TECHNA-X

ANNUAL REPORT

2024

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The online version of **Techna-X Berhad's Annual Report 2024** is available from our website. Go to *https://techna-x.com/annualreport.html* or scan the QR code with your smartphone.

NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting ("AGM") of the Company will be held at the "The Perdana Room" located at The Royal Lake Club Kuala Lumpur Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur, Malaysia on Monday, 9 December 2024 at 10:00 a.m. for the following purposes: -

A G E N D A

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period ended 30 June 2024 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note (a)]**

2. To approve the payment of Directors' fees to the Directors amounting to RM180,000.00 for the financial period ended 30 June 2024. **Ordinary Resolution 1**

3. To approve the Directors' benefits payable to the Non-Executive Directors of up to RM30,000.00 from 9 December 2024 until the next AGM of the Company. **Ordinary Resolution 2**

4. To re-elect Mr. Fan Kah Seong, who is due to retire pursuant to Clause 118 of the Company's Constitution and being eligible, has offered himself for re-election. **Ordinary Resolution 3**

5. To re-elect the following Directors, who are due to retire pursuant to Clause 117 of the Company's Constitution and being eligible, have offered themselves for re-election: -

   a) Mr. Yen Soon Jin **Ordinary Resolution 4**

   b) Mr. Sakthi Kumar A/L Ramadas **Ordinary Resolution 5**

   c) YAM Tengku Shahrain Shah Bin Tengku Sulaiman Shah **Ordinary Resolution 6**

   d) Dato' Geh Guat Yeow **Ordinary Resolution 7**

6. To re-appoint Messrs. HLB Ler Lum Chew PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 8**

AS SPECIAL BUSINESS:

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

7. **AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** **Ordinary Resolution 9 [Please refer to Explanatory Note (d)]**

   "**THAT** subject always to the Companies Act, 2016, Constitution of the Company and approvals of the relevant governmental/regulatory bodies where such approvals shall be necessary, the Directors be and are hereby authorised and empowered pursuant to Section 75 and 76 of the Companies Act, 2016 to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares for the time being of the

Company and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad.

THAT the Directors of the Company whether solely or jointly, be authorised to complete and do all such acts and things (including executing such relevant documents) as he/she/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate."

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company, or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."

8. **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK")** **Ordinary Resolution 10 [Please refer to Explanatory Note (e)]**

"THAT, subject always to the Act, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities and all other applicable laws, guidelines, rules and regulations for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company to purchase such number of ordinary shares in the Company ("**TXB Shares**") as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities as the Directors may deem fit and expedient in the best interest of the Company, provided that:-

(i) the aggregate number of TXB Shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the Company's total number of issued shares as quoted on Bursa Malaysia Securities as at the point of purchase(s);
(ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited/unaudited financial statements of the Company (where applicable) available at the time of the purchase(s); and
(iii) the TXB Shares to be purchased may be cancelled, retained as treasury shares, distributed as dividends to the shareholders or resold on Bursa Malaysia Securities, or a combination of any of the above, at the absolute discretion of the Directors.

AND THAT the authority conferred by this resolution shall commence immediately upon the passing of this resolution and shall continue to be in force until: -

(a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time the authority shall lapse, unless by an Ordinary Resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
(c) revoked or varied by an Ordinary Resolution passed by the Company's shareholders in a general meeting,

whichever occurs first.

AND FURTHER THAT the Directors of the Company be authorised to do all acts, deeds and things to give full effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the best interest of the Company.

9. **ANY OTHER BUSINESS**

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

By Order of the Board
TECHNA-X BERHAD

WONG YOUN KIM
(MAICSA 7018778)
(SSM Practising Certificate No.: 201908000410)
Company Secretary

Selangor Darul Ehsan
Date: 7 November 2024

EXPLANATORY NOTES:

(a) Audited Financial Statements for the financial period ended 30 June 2024

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

(b) Ordinary Resolutions 2 – Benefits payable to the Non-Executive Directors

The benefits (excluding Directors' fees) payable to the Non-Executive Directors from 9 December 2024 until the next AGM of the Company to be held in the year 2024 are as follows:

Description	Non-Executive Directors
Allowances	Up to RM30,000
Other Benefits	Nil

(c) Ordinary Resolutions 3 to 7 – Re-election of Directors

In determining the eligibility of the Directors to stand for re-election at the Eighteenth AGM of the Company, the Nomination Committee ("**NC**") reviewed and assessed the following Directors' ("**Retiring Directors**") from the annual assessment and evaluation of the Board of Directors for the financial period ended 30 June 2024. The Board via the NC's annual assessment was satisfied with the performance of Retiring Directors who are standing for re-election and had recommended to the shareholders the proposed re-election at the Eighteenth AGM under Resolution 3 to 7:

(i) Mr. Fan Kah Seong
(ii) Mr. Yen Soon Jin
(iii) Mr. Sakthi Kumar A/L Ramadas
(iv) YAM Tengku Shahrain Shah Bin Tengku Sulaiman Shah
(v) Dato' Geh Guat Yeow

The profiles of the Retiring Directors are set out in the Annual Report in respect of the financial period ended 30 June 2024.

(d) Ordinary Resolution 9 – Authority to Issue Shares pursuant to the Act

The proposed Ordinary Resolution 9, if passed, is to give the Directors of the Company flexibility to issue and allot shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

The Company did not issue any shares pursuant to Sections 75 and 76 of the Companies Act, 2016 under the general authority which was approved at the 17th Annual General Meeting held on 30 May 2023 and which will lapse at the conclusion of the 18th Annual General Meeting to be held on 9 December 2024.

The Board is of the opinion that the issue and allot shares up to an amount not exceeding ten per centum (10%) is in the best interest of the Company.

This authority will expire at the conclusion of the next Annual General Meeting of the Company or at the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

(e) Ordinary Resolution 10 – Proposed Renewal of Share Buy-Back

The proposed Ordinary Resolution 10, if passed, will enable the Company to renew the authority given to the Company to purchase its own shares of up to ten per centum (10%) of the Company's total issued shares at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities. Unless revoked or varied by the Company in a general meeting, this authority will expire at the conclusion of the next AGM of the Company.

Please refer to the Statement to Shareholders dated 7 November 2024 for further information.

NOTES: -

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 3 December 2024 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.
2. A member entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.
3. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporations' common seal or under the hand of an officer or attorney duly authorised.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power of authority, must be deposited at the Company's Registered Office at Synergy Professionals Group Sdn. Bhd., Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor not less than twenty-four (24) hours before the time set for holding the Meeting or any adjournment thereof. All resolutions set out in this notice of Meeting are to be voted by poll.
6. Any notice of termination of authority to act as proxy must be received by the Company before the commencement of the Meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-
   - (i) the constitution of the quorum at such meeting;
   - (ii) the validity of anything he did as chairman of such meeting;
   - (iii) the validity of a poll demanded by him at such meeting; or
   - (iv) the validity of the vote exercised by him at such meeting.
7. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data, which may include your name and mailing address, you hereby consent, agree, and

authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this Meeting and convening the Meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement, and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. The Director who is standing for re-election at the Eighteenth (18^{th}) Annual General Meeting of the Company pursuant to Clause 118 of the Company's Constitution is Mr. Fan Kah Seong.

   The details of the above director is set out in the Board of Directors' Profile as disclosed in the Annual Report 2024.

2. The Directors who are standing for re-election at the Eighteenth (18^{th}) Annual General Meeting of the Company pursuant to Clause 117 of the Company's Constitution are Mr. Yen Soon Jin, Mr. Sakthi Kumar A/L Ramadas, YAM Tengku Shahrain Shah Bin Tengku Sulaiman Shah and Dato' Geh Guat Yeow.

   The details of the above directors are set out in the Board of Directors' Profile as disclosed in the Annual Report 2024.

3. The statement relating to the general mandate for authority to issue shares is set out in the Explanatory Notes to the Notice of Eighteenth (18^{th}) Annual General Meeting in the Annual Report 2024.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS AND/OR PROXIES ATTENDING THE EIGHTEENTH ANNUAL GENERAL MEETING ("18TH AGM")

INFORMATION ON 18TH AGM

1. Date, Time, and Venue of 18th AGM

The Company's 18th AGM is schedule to be held as follows:

Day and Date	:	Monday, 9 December 2024
Time	:	10:00 a.m.
Venue	:	"The Perdana Room" located at The Royal Lake Club Kuala Lumpur Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur, Malaysia.

2. Entitlement to Attend

Only members whose names appear in the Record of Depositors as of 3 December 2024 shall be entitled to attend, participate, speak and vote at the 18th AGM or appoint proxy(ies) to attend, participate, speak and vote on his/her behalf in respect of the number of shares registered in hir/her name at that mentioned date.

