-	7,986	-
At 31 May 2023	69,403,203	2,003,299	(282,396)	(38,043,342)	33,080,764

STATEMENTS OF
CHANGES IN EQUITY
(CONT'D)

Company	Note	Attributable to owners of the Company			
		Non-distributable	Distributable		
		Share capital RM	Employee Share Option Scheme ("ESOS") Reserves RM	Accumulated losses RM	Total Equity RM
At 1 June 2023		69,403,203	2,003,299	(38,513,126)	32,893,376
Total comprehensive loss for the financial year		-	-	(6,780,916)	(6,780,916)
Transactions with owners:					
Issuance of ordinary shares					
- pursuant to exercise of ESOS	12,13	226,134	(104,650)	-	121,484
- share option granted under ESOS	13	-	1,890,448	-	1,890,448
Lapsed share options	13	-	(40,409)	40,409	-
At 31 May 2024		<u>69,629,337</u>	<u>3,748,688</u>	<u>(45,253,633)</u>	<u>28,124,392</u>
At 1 June 2022		67,892,323	-	(35,073,523)	32,818,800
Total comprehensive loss for the financial year		-	-	(3,447,589)	(3,447,589)
Transactions with owners:					
Issuance of ordinary shares					
- pursuant to exercise of ESOS	12,13	1,510,880	(699,200)	-	811,680
- share option granted under ESOS	13	-	2,710,485	-	2,710,485
Lapsed share options	13	-	(7,986)	7,986	-
At 31 May 2023		<u>69,403,203</u>	<u>2,003,299</u>	<u>(38,513,126)</u>	<u>32,893,376</u>

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows used in operating activities				
Loss before taxation	(10,774,882)	(5,358,704)	(6,780,916)	(3,447,589)
Adjustments for:				
Amortisation of intangible assets	1,247,573	1,256,879	1,243,170	1,243,170
Depreciation of:				
- plant and equipment	509,843	342,013	148,536	162,234
- right-of-use assets	501,311	494,963	232,453	232,935
ESOS expenses	1,890,448	2,710,485	1,890,448	2,710,485
Impairment loss on trade receivables	35,956	-	34,786	-
Interest income	(456,004)	(339,805)	(323,008)	(319,380)
Interest expense on lease liabilities	31,292	38,750	22,673	31,948
Inventories written down	177,729	188,204	-	-
Reversal of impairment loss on trade receivables	(13,820)	(661,483)	(13,820)	(657,255)
Gain on unrealised foreign exchange	(266,315)	(187,553)	(234,409)	-
Loss on unrealised foreign exchange	36,208	115,621	-	438,361
Operating (loss)/profit before working capital changes	(7,080,661)	(1,400,630)	(3,780,087)	394,909

STATEMENTS OF
CASH FLOWS
(CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows used in operating activities (cont'd)				
Changes in working capital:				
Inventories	588,063	(206,983)	-	-
Trade and other receivables	(433,214)	(2,355,391)	(2,931,005)	628,185
Trade and other payables	1,736,050	2,454,774	2,513,787	(359,040)
Amount due from subsidiary companies	-	-	804,947	(5,552,793)
Cash used in operations	(5,189,762)	(1,508,230)	(3,392,358)	(4,888,739)
Interest received	456,004	339,805	323,008	319,380
Interest paid	(31,292)	(38,750)	(22,673)	(31,948)
Income tax paid	(6,704)	(826)	-	-
Net cash used in operating activities	(4,771,754)	(1,208,001)	(3,092,023)	(4,601,307)
Cash flows used in investing activities				
Purchase of:				
- plant and equipment	(1,350,783)	(86,392)	(37,361)	(12,719)
- intangible assets	(86,565)	-	-	-
Advance to a related party	(70,052)	(3,689)	-	-
Advance to subsidiary companies	-	-	(2,043,867)	(799,968)
Net cash used in investing activities	(1,507,400)	(90,081)	(2,081,228)	(812,687)

STATEMENTS OF CASH FLOWS (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows (used in)/from financing activities				
Proceeds from issuance of ordinary shares pursuant to exercise of ESOS	121,484	811,680	121,484	811,680
Advance from directors	82,134	95,275	82,134	95,275
Repayments of lease liabilities	(495,953)	(483,915)	(227,757)	(218,483)
Advances from a subsidiary company	-	-	63,993	-
Net cash (used in)/generated from financing activities	<u>(292,335)</u>	<u>423,040</u>	<u>39,854</u>	<u>688,472</u>
Net decrease in cash and cash equivalents	(6,571,489)	(875,042)	(5,133,397)	(4,725,522)
Cash and cash equivalents at the beginning of the financial year	23,587,710	24,078,147	16,313,032	21,476,915
Effect of exchange rate changes on cash and cash equivalents	<u>223,312</u>	<u>384,605</u>	<u>234,409</u>	<u>(438,361)</u>
Cash and cash equivalents at the end of the financial year	<u>17,239,533</u>	<u>23,587,710</u>	<u>11,414,044</u>	<u>16,313,032</u>
Cash and cash equivalents comprise of:				
Cash and bank balances	<u>17,239,533</u>	<u>23,587,710</u>	<u>11,414,044</u>	<u>16,313,032</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 MAY 2024

1. Corporate Information

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

The principal place of business of the Company is located at 6th Floor, Unit 3, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan.

The Company's registered office is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal activities of the Company are engaged in the business of turnkey ASIC (application-specific integrated circuit) design services, providing data processing, data management, disk-based back-up solutions, telecommunications, office automation, network infrastructure and intelligent storage network support. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

2. Basis of Preparation

(a) Statement of compliance

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of amendments/improvements to MFRSs

During the financial year, the Group and the Company have adopted the following new standard and amendments to standards issued by the Malaysian Accounting Standards Board (“MASB”):

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative information
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

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

Amendments to MFRS 101 and MFRS Practice Statement 2 Disclosure of Accounting Policies

The Group and the Company have adopted the amendments to MFRS 101 *Presentation of Financial Statements* and MFRS Practice Statement 2 *Materiality Practice Statement* for the first time in the current financial year. The amendments change the requirements in MFRS 101 *Presentation of Financial Statements* with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

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

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

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Financial Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRSs	Amendments that are part of Annual Improvements - Volume 11	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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

The initial application of the abovementioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

There are no significant areas of estimation uncertainty and critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

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

Useful lives of plant and equipment and right-of-use ("ROU") assets

The Group and the Company regularly review the estimated useful lives of plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of plant and equipment and ROU assets. The carrying amount at the reporting date for plant and equipment and ROU assets are disclosed in Notes 4 and 6 respectively.

Amortisation of intangible assets

The costs of intangible assets are amortised on a straight-line basis over the asset's estimated economic useful lives. The estimated useful lives of other intangible assets are reviewed periodically, taking into consideration factors such as changes in technology. The amount and timing of recorded expenses for any period would be affected by changes in the estimates.

The carrying amounts of the Group's and of the Company's intangible assets at the reporting date are disclosed in Note 5 to the financial statements.

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

Impairment of intangible assets

The Group and the Company assess whether there is any indication that intangible assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected cash flow derived from that asset discounted at an appropriate discount rate. Changes to any of these assumptions would affect the amount of impairment. The key assumptions used to determine the recoverable amounts is disclosed in Note 5.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 8.

Impairment of receivables

The Group and the Company review the recoverability of its receivables, including trade and other receivables, amounts due from subsidiary companies and amount due from a related party at each reporting date to assess whether an impairment loss should be recognised. The assessment for impairment for trade receivables involves significant management judgement, taking into consideration the age of the trade debts, historical payment pattern, existence of disputes and other available information concerning the recoverability of the receivables.

The carrying amounts at the reporting date for trade receivables, other receivables, amount due from subsidiary companies and amount due from a related party are disclosed in Note 9, 10, 11 and 18 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

Discount rate used in leases

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

Employee share options scheme

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also require determining the most appropriate inputs to the valuation model including expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the ESOS are disclosed in Note 13.

3. Material Accounting Policy Information

The Group and the Company apply the material accounting policy information set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

Subsidiary companies

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meet the definition of the business and control and transferred to the Group.

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

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

3. Material Accounting Policy Information (Cont'd)

(a) Basis of consolidation (Cont'd)

Subsidiary companies (Cont'd)

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(j)(i) on impairment of non-financial assets.

(b) Foreign currency translation

(i) Foreign currency transactions and balances

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(b) Foreign currency translation (Cont'd)

(ii) Foreign operations

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

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

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(c) Plant and equipment

(i) Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Subsequent costs

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

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

3. Material Accounting Policy Information (Cont'd)

(c) Plant and equipment (Cont'd)

(iii) Depreciation

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

Plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Computers	5 years
Furniture and fittings	10 years
Office equipment	2 to 10 years
Renovation	10 years
Tool equipment	5 years
Machinery	3 to 5 years
Leasehold improvement	5 years

(d) Intangible assets

Intangible assets that are acquired by the Group and the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation of intangible assets is calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Development costs	5 years
Intellectual property and software licenses rights	25 years

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

The policy of recognition and measurement of impairment losses is in accordance with Note 3(j)(i) on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(e) Leases

As lessee

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

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j)(i) on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis of plant and equipment as follow:

Buildings	3 years
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The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates.

The Group and the Company remeasure the lease liability (and make a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term is has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate asset, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

3. Material Accounting Policy Information (Cont'd)

(f) Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of financial assets at initial recognition and the categories include trade and other receivables, amount due from subsidiary companies, amount due from a related company and cash and bank balances.

(i) Financial assets at amortised cost

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Regular way purchase or sale of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(f) Financial assets (Cont'd)

Derecognition

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

(g) Financial liabilities

Financial liabilities are recognised when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company classify their financial liabilities at initial recognition amortised cost.

After initial recognition, financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit or loss when the liabilities are derecognised and through the amortisation process.

The Group's and the Company's financial liabilities designated at amortised cost comprise trade and other payables, amount due to a related party, amount due to a subsidiary company, amount due to directors and lease liabilities.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(h) Offsetting of financial instruments

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

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

3. Material Accounting Policy Information (Cont'd)

(i) Inventories

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

Cost of raw material comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on weighted average basis. Cost of finished goods and work-in progress consists of direct material, direct labour and an appropriate proportion of production overheads.

(j) Impairment of assets

(i) Non-financial assets

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

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

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(j) Impairment of assets (Cont'd)

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposure which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

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

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that 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 source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate.