3. Lodgement of Form of Proxy of 18th AGM

(a) If you are unable to attend the 18th AGM and wish to appoint proxy(ies) to vote on your behalf, you may deposit your Form of Proxy at the Registered Office of the Company at Synergy Professional Group Sdn. Bhd., Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor not later than twenty-four (24) hours before the 18th AGM or any adjournment thereof, i.e., latest by Sunday, 8 December 2024 at 10:00 a.m.

(b) If you wish to attend the 18th AGM yourself, please do not submit any Form of Proxy for the 18th AGM that you wish to attend. You will not be allowed to attend the 18th AGM together with a proxy appointed by you. Only one of you is allowed to attend and enter the meeting venue.

(c) If you have submitted your Form of Proxy prior to the 18th AGM and subsequently decided to attend the 18th AGM yourself, please revoke your proxy appointment at the time of registration.

4. Corporate Member

Any corporate member who wishes to appoint a representative instead of a proxy to attend the 18th AGM should submit the original certificate of appointment under the corporation's seal to the Company's Registered Office at Synergy Professional Group Sdn. Bhd., Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor at any time before the time appointed for holding the 18th AGM or to the registration staff on the meeting day for the Company's records.

5. Parking

You may park your vehicle at the allocated visitors' parking bays.

6. Door Gifts

There will be NO door gifts in the 18th AGM.

GUIDANCE FOR ATTENDANCE OF 18TH AGM

1. Registration for the 18th AGM

(a) Registration will start at 8:30 a.m. and end at such time as the Chairman of the meeting may be determined.
(b) Please read the signage to ascertain the registration counter to register yourself for the 18th AGM and join the queue accordingly.
(c) Please present your original National Registration Identification Card ("NRIC") or Passport for verification by the Share Registrar against the Record of Depositors as of 3 December 2024. Please ensure that you collect your NRIC or Passport thereafter.'
(d) After verification, you are required to write your name and sign on the Attendance List provided by the Share Registrar. Thereafter, you will be given an identification wristband.
(e) NO individual will be allowed to enter the meeting hall without the identification wristband. There will be no replacement if you lose or misplace the identification wristband.
(f) NO person will be allowed to register on behalf of another person, even with the original NRIC or Passport of that person.
(g) The registration counter is solely for verification of identity and registration purposes.
(h) All attendees are also required to observe the social distancing rule.
(i) Please vacate the registration area immediately after registration.
(j) If you have any enquiries on other matters, please refer to our staff who will be at hand to assist.

2. Submission of Questions prior to 18th AGM

Shareholders are encouraged to submit questions ahead of the 18th AGM and email your questions to info@techna-x.com, latest by Thursday, 7 December 2024.

The Company will endeavour to answer your question(s) at the 18th AGM if time permits or by email after the 18th AGM.

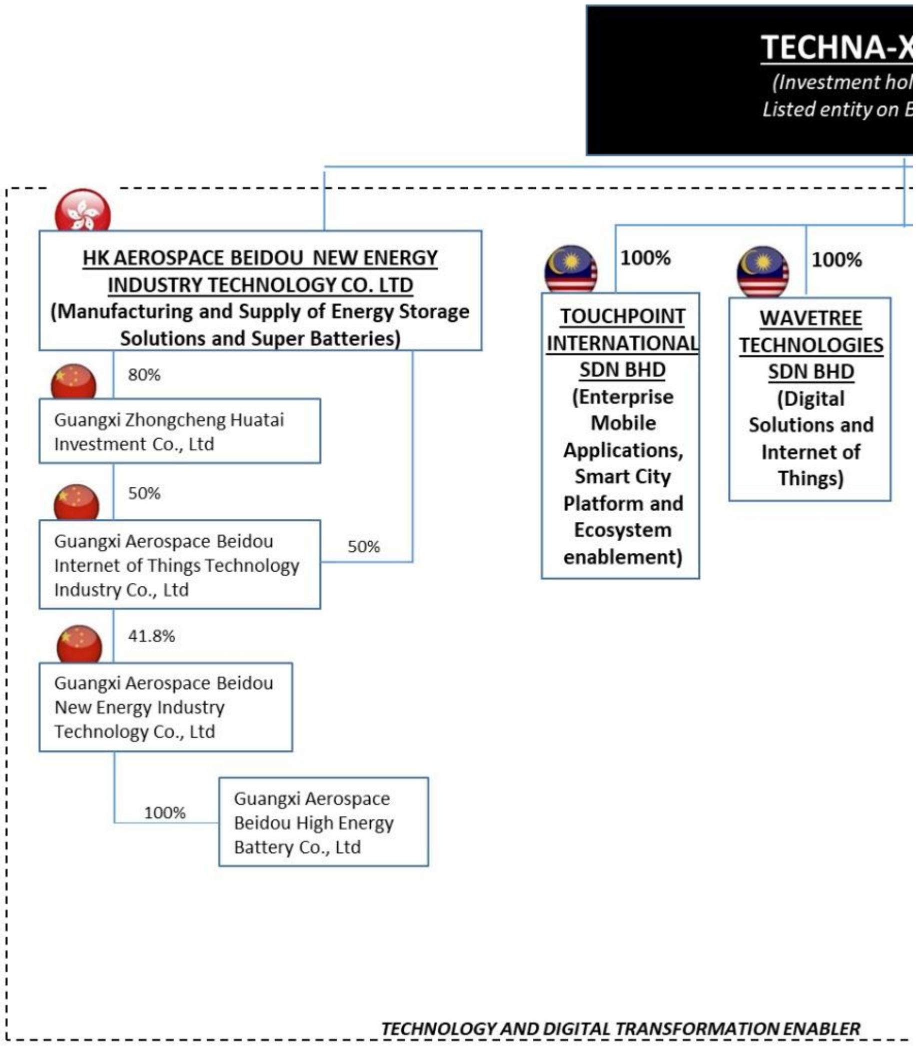
The 18th AGM proceedings will focus on the proposed resolutions to minimise crowd gathering time in an enclosed environment.

ENQUIRY

Should you have any enquiries on the foregoing, please do not hesitate to contact our Share Registrar at their general line: +603-2084 9000 or Pn. Halimah Hashim from the Company at general line: +603-2715 8688 or email: info@techna-x.com during office hours.

We thank you for your continued support.

THE TECHNA-X GROUP
As at 30 June 2024



THE TECHNA-X GROUP

As at 30 June 2024

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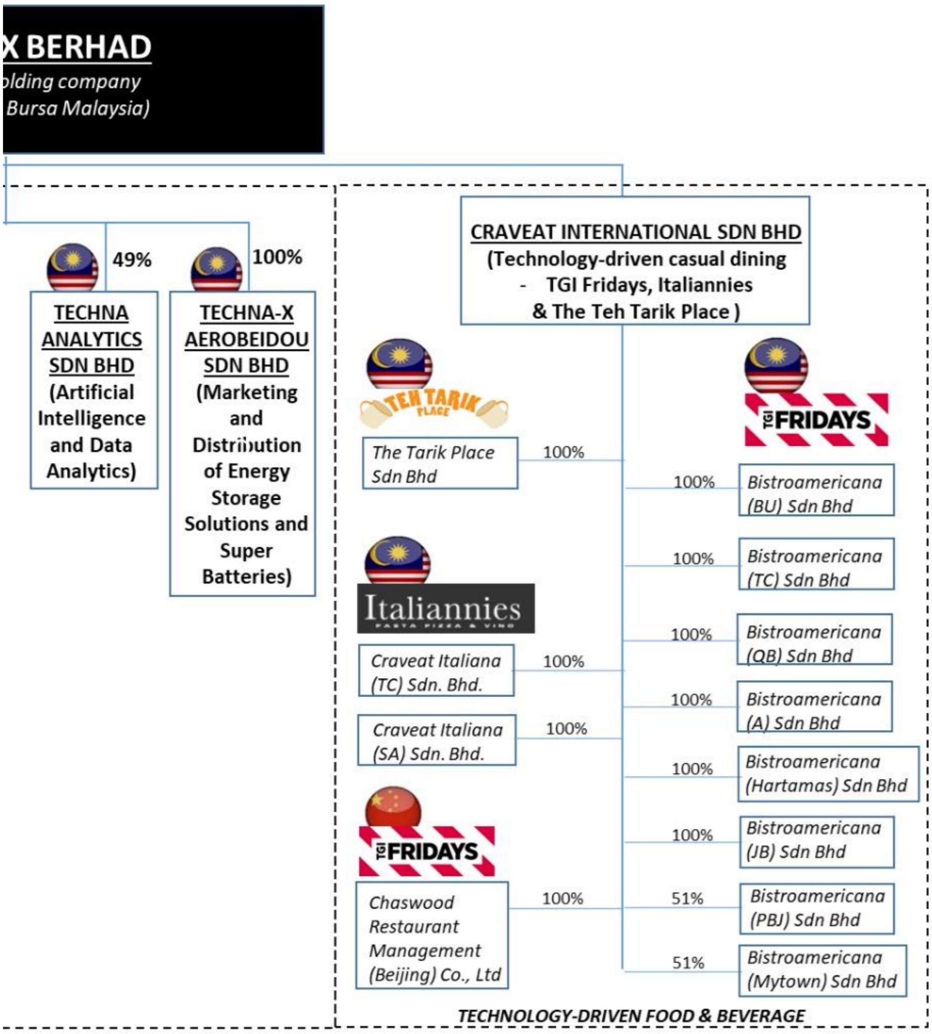