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

3. Material Accounting Policy Information (Cont'd)

(k) Employee benefits

Share-based payments

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original terms, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

(l) Revenue and other income operating recognition

(i) Revenue from contracts with customers

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Company's customary business practices.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(l) Revenue and other income operating recognition (Cont'd)

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

(a) Sales of hardware and software

Revenue from the sale of hardware for a fixed fee shall be recognised when control over the hardware is transferred to customer at a point in time. For hardware sales, transfer of control is usually deemed to occur upon delivery of products and customer acceptances. Software licences may be provided to the customer at a point in time, activated or ready to be activated by the customer at a later stage, therefore revenue is recognised when customer obtains control of the software.

(b) Rendering of services

Revenue from services is recognised in the accounting period in which the services are rendered, by reference to the stage of completion of the transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided at the end of the reporting period.

(ii) Interest income

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

(m) Statements of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents comprise cash and bank balances and deposits with licensed banks.

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

4. Plant and Equipment

Group	Computers RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Tool equipment RM	Machinery RM	Leasehold improvement RM	Total RM
Cost								
At 1 June 2023	3,891,393	1,046,252	766,225	484,072	1,481,965	1,538,857	202,315	9,411,079
Additions	1,342,988	-	7,795	-	-	-	-	1,350,783
Written off	(15,018)	-	-	-	-	(1,811)	-	(16,829)
Exchange differences	(44,674)	(7,822)	(23,561)	-	-	(56,237)	(7,394)	(139,688)
At 31 May 2024	5,174,689	1,038,430	750,459	484,072	1,481,965	1,480,809	194,921	10,605,345
Accumulated depreciation								
At 1 June 2023	3,338,971	970,015	619,545	474,265	1,456,501	1,538,857	202,315	8,600,469
Charge for the financial year	367,909	1,293	126,495	2,736	11,410	-	-	509,843
Written off	(15,018)	-	-	-	-	(1,811)	-	(16,829)
Exchange differences	(37,924)	(5,286)	(21,533)	-	-	(56,237)	(7,394)	(128,374)
At 31 May 2024	3,653,938	966,022	724,507	477,001	1,467,911	1,480,809	194,921	8,965,109
Net carrying amount								
At 31 May 2024	1,520,751	72,408	25,952	7,071	14,054	-	-	1,640,236

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

4. Plant and Equipment (Cont'd)

Group	Computers RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Tool equipment RM	Machinery RM	Leasehold improvement RM	Total RM
Cost								
At 1 June 2022	3,892,395	1,047,105	685,981	484,072	1,481,965	1,544,992	203,122	9,339,632
Additions	3,871	-	82,521	-	-	-	-	86,392
Exchange differences	(4,873)	(853)	(2,277)	-	-	(6,135)	(807)	(14,945)
At 31 May 2023	3,891,393	1,046,252	766,225	484,072	1,481,965	1,538,857	202,315	9,411,079
Accumulated depreciation								
At 1 June 2022	3,041,708	969,299	590,136	471,529	1,445,091	1,544,992	203,122	8,265,877
Charge for the financial year	295,921	1,293	30,653	2,736	11,410	-	-	342,013
Exchange differences	1,342	(577)	(1,244)	-	-	(6,135)	(807)	(7,421)
At 31 May 2023	3,338,971	970,015	619,545	474,265	1,456,501	1,538,857	202,315	8,600,469
Net carrying amount								
At 31 May 2023	552,422	76,237	146,680	9,807	25,464	-	-	810,610

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

4. Plant and Equipment (Cont'd)

Company	Computers RM	Furniture and fittings RM	Office equipment RM	Renovation RM	Tool equipment RM	Total RM
Cost						
At 1 June 2023	2,665,458	27,124	121,516	484,072	1,481,965	4,780,135
Additions	36,961	-	400	-	-	37,361
At 31 May 2024	2,702,419	27,124	121,916	484,072	1,481,965	4,817,496
Accumulated depreciation						
At 1 June 2023	2,428,019	20,287	98,854	474,265	1,456,501	4,477,926
Charge for the financial year	130,111	1,293	2,987	2,736	11,409	148,536
At 31 May 2024	2,558,130	21,580	101,841	477,001	1,467,910	4,626,462
Net carrying amount						
At 31 May 2024	144,289	5,544	20,075	7,071	14,055	191,034
Cost						
At 1 June 2022	2,661,587	27,124	112,668	484,072	1,481,965	4,767,416
Additions	3,871	-	8,848	-	-	12,719
At 31 May 2023	2,665,458	27,124	121,516	484,072	1,481,965	4,780,135
Accumulated depreciation						
At 1 June 2022	2,285,964	18,994	94,114	471,529	1,445,091	4,315,692
Charge for the financial year	142,055	1,293	4,740	2,736	11,410	162,234
At 31 May 2023	2,428,019	20,287	98,854	474,265	1,456,501	4,477,926
Net carrying amount						
At 31 May 2023	237,439	6,837	22,662	9,807	25,464	302,209

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Plant and Equipment (Cont'd)

(a) Purchase of plant and equipment

The aggregate cost for the plant and equipment of the Group and of the Company during the financial year under cash payments are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash	<u>1,350,783</u>	<u>86,392</u>	<u>37,361</u>	<u>12,719</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

5 Intangible Assets

Group

	Development costs RM	Intellectual property and software licenses rights RM	Patents RM	Total RM
Cost				
At 1 June 2023	8,556,308	65,285,384	-	73,841,692
Additions	-	-	86,565	86,565
Written off	-	(7,842,907)	-	(7,842,907)
Exchange differences	(3,259)	(389,496)	-	(392,755)
At 31 May 2024	8,553,049	57,052,981	86,565	65,692,595
Accumulated depreciation				
At 1 June 2023	8,545,095	29,594,724	-	38,139,819
Written off	-	(7,842,907)	-	(7,842,907)
Charge for the financial year	2,833	1,243,170	1,570	1,247,573
Exchange differences	(2,906)	(221,794)	-	(224,700)
At 31 May 2024	8,545,022	22,773,193	1,570	31,319,785
Accumulated impairment loss				
At 1 June 2023	-	26,522,946	-	26,552,946
Exchange differences	-	(167,797)	-	(167,797)
At 31 May 2024	-	26,385,149	-	26,385,149
Net carrying amount				
At 31 May 2024	8,027	7,894,639	84,995	7,987,661

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

5. Intangible Assets (Cont'd)

Group	Development costs RM	Intellectual property and software licenses rights RM	Total RM
Cost			
At 1 June 2022	8,556,664	65,327,875	73,884,539
Exchange differences	(356)	(42,491)	(42,847)
At 31 May 2023	<u>8,556,308</u>	<u>65,285,384</u>	<u>73,841,692</u>
Accumulated amortisation			
At 1 June 2022	8,545,406	28,361,986	36,907,392
Charge for the financial year	-	1,256,879	1,256,879
Exchange differences	(311)	(24,141)	(24,452)
At 31 May 2023	<u>8,545,095</u>	<u>29,594,724</u>	<u>38,139,819</u>
Accumulated impairment loss			
At 1 June 2022	-	26,570,867	23,570,867
Exchange differences	-	(17,921)	(17,921)
At 31 May 2023	<u>-</u>	<u>26,552,946</u>	<u>26,552,946</u>
Net carrying amount			
At 31 May 2023	<u>11,213</u>	<u>9,137,714</u>	<u>9,148,927</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

5. Intangible Assets (Cont'd)

Company	Development costs RM	Intellectual property and software licenses rights RM	Total RM
Cost			
At 1 June 2023/31 May 2024	8,467,128	54,627,347	63,094,475
Accumulated amortisation			
At 1 June 2023	8,467,127	23,525,640	31,992,767
Charge for the financial year	-	1,243,170	1,243,170
At 31 May 2024	8,467,127	24,768,810	33,235,937
Accumulated impairment loss			
At 1 June 2023/31 May 2024	-	21,961,423	21,961,423
Net carrying amount			
At 31 May 2024	1	7,897,114	7,897,115
Cost			
At 1 June 2022/31 May 2023	8,467,128	54,627,347	63,094,475
Accumulated amortisation			
At 1 June 2022	8,467,127	22,282,470	30,749,597
Charge for the financial year	-	1,243,170	1,243,170
At 31 May 2023	8,467,127	23,525,640	31,992,767
Accumulated impairment loss			
At 1 June 2022/31 May 2023	-	21,961,423	21,961,423
Net carrying amount			
At 31 May 2023	1	9,140,284	9,140,285

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Intangible Assets (Cont'd)

Assessment of impairment on intangible assets

The recoverable amounts of the cash generating unit ("CGU") have been determined based on value-in-use ("VIU") taking into account cash flow projections for the next 5 years.

The key assumptions used for value-in-use calculation are based on future projection of the Group and of the Company as follows:

	2024 %	2023 %
Gross profit margin	27 - 34	27 - 34
Revenue growth rate	3	3
Pre-tax discount rate	16	14

- (i) Gross profit margin - The gross profit margin is based on the past trend.
- (ii) Revenue growth rate - The revenue growth rate is based on the past trend.
- (iii) Pre-tax discount rate - The rate that reflect specific risks relating to the relevant cash generating unit ("CGU").

There is no reasonably possible change in any of the key assumptions used that would cause the carrying amount of the intangible assets to materially exceed the recoverable amount.

At the end of the reporting period, the Group and the Company assessed the recoverable amount of intangible assets, and determined that no further impairment of intangible assets is required. Management expects future cash flows will be generated from the CGU.

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

6. Right-of-Use Assets

	2024	2023
	RM	RM
Group		
Buildings		
Cost		
At beginning of the financial year	1,958,900	1,673,154
Addition	-	1,244,157
Expiration of lease contracts	(714,743)	(958,411)
Exchange differences	(19,982)	-
At end of the financial year	<u>1,224,175</u>	<u>1,958,900</u>
Accumulated amortisation		
At beginning of the financial year	1,041,740	1,497,279
Charge for the financial year	501,311	494,963
Expiration of lease contracts	(714,743)	(958,411)
Exchange differences	(9,612)	7,909
At end of the financial year	<u>818,696</u>	<u>1,041,740</u>
Net carrying amount	<u>405,479</u>	<u>917,160</u>
Company		
Buildings		
Cost		
At beginning of the financial year	697,357	714,743
Addition	-	697,357
Expiration of lease contract	-	(714,743)
At end of the financial year	<u>697,357</u>	<u>697,357</u>
Accumulated amortisation		
At beginning of the financial year	213,081	694,889
Charge for the financial year	232,453	232,935
Expiration of lease contract	-	(714,743)
At end of the financial year	<u>445,534</u>	<u>213,081</u>
Net carrying amount	<u>251,823</u>	<u>484,276</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investment in Subsidiary Companies

	Company	
	2024	2023
	RM	RM
Unquoted shares, at cost	28,558,700	28,558,700
Less: Accumulated impairment losses	(28,226,813)	(28,226,813)
Net carrying amount	<u>331,887</u>	<u>331,887</u>

Details of the subsidiary companies are as follows:

Name of subsidiaries	Principal place of business/ country of incorporation	Effective equity interest		Principal activities
		2024	2023	
Key ASIC Semiconductor Sdn. Bhd.	Malaysia	100%	100%	Manufacturing services to fabless design company, provide design for manufacturing (“DFM”) and design for test (“DFT”) consultation and the sales of chips.
Key ASIC Incorporation*	Republic of China (Taiwan)	100%	100%	Providing designing services in relation to the electronic components of integrated circuit, semiconductor and related parts.
Key ASIC Semiconductor Ltd.	British Virgin Islands	100%	100%	Dormant.

*Audited by an independent member firm of UHY L&C Company, CPAs.

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

8. Inventories

	Group	
	2024 RM	2023 RM
At cost		
Work-in-progress	422,340	662,489
Finished goods	357,248	708,742
	<u>779,588</u>	<u>1,371,231</u>
At net realisable value		
Raw materials	49,500	20,700
Work-in-progress	287,927	408,303
Finished goods	8,624	91,197
	<u>346,051</u>	<u>520,200</u>
	<u>1,125,639</u>	<u>1,891,431</u>
Recognised in profit or loss		
Inventories recognised as cost of sales	15,409,795	8,145,528
Inventories written down*	<u>177,729</u>	<u>188,204</u>

*Inventories written down is included in cost of sales.

9. Trade Receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables	22,162,055	21,862,269	21,200,497	18,319,014
Less: Allowance for impairment losses	<u>(18,327,477)</u>	<u>(18,305,589)</u>	<u>(18,319,380)</u>	<u>(18,298,414)</u>
	<u>3,834,578</u>	<u>3,556,680</u>	<u>2,881,117</u>	<u>20,600</u>

The Group's and the Company's normal trade credit terms range from immediately to 60 days (2023: immediately to 60 days). The trade receivables due immediately do not carry credit term. Other credit terms are assessed and approved on a case by case basis.

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. Trade receivables are not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Trade Receivables (Cont'd)

Movement in the allowance for impairment losses

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in the profit or loss. Unless the Group and the Company are satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

The movement in the allowance for impairment losses of trade receivables during the financial year are as follows:

	Lifetime ECL RM	Credit impaired RM	Total RM
Group			
At 1 June 2023	19,945	18,285,644	18,305,589
Allowance for impairment losses	1,170	34,786	35,956
Reversal of impairment losses	(13,820)	-	(13,820)
Exchange differences	(248)	-	(248)
At 31 May 2024	<u>7,047</u>	<u>18,320,430</u>	<u>18,327,477</u>
At 1 June 2022	67,145	18,900,087	18,967,232
Reversal of impairment losses	(47,040)	(614,443)	(661,483)
Exchange differences	(160)	-	(160)
At 31 May 2023	<u>19,945</u>	<u>18,285,644</u>	<u>18,305,589</u>
Company			
At 1 June 2023	13,820	18,284,594	18,298,414
Allowance for impairment losses	-	34,786	34,786
Reversal of impairment losses	(13,820)	-	(13,820)
At 31 May 2024	<u>-</u>	<u>18,319,380</u>	<u>18,319,380</u>
At 1 June 2022	56,632	18,899,037	18,955,669
Reversal of impairment losses	(42,812)	(614,443)	(657,255)
At 31 May 2023	<u>13,820</u>	<u>18,284,594</u>	<u>18,298,414</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

9. Trade Receivables (Cont'd)

The ageing of the receivables and allowance for impairment losses provided for above as follows:

	Allowance for impairment losses			Net balance RM
	Gross carrying amount RM	ECL (Collectively assessed) RM	ECL (Individually assessed) RM	
Group 2024				
Not past due	704,760	(7,047)	-	697,713
Past due:				
1 to 30 days	2,840	-	-	2,840
31 to 60 days	20,500	-	-	20,500
More than 120 days	3,113,525	-	-	3,113,525
	<u>3,841,625</u>	<u>(7,047)</u>	<u>-</u>	<u>3,834,578</u>
Credit impaired				
Past due more than 120 days	18,320,430	-	(18,320,430)	-
	<u>22,162,055</u>	<u>(7,047)</u>	<u>(18,320,430)</u>	<u>3,834,578</u>
2023				
Not past due	3,536,080	-	-	3,536,080
Past due:				
More than 120 days	40,545	(19,945)	-	20,600
	<u>3,576,625</u>	<u>(19,945)</u>	<u>-</u>	<u>3,556,680</u>
Credit impaired				
Past due more than 120 days	18,285,644	-	(18,285,644)	-
	<u>21,862,269</u>	<u>(19,945)</u>	<u>(18,285,644)</u>	<u>3,556,680</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Trade Receivables (Cont'd)

The ageing of the receivables and allowance for impairment losses provided for above as follows: (Cont'd)

		Allowance for impairment losses		
	Gross carrying amount RM	ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
Company				
2024				
Past due:				
31 to 60 days	20,500	-	-	20,500
More than 120 days	2,860,617	-	-	2,860,617
	<u>2,881,117</u>	<u>-</u>	<u>-</u>	<u>2,881,117</u>
Credit impaired				
Past due more than 120 days	18,319,380	-	(18,319,380)	-
	<u>21,200,497</u>	<u>-</u>	<u>(18,319,380)</u>	<u>2,881,117</u>
2023				
Past due:				
More than 120 days	34,420	(13,820)	-	20,600
	<u>34,420</u>	<u>(13,820)</u>	<u>-</u>	<u>20,600</u>
Credit impaired				
Past due more than 120 days	18,284,594	-	(18,284,594)	-
	<u>18,319,014</u>	<u>(13,820)</u>	<u>(18,284,594)</u>	<u>20,600</u>

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

As at 31 May 2024, the Group's and the Company's trade receivables of RM3,136,865 and RM2,881,117 (2023: RM20,600 and RM20,600) respectively were past due but not impaired. These relate to a number of independent customers for whom there is no history of default.

The trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RM18,320,430 and RM18,319,380 (2023: RM18,285,644 and RM18,284,594) respectively, relate to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debt recovery process.

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

10. Other Receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	518,369	354,700	6,097	-
Deposits	176,330	256,494	105,860	105,860
Prepayments	835,128	791,703	835,128	791,703
	<u>1,529,827</u>	<u>1,402,897</u>	<u>947,085</u>	<u>897,563</u>

11. Amount due from/(to) Subsidiary Companies

		Company	
	Note	2024 RM	2023 RM
Amount due from subsidiary companies	(a)	10,156,182	8,917,262
Less: Allowance for impairment losses		<u>(441,541)</u>	<u>(441,541)</u>
		<u>9,714,641</u>	<u>8,475,721</u>
Amount due to a subsidiary company		<u>(84,682)</u>	<u>(20,689)</u>

The aggregate amount of due from subsidiary companies during the financial year are as follows:

	Company	
	2024 RM	2023 RM
Amount due from - trade	5,388,937	6,193,884
Amount due from - non trade	1,155,490	787,823
Loan to subsidiary companies	<u>3,170,214</u>	<u>1,494,014</u>
	<u>9,714,641</u>	<u>8,475,721</u>

The amount due from/(to) subsidiary companies are non-interest bearing, unsecured and repayable on demand, except for the loan to subsidiary company which borne interest at 1.50% (2023: 1.66%) per annum.

Movements in the allowance for impairment losses are as follows:

	Company	
	2024 RM	2023 RM
At beginning of the financial year/end of the financial year	<u>441,541</u>	<u>441,541</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. Share Capital

	Group and Company			
	2024	2023	2024	2023
	Units	Units	RM	RM
Ordinary shares issued and fully paid:				
At beginning of the financial year	1,393,511,250	1,363,111,250	69,403,203	67,892,323
Issue of ordinary shares - pursuant to exercise of ESOS	4,550,000	30,400,000	226,134	1,510,880
At end of the financial year	<u>1,398,061,250</u>	<u>1,393,511,250</u>	<u>69,629,337</u>	<u>69,403,203</u>

During the financial year, the Company increased its issued and paid up share capital from 1,393,511,250 units to 1,398,061,250 units by way of issuance of 4,550,000 new ordinary shares pursuant to the exercise of options under Employee Share Option Scheme ("ESOS") at an exercise price of RM0.0267 each.

In previous financial year, the issued and paid-up ordinary share capital of the Company was increase by the way of issuance of 30,400,000 new ordinary share pursuant to the exercise options under ESOS at an exercise of RM0.0267 each.

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

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

13. Reserves

		Group		Company	
	Note	2024	2023	2024	2023
		RM	RM	RM	RM
Distributable:					
Accumulated losses		(48,774,012)	(38,043,342)	(45,253,633)	(38,513,126)
Non-distributable:					
ESOS reserves	(a)	3,748,688	2,003,299	3,748,688	2,003,299
Foreign exchange reserve	(b)	(328,640)	(282,396)	-	-
		<u>3,420,048</u>	<u>1,720,903</u>	<u>3,748,688</u>	<u>2,003,299</u>
		<u>(45,353,964)</u>	<u>(36,322,439)</u>	<u>(41,504,945)</u>	<u>(36,509,827)</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

13. Reserves (Cont'd)

(a) ESOS reserves

The share option comprises the ESOS and cumulative value of employee services received for the issue of share options. The reserve is recorded over the vesting period commencing from the grant date and is reduced by the expiry or exercise of the share options. When the option is exercised, the amount from the share option is transferred to share capital. When the share options expire, the amount from the share option is transferred to retained earnings.

At an Extraordinary General Meeting held on 7 July 2022, the Company's shareholders approved the establishment on an ESOS. The ESOS was implemented on 7 July 2022 for a period of five years and will expire on 6 July 2027, unless extended further.

The salient features of the ESOS are as follows:

- (i) The total number of new shares which may be made available under the scheme shall not exceed 15% of the total issued and paid-up share capital of the Company at any point of time during the existence of the ESOS;
- (ii) Eligible persons are confirmed employees including executive directors of the Group and have been in employment for the Group for a period of at least 12 months of continuous service on or prior to the date of allocation;
- (iii) Not more than 70% of the shares available under the scheme shall be allocated, in aggregate, to directors and senior management of the Group;
- (iv) Not more than 10% of the shares available under the scheme shall be allocated to any individual eligible employee who, either singly or collectively through person connected with the eligible employee, holds 20% or more in the issued and paid-up share capital of the Company;
- (v) The option price may be at discount of not more than 10% from 5 days weighted market price of the underlying shares preceding the date of offer or at par value of the ordinary shares of the Company, whichever is higher;
- (vi) The ESOS shall be in force for a period of 5 years and extendable for another 5 years from the effective date; and
- (vii) The option granted may be exercised in full immediately or in parts within the duration of the scheme.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. Reserves (Cont'd)

(a) ESOS reserves (Cont'd)

Movement of ESOS during the financial year

The following table illustrates the share options granted and exercised during the financial year:

Grant date	Exercise price RM	At beginning of year	Number of options over ordinary shares			At end of year
			Granted	Exercised	Lapsed	
2024						
9 May 2024	0.0230	-	76,800,000	-	(1,400,000)	75,400,000
7 October 2022	0.0267	105,750,000	-	(4,550,000)	(2,950,000)	98,250,000
2023						
7 October 2022	0.0267	-	137,150,000	(30,400,000)	(1,000,000)	105,750,000

Out of 76,800,000 options granted on 9 May 2024, 15,250,000 options granted to the Non-Executive Directors and eligible employees are subject to vesting period on a staggered basis of over 12 to 36 months' period respectively from the date of offer.