CORPORATE INFORMATION

BOARD OF DIRECTORS

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar
Executive Chairman

Datuk Lim Chih Li @ Lin ZhiLi
Executive Director

Yen Soon Jin
Executive Director
(appointed w.e.f. 1 Jul 2024)

Chin How Nyian
Alternate Director
to Datuk Lim Chih Li @ Lin ZhiLi
(appointed w.e.f. 28 Feb 2023

Ahmad Rizan Bin Ibrahim
Executive Director
(retired w.e.f. 1 April 2024)

Ng Chee Seng
Alternate Director
to Ahmad Rizan Bin Ibrahim
(retired w.e.f. 1 April 2024)

Fan Kah Seong
Independent Non-Executive Director

Sakthi Kumar A/L Ramadas
Independent Non-Executive Director
(appointed w.e.f. 1 July 2024)

Y.A.M. Tenku Shahrain Shah bin Tenku Sulaiman Shah
Independent Non-Executive Director
(appointed w.e.f. 18 July 2024)

Dato' Geh Guat Yeow
Independent Non-Executive Director
(appointed w.e.f. 18 Jun 2022)

Balraj Singh Pannu A/L Gajjan Singh
Independent Non-Executive Director
(retired w.e.f. 9 July 2024)

Aidawati Binti Dahari
Independent Non-Executive Director
(retired w.e.f. 9 July 2024)

AUDIT & RISK MANAGEMENT COMMITTEE

Fan Kah Seong
Chairman
Independent Non-Executive Director

Sakthi Kumar A/L Ramadas
Independent Non-Executive Director
(appointed w.e.f. 18 July 2024)

Dato' Geh Guat Yeow
Independent Non-Executive Director
(appointed w.e.f. 18 Jun 2022)

NOMINATION COMMITTEE

Sakthi Kumar A/L Ramadas
Chairman
Independent Non-Executive Director
(appointed w.e.f. 18 July 2024)

Fan Kah Seong
Independent Non-Executive Director

Dato' Geh Guat Yeow
Independent Non-Executive Director
(appointed w.e.f. 18 Jun 2022)

AUDITORS

HLB Ler Lum Chew PLT
(201906002362 & AF0276)
Chartered Accountants

REMUNERATION COMMITTEE

Sakthi Kumar A/L Ramadas
Chairman
Independent Non-Executive Director
(appointed w.e.f. 18 July 2024)

Fan Kah Seong
Independent Non-Executive Director

Dato' Geh Guat Yeow
Independent Non-Executive Director
(appointed w.e.f. 18 Jun 2022)

PRINCIPAL BANKERS

RHB Bank Berhad
(Kuala Lumpur, Malaysia)

CIMB Bank Berhad
(Kuala Lumpur, Malaysia)

CIMB Bank Berhad
(Kuala Lumpur, Malaysia)

REGISTERED OFFICE

Unit No. EL-11-01,
Amcorp Business Suite,
Menara Melawangi,
Pusat Perdagangan Amcorp,
No. 18, Jalan Persiaran Barat,
46050 Petaling Jaya
Selangor
Tel : (6017) 6229303
Email: spgsecretary@outlook.my

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel : (603) 2084 9000
Fax : (603) 2094 9940

STOCK EXCHANGE

Bursa Malaysia
Securities Berhad
(Main Market)

COMPANY SECRETARIES

WONG YOUN KIM
(SSM PC No. 201908000410)
(MAICSA 7018778)

STOCK NAME AND CODE

TECHNAX (2739)

PROFILE OF DIRECTOR AND SENIOR MANAGEMENT

Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR

- Executive Chairman
- Key Senior Management

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar (male), a Malaysian aged 76, was appointed to the Board of Techna-X Berhad on 21 March 2007. He is currently the Executive Chairman of Techna-X Berhad. He attended all 5 Board meetings held in the financial year.

Y.A.M. Tunku Naquiyuddin has a Bachelor of Science in Economics (Honours) degree from the University of Wales, Aberystwyth, United Kingdom. He was a Diplomat for 5 years and served as Second Secretary in Paris, France, from 1972 to 1975. He was proclaimed Regent of Negeri Sembilan from 1994 until 1999.

Y.A.M. Tunku Naquiyuddin also sits on the boards of Ann Joo Resources Berhad and Olympia Industries Berhad. He also holds directorship in other non-listed public companies, namely ORIX Leasing Malaysia Berhad and Syarikat Pendidikan Staffield Berhad.

Y.A.M. Tunku Naquiyuddin is a keen environmentalist and was a Committee Member of the World Wide Fund for Nature (Malaysia) and a Council Member of the Business Council for Sustainable Development in Geneva. As an active and conscientious businessman, Y.A.M. Tunku Naquiyuddin contributed to the business fraternity through his appointment as a founding Chairman of the Federation of Public Listed Companies Berhad, leading the initiatives to bridge bilateral business boundaries through the Malaysia-France Economic and Trade Association for 8 years and striving for Asia-Pacific co-operation through the Canada-ASEAN Centre of which he was a Council Member. He was nominated by the Minister of Finance to serve on the Committee of the Kuala Lumpur Stock Exchange from 1989 to 1994.

Y.A.M. Tunku Naquiyuddin is a major shareholder of Techna-X Berhad. Y.A.M. Tunku Naquiyuddin also has a family relationship with the other major shareholders of the Company as follows:-

- Father of Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin;
- Spouse of Y.M. Tunku Nurul Hayati Binti Tunku Bahador; and
- Sibling to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Bte Tuanku Ja'afar and Y.A.M. Tunku Jawahir Bte Tuanku Ja'afar.

Save as disclosed above, Y.A.M. Tunku Naquiyuddin does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTOR
AND SENIOR MANAGEMENT
cont'd

DATUK JARED LIM CHIH LI @ LIN ZHILI

- Executive Director
- Key Senior Management

Datuk Jared Lim Chih Li @ Lin ZhiLi ("**Datuk Jared**") (male), a Malaysian aged 53, was appointed to the Board of Techna-X Berhad on 16 October 2019 as an Executive Director to spearhead the transformation of the Group. He attended all 5 Board meetings held in the financial year.

Datuk Jared graduated from the University of Bristol in Economics and Accounts in 1993. He started his professional career as a financial analyst for DBS Securities in Singapore and later moved to Credit Lyonnais Securities. He was the Technology Analyst in both institutions. Datuk Jared obtained his Chartered Financial Analyst qualification and Masters in Finance from the University of Hull during his time as an analyst. He also obtained a Post Graduate Diploma in Digital Business from the Emeritus Institute of Management.

He moved to investment banking and eventually ended up leading the corporate finance department of a Ministry of Finance owned Malaysian investment bank called Avenue Securities. At Avenue Securities, he was responsible for setting up the corporate finance unit, eventually building a strong track record in Equity Offerings, Restructurings, Mergers and Acquisitions, and Bond Issues. Datuk Jared built a niche in Malaysia in cross-border equity offerings involving PRC enterprises, which eventually led to him starting an Emerging South East Asian private equity model. He is credited for bringing in the first few foreign companies to list in Malaysia.

In 2007, Datuk Jared co-founded a private equity group called Tremendous Asia Partners (TAP), an Asian-owned and locally-grown private equity fund focused on the consumers' space in South East Asia, focusing on value add through design and digital marketing. TAP focuses on the consumer industry, emphasising the 5 pillars – Food and Beverage services and products; Retail, Education, Healthcare and Media & Entertainment. The Private Equity fund has made roughly US$100 million in investments. Some recognisable portfolios of Datuk Jared include the privatisation of "NV Multi", currently the largest bereavement services operator in South East Asia, and Munchies, the largest local biscuit manufacturer in Malaysia, and the notable International eatery, T.G.I. Fridays.

Datuk Jared is currently the Managing Partner of Tremendous Asia Partners Inc. and the Non-Executive Chairman of Tremendous Entertainment Holdings Berhad ("**TEH**"), one of the leading independent entertainment content producers in the region. TEH owns Intellectual Properties such as the multi-award-winning children's TV show "Hi-5", reality TV Intellectual Properties such as "The Apartment" and "The Challenger" and manages the Sands Theatre in Marina Bay Sands.

Datuk Jared also sits on the Executive Panel of the Cultural Economic Development Agency of Malaysia (CENDANA), supported by the Ministry of Finance, which has been set up to build a vibrant and sustainable cultural economy in Malaysia.

Save as disclosed above, Datuk Jared does not hold any other directorship in other public companies and public listed companies.

Datuk Jared does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTOR AND SENIOR MANAGEMENT
cont'd

YEN SOON JIN

- Executive Director
- Key Senior Management

Mr Yen Soon Jin (male), a Malaysian aged 56, was appointed to the Board of Techna-X Berhad on 1 July 2024 as an Executive Director to spearhead the digital and technology businesses of the Group.

Mr Yen holds a Bachelor's Degrees in Information System from University of Western Sydney, Australia

Mr. Yen is a seasoned business leader with a rich background spanning multiple industries, leveraging his expertise in digital media, traditional media, and trade. He
holds a Bachelor of Information Systems from the University of Western Sydney (1991-1993) and is known for his strong self-belief, business acumen, and ability to identify and capitalize on emerging opportunities.

He has founded and managed numerous digital companies within the consumer retail, advertising and data analytics space.

On the more conventional business side of thing, Mr. Yen has also held leadership roles at Exaprise, DBB Design Malaysia, and MTTC Trading.

With his immense experience in trade, project management, and stakeholder communication, Mr. Yen is a strong negotiator and independent operator who continues to drive growth and innovation in the ventures he is involved in.

Mr Yen holds a directorship in Handal Energy Berhad. Save as disclosed above, Mr. Yen does not hold any other directorship in other public companies and public listed companies.

He does not have family relationship with any other Director and/or major shareholders of the Company nor any conflict of interest in any business arrangement involving the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies for the financial year ended 30 June 2024

PROFILE OF DIRECTOR AND SENIOR MANAGEMENT

cont'd

FAN KAH SEONG

- Independent Non-Executive Director

Mr. Fan Kah Seong (male), a Malaysian aged 58, was appointed to the Board of Techna-X Berhad on 1 June 2022 as an Independent Non-Executive Director. He is the Chairman of the Audit and Risk Management Committee. He is also a member of Nomination Committee and Remuneration Committee. He attended all 2 Board meetings held in the financial year since his appointment.

Mr. Fan holds a Bachelor of Economics, Honours Class II A, from Monash University, Clayton Australia. He is a member of Certified Practicing Accountant (CPA) Australia, Malaysian Institute of Accountants ("**MIA**"), and Chartered Tax Institute of Malaysia ("**CTIM**"). He is also a Section 153 tax agent licensee and licensee holder of the previous GST Section 170.

In his professional career path, Mr. Fan first joined Arthur Anderson & Co in 1990 as a tax associate and was promoted to Manager in 1996. He was made a director of Arthur Andersen in 2001. He left Arthur Anderson & Co in 2002 and joined PricewaterhouseCoopers as an Executive Director. In 2006, he was made to head the East Malaysia office covering Kuching and Kota Kinabalu.

In 2010, he left PricewaterhouseCoopers to join Deloitte Southeast Asia as a Partner, where he oversaw various tax related projects and was leading the indirect tax department in Kuala Lumpur. He then left Deloitte Southeast Asia in 2016.

In 2017, he joined PKF Malaysia as a tax director and was heading the Indirect Tax department of PKF Malaysia until his resignation in November 2022.

Mr. Fan is a director of Tremendous Entertainment Holdings Berhad. Save as disclosed above, Mr. Fan does not hold any other directorship in other public companies and public listed companies

Mr. Fan does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

SAKTHI KUMAR A/L RAMADAS

- Independent Non-Executive Director

Mr. Sakthi Kumar A/L Ramadas (male), a Malaysian aged 46, was appointed to the Board of Techna-X Berhad on 1 July 2024 as an Independent Non-Executive Director. He is the Chairman of the Nomination Committee and Remuneration Committee and a member of the Audit and Risk Management Committee.

Mr. Sakthi graduated with a Bachelor of Accountancy (Honours) degree from University of Malaya in 2002 and a Master of Business Administration ("MBA"), majoring in corporate finance from Cardiff Metropolitan University, London in 2013.

He has over 20 years of working experience in audit, accounting, finance, business support function and corporate finance in multinational companies, locally and internationally. He started his career with Deloitte & Touché in 2003 as an external auditor, where he managed O&G, IT and manufacturing portfolios. His career spans across the O&G where he was employed by Petrofac Training Services in 2007, as Regional Finance Manager for the Asia Pacific (APAC) region. He went on to take on a range of managerial roles for Petrofac Training Services, until his appointment as Finance Consultant for Petrofac Training Services Singapore in 2011, based in Singapore. In mid-2012, he returned to Malaysia to take up the role as Regional Business Support Manager for the APAC region with Altor Risk Group (a downstream O&G service provider). His portfolio was then extended to cover finance, commercial, contracts, human resource and administration portfolio for the APAC region. Subsequently, He established his career into Special Purpose Acquisition Company (SPAC) listed in Malaysia and listed on NASDAQ (USA).

In 2016, Mr.Sakthi was appointed as Head of Corporate Finance of largest SPAC in Malaysia ever listed, Reach Energy Berhad.

Mr. Sakthi is instrumental in overall corporate finance function, especially on investor relation, fund raising activities, implementation of corporate exercises and plays an instrumental role in securing successful completion of the target acquisition.

Mr Sakthi is currently the adviser to the Chairman and Chief Executive Officer of Liberty Resources Acquisition Corp. since November 2021, where he is responsible in advising on overall deal structure, design and planning, due diligence, negotiations and overall business planning of the target acquisition

Mr. Sakthi does not hold any other directorship in other public companies and public listed companies.

Mr. Sakthi does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTOR AND SENIOR MANAGEMENT

cont'd

DATO' GEH GUAT YEOW (LINDA)

- Independent Non-Executive Director

Dato' Linda Geh Guat Yeow (female), a Malaysian aged 53, was appointed to the Board of Techna-X Berhad on 2 April 2020 as an Independent Non-Executive Director. She is member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee.

Dato' Geh graduated from University of Oklahoma, United States of America, with a Bachelor of Science in Industrial Engineering. She has more than 30 years of management and strategic consulting experience with Raine & Horne International Zaki + Partners Sdn. Bhd. She was actively practicing valuation exercise in plant and machinery valuation for local and South East Asia companies.

In 2017, Dato' Linda was appointed by the Penang State Executive Committee (EXCO) as Chief Executive Officer (CEO) of Asia Pacific Masters Games Sdn Bhd. (Government-Linked Company) to organised the inaugural Asia Pacific Masters Games 2018 in Penang which attracted 6750 participants from 64 countries, took part in 22 sports. A total of RM49.9 million and RM63.7 million was contributed to Gross Domestic Product (GDP) of Penang and Malaysia.

Dato' Linda is a registered Environmental Consultant who has more than 20 years of experiences in providing services to manage and control Environment, Safety and Health requirements with international expertise and technologies. She specialises in providing cost-effective solutions for proper urbanisation and industrialisation to meet local requirements and international standards. She is also experienced in preparing and coordinating of Environment Impact Assessment (EIA) study for industrial, commercial, residential development, reclamation, special facility and infrastructure projects.

Dato' Geh does not hold any other directorship in other public companies and public listed companies.

Dato' Geh does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

Y.A.M TENGKU SHAHRAIN SHAH BIN TENGKU SULAIMAN

- Independent Non-Executive Director

Y.A.M. Tengku Shahrain Shah Bin Tengku Sulaiman Shah (male), a Malaysian aged 38, was appointed to the Board of Techna-X Berhad on 18 Jul 2024 as an Independent Non-Executive Director.

Y.A.M Tengku Shahrain graduated from Lim Kok Wing University, Malaysia, with a Bachelor of Arts in Industrial and Product Design. He was a director of TSS Construction Sdn. Bhd. from January 2013 to December 2013. In the year 2014, Y.A.M Tengku Shahrain was appointed as the Director of Presint Venture Sdn. Bhd. until year 2016 and was appointed as Director and Advisor of Perintis Sdn. Bhd. from year 2017 until 2021.

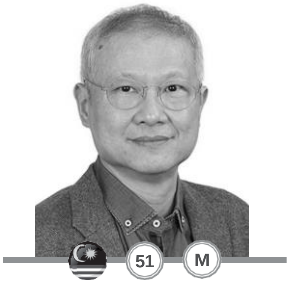
Currently, he is the Director of TSS Partners Sdn. Bhd., Sulaimaria Sdn. Bhd., Obrise Solution Holdings Sdn. Bhd. and Chairman of Silver Ridge Holdings Bhd.