Out of 137,150,000 options granted on 7 October 2022, 30,400,000 options granted to the Non-Executive Directors and eligible employees are subject to vesting period on a staggered basis of over 12 to 48 months' period respectively from the date of offer.

The fair value of share options granted during the financial year was estimated by an independent professional valuer using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The risk-free rate is based on Malaysian Government Securities ("MGSS").

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

13. Reserves (Cont'd)

(a) ESOS reserves (Cont'd)

Movement of ESOS during the financial year (Cont'd)

The fair value of share options measured at grant date and the assumptions are follows:

	09.05.2024	7.10.2022
Fair value of share options and assumptions		
Weighted average fair value of share option at grant date (RM)	0.0264	0.027
Weighted average share price (RM)	0.0478	0.0297
Option life (years)	3.0	4.0
Risk-free rate (%)	3.5	2.5
Expected dividends (%)	-	-
Expected volatility (%)	75.77	77.50

The expected life of the share options is based on historical data, has been adjusted according to management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting the market conditions attached to the option), and behavioural considerations. The expected volatility is based on the historical share price volatility over the past 3 years, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

Total expenses recognised in profit or loss for share options granted to Directors and employees is in Note 23 to the financial statements.

(b) Foreign exchange reserve

The foreign exchange reserve comprises all foreign currency 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 as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

14. Deferred Tax Liabilities

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of the financial year	-	907	-	-
Recognised in profit or loss (Note 24)	-	(878)	-	-
Exchange differences	-	(29)	-	-
At end of the financial year	-	-	-	-

Unrecognised deferred tax assets

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Temporary differences	17,894,257	17,990,426	16,592,465	16,937,153
Unabsorbed capital allowance	44,129	1,870,809	44,129	1,870,809
Unutilised tax losses	33,577,906	24,704,929	19,327,815	13,462,588
	<u>51,516,292</u>	<u>44,566,164</u>	<u>35,964,409</u>	<u>32,270,550</u>
Unrecognised deferred tax assets at 24% (2023:24%)	<u>12,363,910</u>	<u>10,695,879</u>	<u>8,631,458</u>	<u>7,744,932</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

14. Deferred Tax Liabilities (Cont'd)

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits therefrom.

The unutilised capital allowances of the Group and of the Company are available indefinitely for offsetting against future taxable profits of the Group and of the Company, subjects to no substantial changes in shareholdings of the Group entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. This amendment is deemed to have effect from the year of assessment 2019 and subsequent years of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2029) under the current tax legislation. The unutilised capital allowances and other temporary differences do not expire under current tax legislation.

The unused tax losses for which no deferred tax assets have been recognised are available for offset against future taxable profits of the Group and of the Company up to the following financial years:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Years of assessment				
- 2025	5,247,818	5,247,818	-	-
- 2026	1,255,936	1,255,936	-	-
- 2027	245,978	245,978	-	-
- 2028	2,146,297	2,146,297	-	-
- 2029	856,156	856,156	-	-
- 2030	4,951,620	4,951,620	4,511,283	4,511,283
- 2031	6,257,782	6,257,782	5,927,359	5,927,359
- 2032	3,165,242	3,165,242	2,445,846	2,445,846
- 2033	578,100	578,100	578,100	578,100
- 2034	8,872,977	-	5,865,227	-
	<u>33,577,906</u>	<u>24,704,929</u>	<u>19,327,815</u>	<u>13,462,588</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

15. Lease Liabilities

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At beginning of the financial year	935,122	182,958	499,694	20,820
Additions	-	1,244,157	-	697,357
Interest expense	31,292	38,750	22,673	31,948
Interest payment	(31,292)	(38,750)	(22,673)	(31,948)
Lease payment	(495,953)	(483,915)	(227,757)	(218,483)
Exchange differences	(10,476)	(8,078)	-	-
At end of the financial year	<u>428,693</u>	<u>935,122</u>	<u>271,937</u>	<u>499,694</u>
Minimum lease liabilities repayments:				
Within 1 year	417,405	413,416	259,434	250,430
Later than 1 year but not later 5 years	<u>21,688</u>	<u>553,563</u>	<u>21,688</u>	<u>281,120</u>
	439,093	966,979	281,122	531,550
Less: Future finance charges	<u>(10,400)</u>	<u>(31,857)</u>	<u>(9,185)</u>	<u>(31,856)</u>
	<u>428,693</u>	<u>935,122</u>	<u>271,937</u>	<u>499,694</u>
Present value of minimum lease liabilities repayments:				
Within 1 year	407,108	390,742	250,352	227,757
Later than 1 year but not later 5 years	<u>21,585</u>	<u>544,380</u>	<u>21,585</u>	<u>271,937</u>
	<u>428,693</u>	<u>935,122</u>	<u>271,937</u>	<u>499,694</u>
Analysed by:				
Current portion	407,108	390,742	250,352	227,757
Non-current portion	<u>21,585</u>	<u>544,380</u>	<u>21,585</u>	<u>271,937</u>
	<u>428,693</u>	<u>935,122</u>	<u>271,937</u>	<u>499,694</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

15. Lease Liabilities (Cont'd)

Rates of interest charged per annum:

	Group		Company	
	2024	2023	2024	2023
	%	%	%	%
Lease liabilities owing to non-financial institutions	<u>2.82 - 5.72</u>	<u>2.82 - 5.72</u>	<u>5.72</u>	<u>5.72</u>

(a) The Group and the Company have certain leases of equipment with lease term of 12 months or less, and low value leases of office equipment of RM20,000 and below. The Group and the Company apply the “short-term lease” and “lease of low-value assets” exemptions for these leases.

(b) The following are the amounts recognised in profit or loss:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Amortisation of right-of-use assets	501,311	494,963	232,453	232,935
Interest on lease liabilities	31,292	38,750	22,673	31,948
Expense related to short-term leases	<u>27,727</u>	<u>5,280</u>	<u>27,727</u>	<u>5,280</u>
	<u>560,330</u>	<u>538,993</u>	<u>282,853</u>	<u>270,163</u>

(c) At the end of the financial year, the Group and the Company had total cash outflow for leases of RM527,245 and RM250,430 (2023: RM522,665 and RM250,431).

16. Trade Payables

The normal trade credit terms granted to the Group range from 30 to 60 days (2023: 30 to 60 days).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. Other Payables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	680,157	179,735	201,010	170,807
Accrued expenses	2,430,134	2,676,570	143,099	143,243
	<u>3,110,291</u>	<u>2,856,305</u>	<u>344,109</u>	<u>314,050</u>

18. Amount due from a Related Party

Related party refers to a company in which directors of the Company, are also directors or shareholders.

Amount due from a related party is unsecured, interest free and repayable on demand.

19. Amount due to Directors

Amount due to directors is unsecured, interest free and repayable on demand.

20. Revenue

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>At point in time</u>				
Revenue from contracts with customers:				
- Sales of goods	17,738,717	10,132,303	195,057	181,958
- Services rendered	5,189,775	10,684,178	3,000,000	5,014,421
	<u>22,928,492</u>	<u>20,816,481</u>	<u>3,195,057</u>	<u>5,196,379</u>

21. Cost of Sales

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cost of goods sold	15,409,795	8,145,528	256,468	182,409
Cost of services rendered	2,500,000	5,342,389	2,500,000	-
Others	46,269	-	-	-
	<u>17,956,064</u>	<u>13,487,917</u>	<u>2,756,468</u>	<u>182,409</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

22. Other Operating Income

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income	456,004	339,805	323,008	319,380
Gain on unrealised foreign exchanges	266,315	187,553	234,409	-
Others	-	42,448	-	26,600
	<u>722,319</u>	<u>569,806</u>	<u>557,417</u>	<u>345,980</u>

23. Loss Before Taxation

Loss before taxation is determined after charging/(crediting):

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
<u>Malaysia operations</u>				
- Current year	152,000	145,000	130,000	133,000
- Non-audit services	5,000	5,000	5,000	5,000
<u>Overseas operations</u>				
- Current year	45,028	44,449	-	-
Impairment losses on trade receivables	35,956	-	34,786	-
Amortisation of intangible assets	1,247,573	1,256,879	1,243,170	1,243,170
Depreciation of:				
- plant and equipment	509,843	342,013	148,536	162,234
- right-of-use assets	501,311	494,963	232,453	232,935
ESOS Expenses				
- Employees	1,779,515	2,087,953	1,779,515	2,087,953
- Directors	110,933	622,532	110,933	622,532
Expenses relating to short- term leases:				
- equipment	27,727	5,280	27,727	5,280
Interest expense on lease liabilities	31,292	38,750	22,673	31,948
Inventories written down	177,729	188,204	-	-
Loss on foreign exchange:				
- Realised	306,747	-	44,635	-
- Unrealised	36,208	115,621	-	438,361
Reversal of impairment losses on trade receivables	<u>(13,820)</u>	<u>(661,483)</u>	<u>(13,820)</u>	<u>(657,225)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. Taxation

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Income taxation:				
- Current year	-	10,569	-	-
- Over provision in prior year	(3,803)	-	-	-
Deferred taxation:				
- Originating and reversal of temporary differences	-	(878)	-	-
Tax (credit)/expense for the financial year	<u>(3,803)</u>	<u>9,691</u>	<u>-</u>	<u>-</u>

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loss before taxation	<u>(10,774,882)</u>	<u>(5,358,704)</u>	<u>(6,780,916)</u>	<u>(3,447,589)</u>
At Malaysian statutory tax rate of 24%	(2,585,972)	(1,286,089)	(1,627,420)	(827,421)
Effect of different tax rates in other countries	92,599	72,727	-	-
Non-deductible expenses	734,076	1,110,197	740,894	752,064
Income not subject to tax	-	(1,783)	-	(1,783)
Deferred tax assets not recognised	1,668,031	23,783	886,526	77,140
Tax exemption on foreign income	91,266	90,856	-	-
Over provision in prior year	<u>(3,803)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(3,803)</u>	<u>9,691</u>	<u>-</u>	<u>-</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

25. Employee Benefit Expenses

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Staff costs:				
Salaries, bonuses, incentives, overtime, commission, allowances and others	6,110,513	4,149,986	1,187,733	1,041,299
Defined contribution plans	106,808	83,924	106,808	83,924
Social contribution plans	11,019	8,407	11,019	8,407
ESOS expense	1,779,515	2,087,953	1,779,515	2,087,953
	<u>8,007,855</u>	<u>6,330,270</u>	<u>3,085,075</u>	<u>3,221,583</u>

Employees benefit expenses excluded the amount of emoluments received and receivable by the Directors of the Group and of the Company.