Save as disclosed above, Y.A.M Tengku Shahrain does not hold any other directorship in other public companies and public listed companies.

Y.A.M Tengku Shahrain does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTOR
SENIOR MANAGEMENT
cont'd

KHOO HSIEN LI



- General Manager
  Corporate Affairs

Mr. Khoo Hsien Li (male), a Malaysian aged 51, was appointed as the Corporate Affairs General Manager of Techna-X Group on 15 July 2024.

Mr Khoo has more than 25 years of experience in the ICT industry. His vast experience started with Hitechniaga, a member of the MBf Group, where he participated in E-Government and E-Business flagship applications. From there, he had successful stints in Hong Leong Assurance and Nanyang Press Holdings before being part of the management team that successfully listed RedHot Media in London's AIM. He headed the China office of RedHot Media in Guangzhou, China during the pre and post IPO years of the company.

After that successful stint, he returned to Malaysia and was appointed Head of Digital Business for Universal Music Malaysia and successfully led the transition of Universal into the digital streaming era. He followed this up with a similar role with Sony Music Entertainment Malaysia that ushered in the TikTok era.

Sandwiched between the appointments in Universal and Sony, he was a Director of Digital Business in Sunway Group where he headed the digital communities project that was part of Sunway's smart city initiative, as well as being co-founder and advisors in many startups in field of telecommunications, media and fintech

Mr. Khoo does not hold any directorship in public companies and public listed companies.

Mr. Khoo does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTOR AND SENIOR MANAGEMENT
cont'd

CHIN HOW NYIAN

53 M

- Alternate director to Datuk Jared Lim Chih Li @ Lin ZhiLi

Mr. Ian Chin How Nyian ("**Mr. Ian Chin**") (male), a Malaysian aged 53, was appointed as alternate director to Datuk Jared Lim Chih Li @ Lin Z hiLi on 28 February 2023.

Mr. Ian Chin graduated from the National Chung Hsing University, Taiwan with a Bachelor of Arts and Master of Arts in English in 1997. Subsequently, he went on to complete his MBA in Technology and Innovation Management from the same University in 1997.

Mr. Ian Chin is an angel investor and technology evangelist. He has in depth knowledge and experiences in Technology, Media and Telecommunication for 20 years in China. Since early 2015, he has invested in a technology accelerator company (Innovista) in Hong Kong which focussed on introducing new technology, incubating and coaching start-ups. Under this framework, Mr. Ian Chin has co-founded Media Star, an OTT company in Indonesia.

He has also invested and founded Dongwan Multimedia Technology, focusing on intellectual property, portfolio management, technology transfer, and also assisting other technology companies to acquire core technology teams. Additionally, he also invested in Chongqing Lianhuan as one of the AR Technology companies and Starpulse Taiwan which focused on cloud network management and content management. These 3 companies were subsequently acquired by private investors and consolidated into a bigger technology operation.

Prior to that, Mr. Ian Chin was the Chief Operating Officer at BesTV (listed on Shanghai Stock Exchange 600637, now renamed to Oriental Pearl Group). He was leading 25 provincial branch offices with over 1,000 staffs and was responsible for generating RMB3 billion annual revenue for the group.

Over the years, Mr. Ian Chin has gar nered varied and notable industrial knowledge in telecommunication from his prior extensive engagement with China Telecom, China Unicom, China Mobile, French Telecom (Orange), Indonesia Telkom, XL, Telekom Malaysia, Starhub (Singapore), and Firstmedia on IPTV, Mobile TV, OTT service.

In 2012, Mr. Ian Chin was awarded "Silver Magnolia Award" (Honorable Foreign Residence) by the Shanghai Municipal Government for his contribution to Shanghai city. Prior to that, Mr. Ian Chin was the CEO of Wealink.com, a business social network service (SNS) website in Shanghai. In 2005, Mr. Ian Chin worked in a university based business incubator whereby he was awarded "Incubator Manager of the Year 2005" by the Taiwan authority. Mr. Ian Chin started his career in the early stage of internet industry in China (1999), the portal website he led, Myrice.com was acquired by Lycos Asia in 2001.

Mr. Ian Chin does not hold any directorship in public companies and public listed companies.

Mr. Ian Chin does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTOR AND SENIOR MANAGEMENT
cont'd

QUEK CHIN THOR

- Financial Controller

Mr. Quek Chin Thor (male), a Malaysian aged 47, joined Techna-X Berhad as the Financial Controller on 18 January 2023.

Mr. Quek graduated with a Bachelor of Business majoring in Accounting from the Royal Melbourne Institute Of Technology and Masters in Business Administration ("MBA") from University of Southern Queensland.

He started his professional career with Olympia Land Berhad and moved on to Hotel Intercontinental Phom Penh. He subsequently assumed the role as Head of Shared Services for SATS Services Sdn Bhd (a wholly-owned subsidiary of SATS Ltd, Singapore) and thereafter moved on to assume the position as Chief Financial Officer of Digistar Corporation Berhad on 26 October 2018 before joining Techna-X Berhad. He has more than 23 years of working experience throughout Asia Pacific with Shared Services Centers and Finance which includes corporate finance, financial controlling, treasury, audit, financial planning and analysis. Besides that, he has ventured into a couple of businesses with experiences in operations, strategy, marketing and human capital management.

Mr. Quek does not hold any directorship in public companies and public listed companies.

Mr. Quek does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

LEE YEW JIN

- Head of Technology-driven Food and Beverage Division

Mr. Lee Yew Jin (male), a Malaysian aged 49, was appointed as the Head of Technology-Driven Food & Beverage ("**F&B**") Division of Techna-X Group on 15 October 2019 to oversee the Group's F&B business.

Mr. Lee graduated from David's College in 1994 with a higher diploma in hotel catering and management. Mr. Lee has more than 25 years of experience managing and operating renowned F&B brands, including McDonald's, Dome Café, and Domino's Pizza.

Mr. Lee is responsible for the overall business operations, strategic direction, and expansion for Techna-X Group's F&B franchises, namely TGI Friday's and Teh Tarik Place in Malaysia and oversea markets.

Mr. Lee does not hold any directorship in public companies and public listed companies.

Mr. Lee does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

Notes: Other than traffic offences, none of the Directors and Key Senior Management have any conviction for offences within the past 5 years or any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of Techna-X Berhad ("**Techna-X**" or "**the Company**") recognises the importance of practicing high standards of corporate governance throughout the Company and its subsidiaries ("**the Group**") as a fundamental part of discharging its responsibilities to protect and enhance the shareholders' value and the performance of the Group.

The Board is pleased to present this Corporate Governance Overview Statement ("**Statement**") which outlines the key aspects of how the Company has applied and complied with the principles of the Malaysian Code on Corporate Governance ("**MCCG**") throughout the financial period ended 30 June 2024 ("**FY2024**").

This Statement is prepared in compliance with the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**"), and it is to be read together with the Company's Corporate Governance Report in respect of the financial period ended 30 June 2024, which sets out the detailed explanation on the application of each practice in the MCCG and is available on the Company's corporate website at www.techna-x.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

1.0 Every company is headed by a board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company.

(i) The Group is led by an experienced and effective Board that provides oversight, strategic direction, and entrepreneurial leadership to ensure the necessary resources are in place for the Group to meet its objective and achieve long-term sustainability. The Board consists of members from different backgrounds and with diverse expertise in leading and directing the Group's business operation. The Board has delegated specific responsibilities to 3 Board Committees, namely (i) Audit and Risk Management Committee ("**ARMC**"), (ii) Remuneration Committee ("**RC**"), and (iii) Nomination Committee ("**NC**"). These Board Committees operate within their respective Terms of Reference that the Board has approved. These Board Committees have the authority to examine particular issues and report to the Board with their recommendations. However, the ultimate responsibility for the final decision on all matters lies with the Board.

(ii) The roles of the Chairman and the Executive Director are held by different individuals, and the division of their responsibilities is clearly stipulated in the Board Charter, which is made available on the Company's corporate website at www.techna-x.com. This is to ensure a balance of power and authority, and maintain an effective segregation of duties.

(iii) The Board is helmed by the Executive Chairman, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar who strives to instill good corporate governance practices, demonstrates strong leadership and oversees the effectiveness of the Board. The management of the Group's business and implementation of policies and day-to-day running of the business operations are delegated to the Executive Directors. The Independent Non-Executive Directors provide unbiased and independent views to safeguard the interests of shareholders.

The Executive Directors are responsible for managing the financial and operational matters in accordance with the strategic direction established by the Board. They are also responsible for communicating matters relating to the Group's business affairs and issues to the Board. Their vast experience, business knowledge, and skills contributed significantly toward the realisation of the Group's goals and objectives.

(iv) The Chairman of the Board, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, is not a member of the Company's Board Committees.

(v) The Board is supported by qualified and competent Company Secretaries in carrying out their roles and responsibilities. The Company Secretaries play an advisory role in ensuring adherence to the Company's Constitution, Board policies and procedures, and compliance with the relevant regulatory requirements, code of guidance, and legislation.

(vi) The Company Secretaries attend and ensure that all Board, Board Committees, and shareholders' meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the registered office of the Company.

The Directors stood guided by the Company Secretaries on their responsibilities, duties, and conducts, as prescribed under the Companies Act 2016, and how these affairs are expected to be discharged. In addition, all Board members of the Group have unrestricted access to procure the advice and services of the Company Secretaries, as and when required. The Company Secretaries will also work with the Chairman of the Board as and when required to ensure the effective and efficient functioning of the Board.

(vii) In addition to the mandatory quarterly Board meetings, the Board has also convened formal meeting(s) as and when required to deliberate on important/material issues which require its attention. All Directors are provided with an agenda, and the relevant board papers are issued at least 7 days from the date of the scheduled Board Meetings either by hand, courier service, and/or electronic mails, where specifically requested, to ensure that the Directors have sufficient time to assess and consider the issues to be deliberated and to obtain further explanations beforehand, where necessary.

In addition, there is a schedule of matters reserved specifically for the Board's decision, should there be any requirement for approval of corporate policies and procedures, Group operational plan and budget, acquisitions, and disposals of undertakings and assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures, and authority limits.

In exercising their duties, the Directors have access to all information within the Company, the advice and services of the Company Secretaries and are updated on new statutory regulations or requirements concerning their duties and responsibilities. They may also obtain independent professional advice from the External Auditors, Internal Auditors and/or any other professional parties at the Company's expense in furtherance of their duties.

Upon conclusion of the meetings, the minutes of the Board/Board Committees' meetings accurately reflect the deliberations and decisions of the Board, including the abstention of the Director from voting or deliberating on a particular matter would be circulated to the Board and Board Committees in a timely manner for review before they are confirmed and adopted by the members of the Board/Board Committees at their respective meetings.

2.0 There is demarcation of responsibilities between the Board, Board committees and management. There is clarity in the authority of the Board, its committees and individual directors.

The Board has adopted a Board Charter that clearly defines the Board's and Board Committees' roles and responsibilities, composition, authority, matters reserved for the Board and processes related to key governance activities.

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is available on the Company's corporate website at www.techna-x.com.

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board, management, employees and other stakeholders are clear on what is considered acceptable behavior and practice in the Company.

(i) The Company has established a Code of Ethics and Business Conduct that is applicable to all Directors, Management, and employees of the Group, which sets forth the ethical and professional standards of corporate and individual behavior expected to enhance the standard of corporate governance and corporate behavior.

The Code of Ethics and Business Conduct is available on the Company's corporate website at www.techna-x.com.

(ii) The Group has established a Whistleblowing Policy to provide an avenue for the employees of the Group and members of the public to disclose any improper conduct or criminal offences.

As at the date of this Statement, the Group has not received any reports or concerns via the communication and feedback channels stipulated in the Whistleblowing Policy.

The Whistleblowing Policy is available on the Company's corporate website at www.techna-x.com.

(iii) In line with the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), the Company has adopted an Anti-Bribery and Anti-Corruption Policy to prevent corruption and bribery practices within the Group.

The Anti-Bribery and Anti-Corruption Policy is available on the Company's corporate website at www.techna-x.com.

4.0 The Company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

(i) The Company recognises that sustainability is pertinent for creating long-term value for its business as well as its commitment as a responsible corporate citizen. The Board takes into account the sustainability considerations when overseeing the Group's planning, performance and long-term strategy. The Company is committed to adopting and applying responsible practices from environmental, social and governance ("**ESG**") perspective, to minimise the risk and to enhance the long-term development impact of its corporate activities. The ESG priorities are affirmed by the Board and cascaded down to the Senior Management to develop strategic plans to realise the ESG goals and objectives.

(ii) The Group engages with its internal and external stakeholders through various channels to better understand their needs and expectations. Any shortcomings in terms of resources, i.e. human capital, financial, skillset, experiences and etc., as the case may be, experienced by any of the Group's business units are highlighted to the Board for appropriate resolution. Similarly, any external factors, i.e. governmental policies or regulations, environmental concerns and etc. that may affect any projects undertaken, existing or prospective, by the relevant business units within the Group will be carefully evaluated and resolved in an appropriate manner.

The details of the stakeholders' engagement are set out in the Sustainability Statement of this Annual Report.

(iii) The Group has in place an ongoing process for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of business objectives throughout the year. The Board appraises and provides their views and opinions on any of the Group's sustainability issues during the Board meetings.

In addition, the Board members will keep themselves appraised with contemporaneous and relevant sustainability developments including climate-related risks and opportunities by way of formal training including webinars, structured reading and discussions.

(iv) The Board had included sustainability as one of the criteria in the annual performance evaluations of the Directors. Based on annual performance carried out, the Board has performed their respective roles in addressing the Group's material sustainability risks and opportunities.

Board Composition

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.

(i) The Board currently consists of 7 Directors, comprising 1 Executive Chairman, 2 Executive Directors and 4 Independent Non- Executive Directors. Premised on the above, the Board composition complies with Paragraph 15.02 of the Main LR of Bursa Malaysia Securities, which requires at least 2 Directors or 1/3 of the Board, whichever is higher, to be independent as well as having at least 1 women Director in the Board, and Practice 5.2 of the MCCG to have at least half of the Board comprises Independent Directors. The Independent Non- Executive Directors provide unbiased and independent views to safeguard the interests of other minority shareholders/stakeholders.

The profiles of the Directors are set out in the Profile of Directors in this Annual Report.

During the FY2024, the NC has reviewed the present composition of the Board and the Board Committees and was satisfied that the current size and composition of the Board are adequate and they have adequately carried out their functions within their scope of work.

(ii) The Board takes cognizance that Practice 5.3 of the MCCG recommends that the tenure of an Independent Director should not exceed a cumulative term of 9 years. Upon completion of the 9 years, an Independent Director may continue to serve on the Board as a Non-Independent Director. In the event such a Director is to be retained as an Independent Director beyond 9 years and up to 12 years, the Board must provide justification and seek annual shareholders' approval through a two-tier voting process.

Based on the assessment carried out during the FY2024, the NC and the Board were satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the Company's best interests.

As of the date of this Statement, none of the Company's Independent Non-Executive Directors has served more than 9 years on the Board.

(iii) The Board has a formal and transparent selection process to appoint the Board members and Senior Management. The NC will consider and evaluate the candidates' skills, knowledge, expertise, experience, age, gender, professionalism, integrity, competencies, commitment, contribution and performance ("**the Criteria**"). Women candidates shall be sought as part of its recruitment exercise to promote gender, ethnicity, and age group diversity within the Group.

For the position of Independent Non-Executive Directors, the NC will evaluate the candidates' ability to discharge such responsibilities/functions as expected of a person assuming such a position.

The NC will not limit themselves by solely rely on the recommendations from the existing Board members, Management or major shareholders, but also will utilise independent sources to identify suitably qualified candidates.

Upon identifying and evaluating the prospective candidate(s) from the abovementioned sources, the NC will recommend the appointment of the candidates for the consideration and approval of the Board. The Company Secretaries will ensure all appointments are properly made and that all relevant legal and regulatory requirements in regard to the said appointments are satisfactorily complied with.

During the FY2024, the NC has evaluated and satisfied that Mr. Chin How Nyian have fulfilled the Criteria and fit and proper criteria as set out in the Directors' Fit and Proper Policy, and recommended their proposed appointments as the Alternate Director to Datuk Jared Lim Chih Li @ Lin ZhiLi respectively to the Board. The Board has subsequently approved his appointment to take effect on 28 February 2023 respectively.

Subsequent to the FY2024, the NC has made their recommendations to the Board for the appointment of Mr Yen Soon Jin as Executive Director, Mr. Sakthi Kumar A/L Ramadas, Dato' Linda Geh Guat Yeow and Y.A.M. Tengku Shahrain Shah Bin Tengku Sulaiman Shah as Independent Non-Executive Directors, upon assessed and reviewed their profiles, the Criteria and the fit and proper criteria as set out in the Directors' Fit and Proper Policy. Subsequently, Mr Yen Soon Jin and Mr. Sakthi Kumar A/L Ramadas were appointed as Executive Director and Independent Non-Executive Director, respectively on 1 July 2024. Dato' Linda Geh Guat Yeow and Y.A.M. Tengku Shahrain Shah Bin Tengku Sulaiman Shah were appointed on 18 July 2024 as Independent Non-Executive Directors.