26. Directors' Remuneration

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Executive Director:				
Salaries and other emoluments	360,210	360,355	-	-
ESOS expense	-	469,199	-	469,199
Non-executive Directors:				
Fees	144,000	144,130	144,000	144,130
ESOS expense	110,933	153,333	110,933	153,333
	<u>615,143</u>	<u>1,127,017</u>	<u>254,933</u>	<u>766,662</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

27. Loss Per Share

(a) Basic loss per ordinary shares

Basic loss per share are based on the loss for the financial year attributable to owners of the Group and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2024	2023
Loss attributable to owners of the shareholders (RM)	<u>(10,771,079)</u>	<u>(5,368,395)</u>
Weighted average number of ordinary shares for basic earnings per share (units)	<u>1,359,222,287</u>	<u>1,343,024,046</u>
Basic loss per share (sen)	<u>(0.79)</u>	<u>(0.40)</u>

(b) Diluted loss per ordinary shares

Diluted loss per share are based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	Group	
	2024	2023
Loss attributable to owners of the Company (RM)	<u>(10,771,079)</u>	<u>(5,368,395)</u>
Weighted average number of ordinary shares for basic earnings per share (units)	<u>1,359,222,287</u>	<u>1,343,024,046</u>
Effect of dilution from ESOS	<u>22,285,009</u>	<u>18,986,877</u>
Weighted average number of ordinary shares for basic earnings per share (units)	<u>1,381,507,296</u>	<u>1,362,010,923</u>
Diluted loss per share (sen)	<u>(0.78)</u>	<u>(0.39)</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

28. Reconciliation of Liabilities Arising from Financing Activities

	At beginning of year RM	Financing cash flows RM	Non-cash changes (i) RM	At end of year RM
Group				
2024				
Amount due to directors	1,008,140	82,134	-	1,090,274
Lease liabilities	935,122	(495,953)	(10,476)	428,693
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2023				
Amount due to directors	912,865	95,275	-	1,008,140
Lease liabilities	182,958	(483,915)	1,236,079	935,122
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	At	Financing	Non-cash	At
	beginning of	cash flows	changes (i)	end of year
	year	RM	RM	RM
	RM	RM	RM	RM
Company				
2024				
Amount due to directors	1,008,140	82,134	-	1,090,274
Amount due to subsidiary	20,689	63,993	-	84,682
Lease liabilities	499,694	(227,757)	-	271,937
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2023				
Amount due to directors	912,865	95,275	-	1,008,140
Amount due to subsidiary	20,689	-	-	20,689
Lease liabilities	20,820	(218,483)	697,357	499,694
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

- (i) Non-cash changes include unrealised foreign exchange and addition in lease liabilities and exchange differences.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. Significant Related Party Disclosures

(a) Identifying related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in Notes 11 and 18, the significant related party transactions of the Group and of the Company are as follows:

	Company	
	2024	2023
	RM	RM
Transactions with subsidiaries:		
- Sales of goods	197,311	181,958
- Purchases of goods	2,254	-
- Services rendered	3,223,550	5,014,421
- Interest income	<u>34,350</u>	<u>14,510</u>

- (c) Compensation of key management personnel comprised all the directors of the Group and of the Company whose remuneration during the year are disclosed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. Segment Information

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Chief Executive Officer ("CEO") for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Non-recurring engineering services	Providing turnkey ASIC design services, providing data processing, data management, disk-based back-up solutions, telecommunications, office automation, network infrastructure and intelligent storage networking support.
Recurring engineering services	Manufacturing services to fabless design company and providing designing services in relation to the electronic components of integrated circuit, semiconductor and related parts.

The Directors are of the opinion that all inter-segment transactions have been entered in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

Segment results

Segment performance is used to measure performance as Group's Chief Executive Officer believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets and liabilities

The total of segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal reports that are reviewed by the Group's Chief Executive Officer.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. Segment Information (Cont'd)

(a) Business segment

Information regarding the Group's reportable segments as provided to the Group's chief operating decision makers is set out below:

	Non- recurring engineering services RM	Recurring engineering services RM	Inter- segment eliminations RM	Total RM
Group 2024				
Revenue				
Sales	3,195,057	23,154,296	(3,420,861)	22,928,492
Results				
Impairment loss on receivables	(34,786)	(1,170)	-	(35,956)
Amortisation of intangible assets	(1,243,170)	(4,403)	-	(1,247,573)
Depreciation of plant and equipment	(148,536)	(361,307)	-	(509,843)
Depreciation of right-of- use assets	(232,453)	(268,858)	-	(501,311)
Reversal of impairment losses on trade receivables	13,820	-	-	13,820
Interest income	323,008	167,346	(34,350)	456,004
Interest expense	(22,673)	(44,644)	36,025	(31,292)
Segment results	(6,780,916)	(4,054,841)	64,678	(10,771,079)
Segment assets	33,628,746	10,415,678	(10,169,614)	33,874,810
Segment liabilities	(5,504,354)	(14,589,437)	10,494,353	9,599,438

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

30. Segment information (Cont'd)

(a) Business segment (Cont'd)

Group 2023	Non- recurring engineering services RM	Recurring engineering services RM	Inter- segment eliminations RM	Total RM
Revenue				
Sales	15,698,599	10,314,261	(5,196,379)	20,816,481
Results				
Amortisation of intangible assets	(1,243,170)	(13,709)	-	(1,256,879)
Depreciation of plant and equipment	(162,234)	(179,779)	-	(342,013)
Depreciation of right-of- use assets	(232,935)	(262,028)	-	(494,963)
Impairment loss on intangible assets	(661,483)	-	-	(661,483)
Interest income	319,380	34,935	(14,510)	339,805
Interest expense	(31,948)	(22,097)	15,295	(38,750)
Segment results	(3,447,589)	(1,919,854)	(952)	(5,368,395)
Segment assets	35,965,573	14,215,826	(8,831,764)	41,349,635
Segment liabilities	(3,072,197)	(14,298,502)	9,101,828	8,268,871

(b) Geographical segments

Revenue and non-current assets information based on the geographical location are as follows:

	Revenue		Non-current assets	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia	13,528,749	9,490,934	8,339,976	9,926,775
Taiwan	5,123,036	9,851,617	1,693,400	949,922
Others	4,276,707	1,473,930	-	-
	22,928,492	20,816,481	10,033,376	10,876,697

Non-current assets for this purpose consist of plant and equipment, right of use assets and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. Segment Information (Cont'd)

(c) Major customers

Revenue from 2 (2023: 3) major customers amounted to RM13,785,648 (2023: RM19,744,912) equal or more than 10% of the Group's revenue are as follows:

	2024 RM	2023 RM
Customer A	-	7,449,174
Customer B	2,435,100	3,501,104
Customer C	-	8,794,634
Customer D	11,350,548	-
	<u>13,785,648</u>	<u>19,744,912</u>

31. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense including fair value gains and losses are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost	
	2024 RM	2023 RM
Group		
Finance assets		
Trade receivables	3,834,578	3,556,680
Amount due from a related party	111,074	34,220
Other receivables (excluded prepayments)	694,699	611,194
Cash and bank balances	<u>17,239,533</u>	<u>23,587,710</u>
	<u>21,879,884</u>	<u>27,789,804</u>
Finance liabilities		
Trade payables	4,970,180	3,459,581
Other payables	3,110,291	2,856,305
Amount due to directors	1,090,274	1,008,140
Lease liabilities	<u>428,693</u>	<u>935,122</u>
	<u>9,599,438</u>	<u>8,259,148</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

31. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	At amortised cost	
	2024 RM	2023 RM
Company		
Finance assets		
Trade receivables	2,881,117	20,600
Other receivables (excluded prepayments)	112,767	105,860
Amount due from subsidiary companies	9,714,641	8,475,721
Cash and bank balances	11,414,044	16,313,032
	<u>24,122,569</u>	<u>24,915,213</u>
Finance liabilities		
Trade payables	3,713,352	1,229,624
Other payables	344,109	314,050
Amount due to a subsidiary company	84,682	20,689
Amount due to directors	1,090,274	1,008,140
Lease liabilities	271,937	499,694
	<u>5,504,354</u>	<u>3,072,197</u>

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk.

The Group's major concentration of credit risk relates to the amounts owing by two customers (2023: three customers) amounted to RM476,179 (2023: RM3,485,546 which constituted approximately 12% (2023: 98%) of its trade receivables as at the end of the reporting period.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
2024					
Non-derivative financial liabilities					
Trade payables	4,970,180	-	-	4,970,180	4,970,180
Other payables	3,110,291	-	-	3,110,291	3,110,291
Amount due to directors	1,090,274	-	-	1,090,274	1,090,274
Lease liabilities	417,405	21,688	-	439,093	428,693
	<u>9,588,150</u>	<u>21,688</u>	<u>-</u>	<u>9,609,838</u>	<u>9,599,438</u>
2023					
Non-derivative financial liabilities					
Trade payables	3,459,581	-	-	3,459,581	3,459,581
Other payables	2,856,305	-	-	2,856,305	2,856,305
Amount due to directors	1,008,140	-	-	1,008,140	1,008,140
Lease liabilities	413,416	553,563	-	966,979	935,122
	<u>7,737,442</u>	<u>553,563</u>	<u>-</u>	<u>8,291,005</u>	<u>8,259,148</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company					
2024					
Non-derivative financial liabilities					
Trade payables	3,713,352	-	-	3,713,352	3,713,352
Other payables	344,109	-	-	344,109	344,109
Amount due to a subsidiary company	84,682	-	-	84,682	84,682
Amount due to directors	1,090,274	-	-	1,090,274	1,090,274
Lease liabilities	259,434	21,688	-	281,122	271,937
	5,491,851	21,688	-	5,513,539	5,504,354

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

Company 2023	On demand or within 1 year RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Non-derivative financial liabilities					
Trade payables	1,229,624	-	-	1,229,624	1,229,624
Other payables	314,050	-	-	314,050	314,050
Amount due to a subsidiary company	20,689	-	-	20,689	20,689
Amount due to directors	1,008,140	-	-	1,008,140	1,008,140
Lease liabilities	250,430	281,120	-	531,550	499,694
	<u>2,822,933</u>	<u>281,120</u>	<u>-</u>	<u>3,104,053</u>	<u>3,072,197</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(i) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk is primarily United States Dollar ("USD") and others.

The Group and the Company have not entered into any derivative instruments for hedging or trading purposes. 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.

The carrying amount of the Group's and the Company's foreign currency denominated financial assets and financial liabilities of the reporting period are as follows:

	Denominated in USD RM	Others RM	Total RM
Group			
2024			
Trade and other receivables	3,516,811	-	3,516,811
Cash and bank balances	836,441	944,998	1,781,439
Trade and other payables	(4,388,911)	-	(4,388,911)
	<u>(35,659)</u>	<u>944,998</u>	<u>909,339</u>
2023			
Trade and other receivables	680,406	-	680,406
Cash and bank balances	1,772,369	143,864	1,916,233
Trade and other payables	(2,007,405)	-	(2,007,405)
	<u>445,370</u>	<u>143,864</u>	<u>589,234</u>

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

The carrying amount of the Group's and the Company's foreign currency denominated financial assets and financial liabilities of the reporting period are as follows: (Cont'd)

	Denominated in USD RM	Others RM	Total RM
Company			
2024			
Trade and other receivables	2,881,117	-	2,881,117
Cash and bank balances	366,470	6,997	373,467
Trade and other payables	(3,713,353)	-	(3,713,353)
	<u>(465,766)</u>	<u>6,997</u>	<u>(458,769)</u>
2023			
Trade and other receivables	20,600	-	20,600
Cash and bank balances	1,755,488	-	1,755,488
Trade and other payables	(1,306,222)	-	(1,306,222)
	<u>469,866</u>	<u>-</u>	<u>469,866</u>

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's and the Company's loss before tax to a reasonably possible change in the USD exchange rates against RM, with all other variables held constant.

Group	Change in currency rate	2024 Effect on loss before taxation RM	2023 Effect on loss before taxation RM
USD	Strengthened 10% (2023: 10%)	(3,566)	44,537
	Weakened 10% (2023: 10%)	3,566	(44,537)
Others	Strengthened 10% (2023: 10%)	94,500	14,386
	Weakened 10% (2023: 10%)	<u>(94,500)</u>	<u>(14,386)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis (Cont'd)

The following table demonstrates the sensitivity of the Group's and the Company's profit before tax to a reasonably possible change in the USD exchange rates against RM, with all other variables held constant. (Cont'd)

Company	Change in currency rate	2024 Effect on loss before taxation RM	2023 Effect on loss before taxation RM
USD	Strengthened 10% (2023: 10%)	(46,577)	46,987
	Weakened 10% (2023: 10%)	46,577	(46,987)
Others	Strengthened 10% (2023: 10%)	700	-
	Weakened 10% (2023: 10%)	<u>(700)</u>	<u>-</u>

(ii) Interest rate risk

The Group's and the Company's fixed rate lease liabilities are exposed to a risk of change in their fair value due to changes in interest rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

NOTES TO THE
FINANCIAL STATEMENTS
(CONT'D)

31. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(ii) Interest rate risk (Cont'd)

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

	2024	2023
	RM	RM
Group		
Fixed rate instruments		
Financial liabilities	428,693	935,122
	<hr/>	<hr/>
Company		
Fixed rate instruments		
Financial assets	3,170,214	1,494,014
Financial liabilities	(271,937)	(499,694)
	<hr/>	<hr/>

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(c) Fair values of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables	16	4,970,180	3,459,581	3,713,352	1,229,624
Other payables	17	3,110,291	2,856,305	344,109	314,050
Amount due to a subsidiary company	11	-	-	84,682	20,689
Amount due to directors	19	1,090,274	1,008,140	1,090,274	1,008,140
Lease liabilities	15	428,693	935,122	271,937	499,512
		9,599,438	8,259,148	5,504,354	3,072,015
Less: Cash and bank balances		(17,239,533)	(23,587,710)	(11,414,044)	(16,313,032)
		(7,640,095)	(15,328,562)	(5,909,690)	(13,241,017)
Total equity attributable to owners of the Company		24,275,373	33,080,764	28,124,392	32,893,376
Gearing ratio (times)		#	#	#	#

Gearing ratio is not applicable as the Group and the Company have sufficient cash and cash equivalent to settle the outstanding debt.

There were no changes in the Group's approach to capital management during the financial year.

33. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 September 2024.

SHAREHOLDING STATISTICS

AS AT 02 SEPTEMBER 2024

Paid up Capital : RM64,146,165.33 comprising of 1,398,061,250 Ordinary Shares
 Class of Shares : Ordinary Shares
 Voting Rights : 1 vote per ordinary share

Analysis of Shareholders

Size Holding	No. of Holders	%	No. of Shares	%
1 - 99	9	0.112	321	0.000
100 - 1,000	955	11.973	509,319	0.036
1,001 - 10,000	2,260	28.335	15,070,200	1.077
10,001 - 100,000	3,632	45.536	15,070,200	10.772
100,001 - 69,903,061 (*)	1,119	14.029	905,999,698	64.804
69,903,062 and above (**)	1	0.012	325,869,500	23.308
Total	7,976	100.00	1,398,061,250	100.00

Note: * - less than 5% of Issue Shares

** - 5% and above of Issue Shares

Thirty Largest Shareholders

No.	Name	Shareholding	%
1	Key ASIC Limited	270,541,666	19.351
2	Key ASIC Limited	45,327,834	3.242
3	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Liew Wai Han	40,445,200	2.892
4	Kenanga Nominees (Asing) Sdn Bhd Pledged Securities Account For Ng Geok Lui	34,760,800	2.486
5	Lim Lae Yong	33,000,000	2.360
6	Affin Hwang Nominees (Asing) Sdn Bhd Exempt An for Phillip Securities (Hong Kong) Ltd (Clients' Account)	32,700,000	2.338
7	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for One Objective Limited	29,062,500	2.078
8	Commerce Technology Ventures Sdn Bhd (In Liquidation)	20,103,400	1.437
9	United Crest Equity Limited	16,950,488	1.212
10	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for Hsieh, Hung-Ming	16,000,000	1.144

SHAREHOLDING STATISTICS (CONT'D)

Thirty Largest Shareholders (Cont'd)

No.	Name	Shareholding	%
11	Er Ley Tee	15,230,000	1.089
12	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for Powerful Properties Limited	15,136,700	1.082
13	Thong Kooi Pin	14,260,000	1.019
14	Cartaban Nominees (Asing) Sdn Bhd Exempt An for BOCI Securities Ltd (Clients A/C)	12,850,100	0.919
15	Yong Siw Ya	12,687,800	0.907
16	Teo Tiew	11,500,000	0.822
17	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for Ng Geok Lui	11,492,100	0.822
18	Lee Kin Hin	10,814,900	0.773
19	CGS International Nominees Malaysia (Asing) Sdn. Bhd. Pledged Securities Account for Wang, Hsu-Ying	10,605,200	0.758
20	Sua Tien Fong	10,555,000	0.754
21	Key ASIC Limited	10,000,000	0.715
22	Tan Kheak Chun	10,000,000	0.715
23	Lai Sung Loi	9,000,000	0.643
24	Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd for Lim Lae Yong	8,990,000	0.643
25	Teh Boon King	8,651,000	0.618
26	Maybank Nominees (Tempatan) Sdn Bhd Neoh Ang Hing	8,000,000	0.572
27	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Eng Heng	8,000,000	0.572
28	Canvas Technology Pte Ltd	7,171,900	0.512
29	Quey Sew Leng @ Quek Siew Leng	6,000,000	0.429
30	Nguyen Thi Phuong	5,735,000	0.410

SHAREHOLDING
STATISTICS
(CONT'D)

Substantial Shareholders Based On Register Of Substantial Shareholders As At 02 September 2024

Name of substantial shareholder	Nationality / Place of incorporation	Direct		Indirect	
		No. of Shares held	% held	No. of Shares held	% held
Key ASIC Limited	British Virgin Islands	325,869,500	23.31	–	–
Key Aim Group Limited	British Virgin Islands	–	–	325,869,500 ^(a)	23.31
Eg Kah Yee	Malaysian	1,600,000	0.11	325,869,500 ^(b)	23.31

Notes:-

- (a) Deemed interest by virtue of its interest in Key ASIC Limited ("KAL") pursuant to Section 8 of the Companies Act 2016 ("the Act").
- (b) Deemed interest by virtue of his interest in Key Aim Group Limited ("KAGL") pursuant to Section 8 of the Act and KAGL is deemed interested by virtue of its interest in KAL pursuant to Section 8 of the Act.

Directors' Shareholding Based On Register Of Directors' Shareholding As At 02 September 2024

Name	Direct		Indirect		No. of Share Options under the Employees' Share Option Scheme
	No. of Shares	%	No. of Shares	%	
Eg Kah Yee	1,600,000	0.11	325,869,500 ^(a)	23.31	20,400,000
Benny T. Hu @					
Ting Wu Hu	–	–	–	–	4,000,000
Datuk Md Zubir Ansori					
Bin Yahaya	–	–	–	–	4,000,000
Chen, Chia-Yin	–	–	–	–	4,000,000
Prof. Low Teck Seng	–	–	–	–	4,000,000

Note:-

- (a) Deemed interested by virtue of his interest in KAGL pursuant to Section 8 of the Act and KAGL is deemed interested by virtue of its interest in KAL pursuant to Section 8 of the Act.

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting of the Company will be conducted entirely through live streaming from the Broadcast Venue at Key ASIC's Headoffice at 6th Floor, Unit 3, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Monday, 18 November 2024 at 9.00 a.m. to transact the following businesses: -

AGENDA

ORDINARY BUSINESS

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 May 2024 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. | To approve the payment of Directors' Fees of RM144,000 for the period from 19 November 2024 until the date of the next Annual General Meeting of the Company. | (Resolution 1)
(Please refer to Explanatory Note 2) |
| 3. | To re-elect Eg Kah Yee who retires pursuant to Clause 76(3) of the Company's Constitution. | (Resolution 2)
(Please refer to Explanatory Note 3) |
| 4. | To re-elect Datuk Md Zubir Ansori Bin Yahaya who retires pursuant to Clause 76(3) of the Company's Constitution. | (Resolution 3)
(Please refer to Explanatory Note 3) |
| 5. | To re-appoint Messrs. UHY Malaysia (formerly known as UHY) as Auditors of the Company and to authorise the Directors to fix their remuneration. | (Resolution 4) |

SPECIAL BUSINESS

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

- | | | |
|----|--|---|
| 6. | ORDINARY RESOLUTION I
AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | (Resolution 5)
(Please refer to Explanatory Note 4) |
|----|--|---|

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be 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, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

**7. ORDINARY RESOLUTION II
CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

(Resolution 6)
(Please refer to
Explanatory Note 5)

“THAT approval be and is hereby given to Chen, Chia-Yin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company.”