The identifications of the aforesaid candidates have been facilitated through recommendations from the Management as they would have better understanding on the required background, qualification, skills and experience of candidates, prior to the assessment to be conducted by the NC. Although the NC and the Board did not utilize independent sources with regards to the appointments, the Board's decisions were still made objectively in the best interests of the Company taking into account the diverse skills, expertise, experience and perspectives of the current Board members. Notwithstanding the above, the Board will consider utilizing independent sources to identify suitably qualified candidate(s) when the need arises in future.

In accordance with the Company's Constitution, 1/3 of the Directors for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 of the Directors shall retire from office and be eligible for re-election provided that all Directors including the Managing Director shall retire from office at least once every 3 years but shall be eligible for re-election. Newly appointed Director(s) shall hold office only until the next Annual General Meeting ("**AGM**") and be eligible for re-election.

The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information for those Directors standing for re-election is furnished in the Annual Report accompanying the Notice of AGM.

At the upcoming AGM, the following Directors are due to retire pursuant to the Company's Constitution, and being eligible, have offered themselves for re-election:-

(i) Mr. Fan Kah Seong (Clause 118)
(ii) Mr. Yen Soon Jin (Clause 117)
(iii) Mr. Sakthi Kumar A/L Ramadas (Clause 117)
(iv) YAM Tengku Shahrain Shah Bin Tengku Sulaiman Shah (Clause 117)
(v) Dato' Geh Guat Yeow (Clause 117)

The NC has reviewed and assessed the abovementioned Directors from the annual assessment and evaluation of the Board for the FY2024 and fit and proper assessment. The Board via the NC's annual assessment and fit and proper assessment was satisfied with their performance and had recommended to the shareholders the proposed re-elections.

The profiles of the abovementioned Directors are set out in this Annual Report.

(iii) The NC is currently chaired by Mr. Sakthi Kumar A/L Ramadas, an Independent Non-Executive Director of the Company.

(iv) The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of the MCCG on the establishment of a gender diversity policy. With the appointment of Dato' Linda Geh Guat Yeow as an Independent Non-Executive Director on 18 July 2024, the Board has a representation of a female Director, representing 14.29% women participation at the Board level, thus complies with Paragraph 15.02(1)(b) of the Main LR of Bursa Malaysia Securities. However, it remains departure under Practice 5.9 of the MCCG, which requires the Board to comprise at least 30% women directors.

The Company has adopted a Gender-Ethnicity-Age Diversity Policy that is applicable to all positions within the Group. The Gender-Ethnicity-Age Diversity Policy is to ensure that equal rights, regardless of the gender, ethnicity or age of the candidates (from its stable of blue collar workers to middle management level personnel, senior management and right through to the Board) are accorded when it comes to hiring, employment, promotion, job placement and etc within the Group. The said policy is published on the Company's corporate website at www.techna-x.com.

As of the date of this Statement, the diversity of the Board and Senior Management is as follows:-

Board

	Male	Female
Age Group		
31-40	1	-
41-50	1	-
51-60	4	1
61-70	-	-
71-80	1	-

Ethnicity		
Malay	2	-
India	1	-
Chinese	4	1
Nationality		
Malaysian	7	1
Foreigner	-	-

Senior Management

	Male	Female
Age Group		
41-50	2	-
51-60	1	-
61-70	-	-
Ethnicity		
Malay	-	-
Chinese	3	-
Nationality		
Malaysian	3	-
Foreigner	-	-

The Directors holding office during the FY2024 have ensured their time commitment to discharge their duties effectively, as they do not hold more than 5 directorships in public listed companies pursuant to Paragraph 15.06 of the Main LR of Bursa Malaysia Securities, detailed as below:-

Name	No. of directorship in public listed companies
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	3
Datuk Lim Chih Li @ Lin ZhiLi	1
Chin How Nyian *(alternate director to Datuk Lim Chih Li @ Lin ZhiLi)*	1
Yen Soon Jin	2
Sakthi Kumar A/L Ramadas	1
Fan Kah Seong	1
Dato' Linda Geh Guat Yeow	1
Y.A.M. Tengku Shahrain Shah Bin Tengku Sulaiman Shah	2

While there is no restriction on directorships in non-listed companies, the Directors are aware that they should avoid over-commitment in multiple directorships, which may affect their performance in carrying out their roles as Directors of the Company.

The annual calendar of at least 5 Board meetings is tentatively scheduled each year for the Directors' benefit to enable them to pre-plan their respective schedules. However, the exact date(s) of the said meetings will be confirmed at least 1 month prior to the convening of the respective meeting(s), and the notice(s) of the meeting to the Directors will be despatched to the respective Directors at least 7 days prior to the convening of the said meeting(s).

In addition to the abovementioned 5 Board meetings, additional Board meeting(s) will be convened as and when necessary to deliberate on matters of importance that have not been deliberated or concluded in the earlier Board meeting(s).

Besides Board meetings, the Board is also made availed to the avenue of deliberating matters that require the Board's approval through Directors' Resolution(s) in Writing, which are supported with all the relevant information and explanations required for an informed decision to be made. In accordance with Clause 169 of the Company's Constitution, a signed and approved resolution in writing by a majority of the Directors for the time being entitled to receive notice of a meeting of the Directors shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

During the FY2024, a total of 9 Board meetings were held. The attendance record of each of the Directors is as follows: -

Board	Position	Date of Board Meeting										
		28 Feb 2023	30 % 2023	12 Apr 2023	25 Apr 2023	30 May 2023	29 Aug 2023	29 Nov 2023	28 Feb 2024	29 May 2024	Total	%
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Executive Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9	100%
Datuk Lim Chih Li @ Lin ZhiLi	Executive Director	✓	✓	X	✓	✓	X	✓	✓	✓	7/9	78%
Ahmad Rizan Bin Ibrahim (retired w.e.f. 1 Apr 2024)	Executive Director	✓	✓	✓	✓	✓	✓	✓	X	N/A	7/8	88%
Yen Soon Jin (appointed w.e.f. 1 July 2024)	Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fan Kah Seong	Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9	100%
Balraj Singh Pannu A/L Gajjan Singh (retired w.e.f. 9 Jul 2024)	Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9	100%
Aidawati Binti Dahari (retired w.e.f. 9 Jul 2024)	Independent Non-Executive Director	N/A	✓	✓	✓	✓	X	✓	✓	✓	7/8	88%
Sakthi Kumar A/L Ramadas (appointed w.e.f. 1 July 2024)	Independent Non-Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dato' Linda Geh Guat Yeow (appointed w.e.f. 18 July 2024)	Independent Non-Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Y.A.M. Tengku Shahrain Shah Bin Tengku Sulaiman Shah (appointed w.e.f. 18 July 2024)	Independent Non-Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

In addition, all the Directors will continue to attend various training programmes to enhance their professionalism in discharging *their* duties.

During the FY2024, the Directors have attended the following seminars, conferences and programmes:-

Name of Directors	Programmes/Seminar
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Corporate Comm Connect ESG Webinar - Sustainability Reporting Requirements Mergers & Acquisitions Conference 2023 Management of Cyber Risk Programme Recent Development with the LR, including COI Amendments
Yen Soon Jin (appointed w.e.f. 1 July 2024)	Mandatory Accreditation Programme (MAP)
Fan Kah Seong	Workshop at SC office - SC's solutioning workshop for MSME Financing access to Capital Market In-house seminars (AE Research Management) - AMLA regulations update, ESG Investing, Parkinson Law applications in financial In-house seminars for Royal Institute of Surveyors - Status of E Invoice in Malaysia and the implementation process. As the speaker for this event Webinar - IRB dialogue with Samenta members on E invoice implemetatrion . Organised by IRB Self-study - Book titled 'Principles' by Ray Dalio In-house seminar (AE Research Management) - Seminar on Global Outlook and De-dollarisation External seminar (online) - Essentials of Sustainability and ESG Watch a live event from Amcham Singapore - America through the eye of Kishore Mahbubani National Tax Conference 2024 - Tax Conference Tax Budget seminar 2025 organized by SPK - Tax Conference Tax Budget seminar 2025 organized by CTIM - Tax Conference
Sakthi Kumar A/L Ramadas (appointed w.e.f. 1 July 2024)	Mandatory Accreditation Programme (MAP)
Dato' Linda Geh Guat Yeow (appointed w.e.f. 18 July 2024)	Mandatory Accreditation Programme (MAP)

6.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors.