**8. ORDINARY RESOLUTION III
PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING
NATURE**

(Resolution 7)
(Please refer to
Explanatory Note 6)

“THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), the Company and its subsidiaries (“the Group”) be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 1.4 of the Circular to Shareholders dated 30 September 2024 (“Related Parties”) provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
- (b) are undertaken in the ordinary course of business at arm's length basis and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (c) are not detrimental to the minority shareholders of the Company,

(collectively known as “Shareholders' Mandate”);

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

THAT such approval, shall continue to be in force until: -

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
- (b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 340 of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is earlier;

THAT the estimated aggregate value of the transactions conducted pursuant to the Shareholders' Mandate during a financial year will be disclosed, in accordance with the Listing Requirements, in the Annual Report of the Company for the said financial year;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

LAU YEN HOON
(SSM PC NO. 202008002143) (MAICSA 7061368)

LEE SHIL TENG
(SSM PC NO. 202408000612) (MAICSA 7070507)
Company Secretaries

Kuala Lumpur
Dated: 30 September 2024

NOTES: -

(i) IMPORTANT NOTICE FOR VIRTUAL MEETING

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairperson of the General Meeting to be present at the main venue of the meeting.

*Shareholders **WILL NOT BE ALLOWED** to attend this General Meeting in person at the Broadcast Venue on the day of the General Meeting. Therefore, shareholders are strongly advised to participate and vote remotely at the General Meeting through live streaming and online remote voting using the Remote Participation and Voting facilities provided by the Company.*

Please read these Notes carefully and follow the procedures in the Administrative Guide for the General Meeting in order to participate remotely.

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

NOTES (CONT'D): -

(ii) NOTES ON APPOINTMENT OF PROXY

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 12 November 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/ its behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an 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. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form and submit to the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. All Proxy Form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging the Proxy Form is Saturday, 16 November 2024 at 9.00 a.m.

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTE ON ORDINARY/ SPECIAL BUSINESS

1. Item 1 of Agenda

This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Directors' Fees

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting. The details of the Directors' remuneration are set out in the Corporate Governance Overview Statement of the Annual Report 2024.

The Proposed Resolution 1 is to facilitate the payment of Directors' fees for the period from 21 November 2024 until the date of the next Annual General Meeting of the Company, calculated based on the current board size. In the event the Directors fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

3. Re-election of Directors

Eg Kah Yee and Datuk Md Zubir Ansori Bin Yahaya are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Nineteenth Annual General Meeting.

The Board has through the Nomination Committee ("NC"), considered the assessment of Eg Kah Yee and Datuk Md Zubir Ansori Bin Yahaya and agreed that they met the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors. The abovementioned Directors have also met the relevant requirements under the fit and proper assessment and the NC is satisfied with the outcome of the fit and proper assessments. The NC and the Board had also undertaken an annual assessment on the independence of Datuk Md Zubir Ansori Bin Yahaya, who is an Independent Non-Executive Director of the Company.

Please refer to the Statement Accompanying Notice of Annual General Meeting for more information.

4. ORDINARY RESOLUTION I

Resolution pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution proposed under Resolution 5 is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate").

The Ordinary Resolution proposed under Resolution 5, if passed, would empower the Directors to issue and allot up to a maximum of 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

This Proposed General Mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The purpose of the Proposed General Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for any possible fund raising activities including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Eighteenth Annual General Meeting.

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTE ON ORDINARY/ SPECIAL BUSINESS (CONT'D)

5. ORDINARY RESOLUTION II

Continuation in Office as Independent Non-Executive Director

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that annual approval of the shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.

Chen, Chia-Yin was first appointed to the Board on 24 June 2014 and therefore served the Company as Independent Non-Executive Director for more than nine (9) years. The Board has via the Nomination Committee assessed the independence of Chen, Chia-Yin and recommended that she continues to act as an Independent Non-Executive Director of the Company. Details of the Board's justifications and recommendations for the retention of Chen, Chia-Yin are set out in the Corporate Governance Overview Statement of the Annual Report 2024.

The Ordinary Resolution proposed under Resolution 6, if passed, will enable Chen, Chia-Yin to continue to act as an Independent Non-Executive Director of the Company.

Pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance, the Company will adopt the two-tier voting process in seeking annual shareholders' approval for this resolution.

6. ORDINARY RESOLUTION III

Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolution, proposed under Resolution 7, if passed, will allow the Group to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms and which are not detrimental to the interests of the minority shareholders.

Please refer to the Circular to Shareholders dated 30 September 2024 for information on the recurrent related party transactions.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27⁽²⁾ OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD.

There are no individuals standing for election/appointment as Directors at the Nineteenth Annual General Meeting ("AGM").

The Directors who are standing for re-election at the Nineteenth AGM are Eg Kah Yee and Datuk Md Zubir Ansori Bin Yahaya ("Retiring Directors") whose profiles are set out on pages 3 and 5 respectively of the Annual Report 2024.

The Board has through the Nomination Committee ("NC"), considered the assessment of the Retiring Directors and agreed that they met the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors. The Retiring Directors have also met the relevant requirements under the fit and proper assessment and the NC is satisfied with the outcome of the fit and proper assessments. The NC and the Board had also undertaken an annual assessment on the independence of Datuk Md Zubir Ansori Bin Yahaya, who is an Independent Non-Executive Director of the Company.

Save as disclosed below, both the Retiring Directors confirmed that they do not have any conflict of interest, potential or perceived conflicts of interest, including interest in any business that is in competition with the Company or its subsidiaries:-

- i. Eg Kah Yee shall be deemed interested in the recurrent related party transactions of a revenue or trading nature to be entered into with the related parties pursuant to the shareholders' mandate obtained at the Annual General Meeting by virtue of the nature of interest as disclosed in the Circular to Shareholders dated 30 September 2024⁽¹⁾.

Having considered the above, the Board supports and recommended the re-election of Eg Kah Yee and Datuk Md Zubir Ansori Bin Yahaya as Directors of the Company based on the following:-

1. Eg Kah Yee

Eg Kah Yee was appointed as Non-Independent Non-Executive Chairman on 15 June 2006 and re-designated as the Chief Executive Officer on 30 October 2014. The Board, via the NC had assessed Eg Kah Yee, who is due to retire at the forthcoming Nineteenth AGM, and was satisfied with his exceptional contributions to the Group, leveraging his visionary leadership and his background, skills and vast experience in the Group's business, and the Board believes that his on-going leadership and commitment will continue to drive the Group's long-term growth. He has also exercised due care and fulfill his responsibilities proficiently during his tenure as Executive Chairman/Chief Executive Officer as well as the Chairman of the Sustainability Committee.

2. Datuk Md Zubir Ansori Bin Yahaya

Datuk Md Zubir Ansori Bin Yahaya was appointed as the Independent Non-Executive Director of the Company on 26 August 2022. The Board, via the NC had assessed Datuk Md Zubir Ansori Bin Yahaya, who is due to retire at the forthcoming Nineteenth AGM, and was satisfied that he would continue to bring valuable contribution and views to the Group with his background, skills and vast experience on strategic, finance and management in various sectors. He has also exercised due care and fulfill his responsibilities proficiently during his tenure as Independent Non-Executive Director as well as the Chairman of the Audit Committee, Nomination Committee and Option Committee and a member of the Sustainability Committee.

Note:

⁽¹⁾ Please refer to the Circular to Shareholders dated 30 September 2024 for the information on the recurrent related party transactions.

General Mandate for Issue of Securities

Kindly refer to item 4 of the Explanatory Note on Ordinary/Special Business as contained in the Notice of Nineteenth AGM.

ADMINISTRATIVE GUIDE

FOR THE NINETEENTH ANNUAL GENERAL MEETING (“19TH AGM”)
OF KEY ASIC BERHAD (“KEY ASIC” OR “THE COMPANY”)

Date : Monday, 18 November 2024
Time : 9.00 a.m.
Broadcast Venue : Key ASIC’s Headoffice
6th Floor, Unit 3, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan

The 19th AGM of the Company will be conducted on a **virtual basis through live streaming and online remote voting** via Remote Participation and Voting (“RPV”) facilities.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. Shareholders/proxies **WILL NOT BE ALLOWED** to attend the 19th AGM in person at the Broadcast Venue on the day of the meeting.

To attend the 19th AGM remotely, all shareholders and proxies will have to register your request to participate with our Cisco Webex via the link <https://keyasicagm.webex.com/weblink/register/rc46ff6d278f9093bc177b30fd6b8e7b8> latest by **Monday, 18 November 2024 at 9.00 a.m.** Kindly refer to the Administrative Guide for more information on registration process or at <http://www.keyasic.com/ir/finance-report>.

We will continue to observe whether there are any new procedures, guidelines or measures that may affect the administration of the 19th AGM as set out in this Administrative Guide and requiring material change to the proceedings of the meeting. Kindly check the Company’s website or announcements for the latest updates (if any) on the arrangement/administration of the 19th AGM.

As part of our commitment to reduce paper usage, all documents related to the 19th AGM are available on the Company’s website at <http://www.keyasic.com/ir/finance-report>.

We look forward to connecting with you via the RPV on the day of the 19th AGM. Thank you for your continued support to the Company.

Should you require any assistance on the above, kindly contact us at 03-7664 3300 or agm@keyasic.com.

EG KAH YEE
Executive Chairman, Chief Executive Officer
30 September 2024

1. REMOTE PARTICIPATION AND VOTING FACILITIES (“RPV”)

Shareholders who are entitled to attend (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at the 19th AGM using RPV provided by Key ASIC Berhad (“Key ASIC”) via its Cisco Webex will be provided with the meeting link via email upon the successful verification of the registration.

Shareholders who appoint proxy/proxies to participate via RPV in the AGM must ensure that the duly executed proxy forms are deposited in a hard copy form to the Company’s Share Registrar not later than **Saturday, 16 November 2024 at 9.00 a.m.**

Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative to the Company’s Share Registrar not later than **Saturday, 16 November 2024 at 9.00 a.m. to participate via RPV in the AGM.**

Attorneys appointed by power of attorney are required to deposit their power of attorney with the Company’s Share Registrar not later than **Saturday, 16 November 2024 at 9.00 a.m.** to participate via RPV in the AGM.

ADMINISTRATIVE GUIDE (CONT'D)

1. REMOTE PARTICIPATION AND VOTING FACILITIES (“RPV”) (CONT'D)

A shareholder who has appointed a proxy or attorney or authorised representative to participate at this AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at Cisco Webex at the following link:

<https://keyasicagm.webex.com/weblink/register/rc46ff6d278f9093bc177b30fd6b8e7b8>

As the 19th AGM is a virtual AGM, members who are unable to participate in this AGM are strongly encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

2. PROCEDURES FOR RPV

Shareholders/proxies/corporate representatives/attorneys who wish to participate in the 19th AGM remotely using the RPV are to follow the requirements and procedures as summarised below: -

	Procedure	Action
BEFORE THE AGM DAY		
(a)	Register as a user with Cisco Webex	<ul style="list-style-type: none"> Using your computer, access the website at the following link: https://keyasicagm.webex.com/weblink/register/rc46ff6d278f9093bc177b30fd6b8e7b8 Register as a user by completing the registration form. You may register anytime but no later than 9.00 a.m. on 16 November 2024.
(b)	Submit your request	<ul style="list-style-type: none"> Read and agree to the Terms & Conditions and confirm the Declaration. Review your registration and proceed to submit. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the General Meeting Record of Depositors as at 12 November 2024, the system will send you an e-mail to approve (together with the meeting link) or reject your registration for remote participation.
ON THE DAY OF THE AGM		
(c)	Login to Cisco Webex	<ul style="list-style-type: none"> If you don't have Cisco Webex, please download before 19th AGM start. Click “Join Event” which was provided to you via e-mail any time from 8.45 a.m. The live streaming will commence at 9.00 a.m. on 18 November 2024.
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> Click “Join Event” to engage in the proceedings of the AGM remotely. If you have any question for the Chairman/ Board, you may use the Q&A box to transmit your question. The Chairman/ Board will try to respond to relevant questions submitted by remote participants during the AGM. If there is time constraint, the responses will be provided to you at the earliest possible, after the meeting.

ADMINISTRATIVE GUIDE (CONT'D)

2. PROCEDURES FOR RPV (CONT'D)

Shareholders/proxies/corporate representatives/attorneys who wish to participate in the 19th AGM remotely using the RPV are to follow the requirements and procedures as summarised below: - (Cont'd)

	Procedure	Action
ON THE DAY OF THE AGM (CONT'D)		
(e)	Online Remote Voting	<ul style="list-style-type: none"> Member or Proxy may commence voting from 9.00 a.m. on Monday, 18 November 2024 until a time when the Chairman announces the completion of the voting session of the AGM. Indicate your voting for the resolutions that are tabled for voting. Confirm and submit your votes. Upon completion of the voting session for the 19th AGM, the Scrutineer will verify the poll results, followed by the announcement by the Chairman of the poll results.
(f)	End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the 19th AGM, the live streaming will end.

Note to users of the RPV facilities:

- Should your application to join the meeting be approved, we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to **Cisco Webex** on the day of meeting will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting on the meeting day, kindly call us at 03-7664 3300 or e-mail to agm@keyasic.com for assistance.

3. ENTITLEMENT TO ATTEND AND VOTE

Only a member whose name appears on the Record of Depositor as at 12 November 2024 shall be entitled to attend and vote or appoint proxy/proxies to attend and/or vote on his/her behalf in the 19th AGM via RPV.

In view that the 19th AGM will be conducted on a virtual basis, if you are unable to attend the meeting via RPV on 18 November 2024, you may appoint the Chairman of the 19th AGM as proxy and indicate the voting instructions in the Proxy Form.

If you wish to personally participate in the 19th AGM, please do not submit any Proxy Form. You will not be allowed to participate in the 19th AGM together with a proxy appointed by you.

If you have submitted your Proxy Form prior to the 19th AGM and subsequently decide to personally participate in the 19th AGM, please proceed to register yourself for RPV at Cisco Webex at the following link:

<https://keyasicagm.webex.com/weblink/register/rc46ff6d278f9093bc177b30fd6b8e7b8>

The original Proxy Form must be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the time appointed for holding the 19th AGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid.

ADMINISTRATIVE GUIDE (CONT'D)

4. NO DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gifts or food vouchers for the 19th AGM.

5. RECORDING OR PHOTOGRAPHY

Strictly NO unauthorised recording or photography of the proceedings of the 19th AGM is allowed.

6. PRIVATE NOTICE TO SHAREHOLDERS UNDER THE PERSONAL DATA PROTECTION ACT 2010 (PDPA)

Key ASIC Berhad ("KAB" or "we" or "us" or "our") strives to protect your personal data in accordance with the Personal Data Protection Act 2010 ("the Act"). The Act was enacted to regulate the processing of personal data to comply with the Act, we are required to manage the personal data that we collect from you relating to your shareholding in KAB.

The purposes for which your personal data may be used are, but not limited to:

- Internal record keeping including but not limited to the registration and management of your shareholding in KAB
- To provide services to you
- To communicate with you as a shareholder/ proxy for a shareholder of KAB
- To better understand your needs as our shareholder
- For security and fraud prevention purposes
- For the purposes of statistical analysis of data
- For marketing activities
- For the purposes of our corporate governance
- To send you event invitations based on selected events
- To comply with any legal, statutory and/or regulatory requirements
- For the purposes of inclusion in media engagements and/or any relevant or related events
- For the purposes of us preparing guest invitations, registration and/or sign-ups for our events
- For the purposes of printed and on-line publications

(collectively, "the Purposes")

Your personal data is or will be collected from information provided by you, including but not limited to, postal, facsimile, telephone, and e-mail communications with or from you, and information provided by third parties, including but not limited to, Bursa Malaysia Berhad and any other stock exchange, and your stockbrokers and remisiers.

You may be required to supply us with your name, correspondence address, telephone number, facsimile number and email address.

If you fail to supply us with such personal data, we may not be able to process and/or disclose your personal data for any of the Purposes.

Please be informed that your personal data may be disclosed, disseminated and/or transferred to companies within the KAB Group (including the holding company, subsidiaries, related and affiliated companies, both local and international), whether present or future (collectively, "the Group") or to any third party organisations or persons for the purpose of fulfilling our obligations to you in respect of the Purposes and all such other purposes that are related to the Purposes and also in providing integrated services, maintaining and storing records including but not limited to the share registrar(s) appointed by us to manage the registration of shareholders.

The processing, disclosure, dissemination and/or transfer of your personal data by us and/or the Group and/or third party organisations or persons may result in your personal data being transferred outside of Malaysia.

ADMINISTRATIVE GUIDE (CONT'D)

6. PRIVATE NOTICE TO SHAREHOLDERS UNDER THE PERSONAL DATA PROTECTION ACT 2010 (PDPA) (CONT'D)

To this end, we are committed to ensuring the confidentiality, protection, security and accuracy of your personal data made available to us. It is your obligation to ensure that all personal data submitted to us and retained by us are accurate, not misleading, updated and complete in all aspects. For the avoidance of doubt, we and/or the Group and/or our or their employees or authorised officers or agents will not be responsible for any personal data submitted by you to us that is inaccurate, misleading, not up to date and incomplete.

Further, we may request your assistance to procure the consent of third parties whose personal data is made available by you to us and you hereby agree to use your best endeavours to do so.

In addition, you may request for access to your personal data by contacting your broker or alternatively Tricor Investor & Issuing House Services Sdn Bhd as shown above if:

- you require access to and/or wish to make corrections to your personal data subject to compliance of such request for access or correction not being refused under the provisions of the Act and/or existing laws; or
- you wish to enquire about your personal data.

Any personal data retained by us shall be destroyed and/or deleted from our records and system in accordance with our retention policy in the event such data is no longer required for the said Purposes.

We trust that you will consent to the processing of your personal data and that you declare that you have read, understood and accepted the statements and terms herein.

7. ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Key ASIC Berhad

General Line : 03-7664 3300
 Fax Number : 03-7664 3301
 Email : agm@keyasic.com
 Contact persons :

Name	Contact Details
Kate	Direct line: 03-7664 3300 Email Address: kate@keyasic.com
Wynne	Direct line: 03-7664 3300 (ext: 105) Email Address: wynne@keyasic.com



KEY ASIC BERHAD
Registration No. 200501024949 (707082-M)
(Incorporated in Malaysia)

CDS Account No.

No. of shares held

PROXY FORM

I/We _____ Tel: _____
[Full name in block, NRIC/Registration No.]

of _____

being member(s) of Key ASIC Berhad, hereby appoint: -

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
Address		No. of Shares	%

and / or (delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
Address		No. of Shares	%

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the Company to be conducted entirely through live streaming from the Broadcast Venue at Key ASIC's Headoffice at 6th Floor, Unit 3, 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Monday, 18 November 2024 at 9.00 a.m. and at any adjournment thereof, and to vote as indicated below: -

Item	Agenda	*For	*Against
ORDINARY BUSINESS			
1.	Approval of Directors' Fees for the period from 19 November 2024 until the date of the next Annual General Meeting of the Company.	(Resolution 1)	
2.	To re-elect Eg Kah Yee who retires under Clause 76(3) of the Company's Constitution.	(Resolution 2)	
3.	To re-elect Datuk Md Zubir Ansori Bin Yahaya who retires under Clause 76(3) of the Company's Constitution.	(Resolution 3)	
4.	To re-appoint Messrs. UHY Malaysia (formerly known as UHY) as Auditors of the Company and to authorise the Directors to fix their remuneration.	(Resolution 4)	
AS SPECIAL BUSINESS			
5.	To authorise Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.	(Resolution 5)	
6.	To approve Chen, Chia-Yin to continue in office as Independent Non-Executive Director.	(Resolution 6)	
7.	Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	(Resolution 7)	

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this _____ day of _____ 2024.

Signature of Shareholder/Common Seal
Contact No.

* Manner of execution:

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:-

1. IMPORTANT NOTICE FOR VIRTUAL MEETING

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairperson of the General Meeting to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend this General Meeting in person at the Broadcast Venue on the day of the General Meeting. Therefore, shareholders are strongly advised to participate and vote remotely at the General Meeting through live streaming and online remote voting using the Remote Participation and Voting facilities provided by the Company.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the General Meeting in order to participate remotely.

- For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 12 November 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
- A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an 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. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The appointment of a proxy may be made in a hard copy form and submit to the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. All proxy form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.
- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- Last date and time for lodging the proxy form is Saturday, 16 November 2024 at 9.00 a.m.



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Then fold here

AFFIX
STAMP

THE SHARE REGISTRAR
KEY ASIC BERHAD [200501024949 (707082-M)]
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel : 03-2783 9299 Fax :03-2783 9222

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