As of the date of this Statement, the NC comprises 3 members, all of whom are Independent Non-Executive Directors, and the composition of the NC is as follows:-

Chairman : **Balraj Singh Pannu A/L Gajjan Singh** *(Independent Non-Executive Director)*
(retired w.e.f. 31 May 2022)
Sakthi Kumar A/L Ramadas *(Independent Non-Executive Director)*
(appointed w.e.f. 18 July 2024)

Members : **Fan Kah Seong** *(Independent Non-Executive Director)*
: **Aidawati Binti Dahari** *(Independent Non-Executive Director)*
(retired w.e.f. 9 July 2022)
: **Dato' Linda Geh Guat Yeow** *(Independent Non-Executive Director)*
(appointed w.e.f. 18 July 2024)

The NC's duties and responsibilities are guided by its Terms of Reference and is available on the Company's corporate website at www.techna-x.com.

The NC shall meet at least once a year. 1 NC meeting was held during the FY2024.

The summary of the NC's activities for FY2024 are as follows:-

(1) Reviewed the evaluation forms for annual assessment and recommended the same to the Board for approval and adoption;

(2) Evaluated the contribution and performance of each individual Director;
(3) Reviewed the effectiveness of the Board and Board Committees;
(4) Reviewed the terms of office and performance of the ARMC and each of its members;
(5) Assessed the independence of the Independent Directors, with each Director abstaining from deliberation on their own assessment;
(6) Recommended the re-election of Directors who are due to retire pursuant to the Company's Constitution and to be put forward for re-election;
(7) Reviewed and confirmed the minutes of the NC meeting; and
(8) Reviewed the appointment of the proposed candidate(s) and reconstitution of the Board Committees, and recommended to the Board for consideration and approval.

The Board, through the NC, has conducted the following annual assessments to evaluate the effectiveness of the Board and the Board Committees, as well as the performance of each individual Director for the FY2024. The criteria for the evaluations are guided by the Corporate Governance Guide (4th Edition): -

(i) Directors' self and peer performance evaluation;
(ii) Board and Board Committee evaluation;
(iii) ARMC members' self and peer evaluation;
(iv) ARMC evaluation; and
(v) Assessment of Independent Directors.

The results are tabulated and presented to the NC for review and recommendation to the Board for notation.

Based on the assessment carried out, the NC concluded the following:-

- The Board's current size and composition are appropriate and well-balanced with the right mix of skills. The Board composition comprises individuals with the necessary skills, qualifications and experiences to enable the Board to discharge its duties and responsibilities effectively.

- All the Directors have discharged their duties and responsibilities according to the Board Charter and respective Terms of Reference of the Board Committees.

Remuneration

7.0 The level and composition of remuneration of Directors and Senior Management take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives. Remuneration policies and decisions are made through a transparent and independent process.

(i) Remuneration Committee

As of the date of this Statement, the RC comprises 3 members, all of whom are Independent Non-Executive Directors, and the composition of the RC is as follows:-

Chairman	:	**Balraj Singh Pannu A/L Gajjan Singh** *(Independent Non-Executive Director)* *(retired w.e.f. 31 May 2022)*
		Sakthi Kumar A/L Ramadas *(Independent Non-Executive Director)* *(appointed w.e.f. 1 July 2024)*
Members	:	**Fan Kah Seong** *(Independent Non-Executive Director)*
	:	**Aidawati Binti Dahari** *(Independent Non-Executive Director)* *(retired w.e.f. 9 July 2022)*
	:	**Dato' Linda Geh Guat Yeow** *(Independent Non-Executive Director)* *(appointed w.e.f. 9 July 2024)*

The RC shall meet at least once a year. 1 RC meeting was held during the FY2024.

The summary of the RC's activities for FY2024 are as follows:-

(i) Reviewed the Directors' fees for the financial period ended 30 June 2024 and recommended the same to the Board for consideration;
(ii) Reviewed the Directors' remuneration (excluding Directors' fees) from 9 December 2024 until the next AGM of the Company and recommended the same to the Board for consideration;
(iii) Reviewed and confirmed the minutes of the RC meeting;
(iv) Reviewed the proposed Directors' fees payable to the proposed new Director(s) and recommended the same to the Board for consideration; and

(v) Reviewed the remuneration package of the Managing Director and Executive Directors of the Company for year 2024 and recommended the same to the Board for consideration and approval.

The Terms of Reference of RC and is available on the Company's corporate website at www.techna-x.com.

(ii) Remuneration Policy

The Company does not have a remuneration policy for the Directors and Senior Management for the time being. However, the Terms of Reference of RC has stipulated that the remuneration packages of the Executive Directors, Non-Executive Directors and Senior Management were taken into account the demands, complexities, and performance of the Company as well as the skills and experience required. For Executive Directors, the remuneration package is commensurated with skills and responsibility expected of the Director concerned and sufficient to attract and retain Directors needed to run the Company successfully. For Non-Executive Directors, the remuneration package reflects the experience, time demanded of the Directors to discharge their duties and responsibilities undertaken. For Senior Management, the remuneration package commensurates with the individual's performance, skills, experience, level of responsibility, and market benchmarks.

The RC determines and advises the Board on the broad policy for the remuneration of the Company's Executive Chairman, Managing Director, Executive Directors, and Senior Management of the Company as the RC is directed to consider. The RC also determines and recommends any performance-related pay schemes for Executive Directors to the Board.

8.0 Stakeholders are able to assess whether the remuneration of Directors and Senior Management commensurates with their individual performance, taking into consideration the Company's performance.

(i) Directors' Remuneration

The remuneration of the Directors of the Company and the Group for the FY2024 (18 months) is set out below:-

A. Aggregate Remuneration

	The Company		**The Group**	
	Executive Directors	**Non-executive Directors**	**Executive Directors**	**Non-executive Directors**
Salary	60,000	-	60,000	-
Fees	50,000	130,000	50,000	130,000
Allowances	-	27,150	-	27,150
Other emoluments	7,779	-	7,779	-
Total	117,779	157,150	117,779	157,150

B. Individual Director's Remuneration

The Company

Board	Directorate	Company(000')						
		Fee	Allowance	Salary	Bonus	Benefit in Kind	Other emoluments	Total
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Executive Director	-	-	-	-	-	-	-
Datuk Lim Chih Li @ Lin ZhiLi	Executive Director	-	-	-	-	-	-	-
Ahmad Rizan Bin Ibrahim (retired w.e.f. 1 Apr 2024)	Executive Director	50	-	60	-	-	7.779	117.779
Yen Soon Jin (appointed w.e.f. 1 July 2024)	Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Fan Kah Seong	Independent Non-Executive Director	45	9.75	-	-	-	-	54.75
Balraj Singh Pannu A/L Gajjan Singh (retired w.e.f. 9 Jul 2024)	Independent Non-Executive Director	45	9.75	-	-	-	-	54.75
Aidawati Binti Dahari (retired w.e.f. 9 Jul 2024)	Independent Non-Executive Director	40	7.65	-	-	-	-	47.65
Sakthi Kumar A/L Ramadas (appointed w.e.f. 1 July 2024)	Independent Non-Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dato' Linda Geh Guat Yeow (appointed w.e.f. 18 July 2024)	Independent Non-Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Y.A.M. Tengku Shahrain Shah Bin Tengku Sulaiman Shah (appointed w.e.f. 18 July 2024)	Independent Non-Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The Group

Board	Directorate	Group(000')						
		Fee	Allowance	Salary	Bonus	Benefit in Kind	Other emoluments	Total
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Executive Director	-	-	-	-	-	-	-
Datuk Lim Chih Li @ Lin ZhiLi	Executive Director	-	-	-	-	-	-	-
Ahmad Rizan Bin Ibrahim (retired w.e.f. 1 Apr 2024)	Executive Director	50	-	60	-	-	7.779	117.779
Yen Soon Jin (appointed w.e.f. 1 July 2024)	Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fan Kah Seong	Independent Non-Executive Director	45	9.75	-	-	-	-	54.75
Balraj Singh Pannu A/L Gajjan Singh (retired w.e.f. 9 Jul 2024)	Independent Non-Executive Director	45	9.75	-	-	-	-	54.75
Aidawati Binti Dahari (retired w.e.f. 9 Jul 2024)	Independent Non-Executive Director	40	7.65	-	-	-	-	47.65
Sakthi Kumar A/L Ramadas (appointed w.e.f. 1 July 2024)	Independent Non-Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dato' Linda Geh Guat Yeow (appointed w.e.f. 18 July 2024)	Independent Non-Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Y.A.M. Tengku Shahrain Shah Bin Tengku Sulaiman Shah (appointed w.e.f. 18 July 2024)	Independent Non-Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(i) Senior Management (by Band)

The aggregate remuneration of the Senior Management members during the FY2024 (18 months) is as follows:-

Management	Position	Company(000')					
		Salary	Allowance	Bonus	Benefit in Kind	Other emoluments	Total
Lee Yew Jin	Head of Technology-driven Food and Beverage Division	450-500	-	-	-	-	450-500
Vince Ng Chee Seng	Head of IoT and SmartCity Enablement Division	-	-	-	-	-	-
Quek Chin Thor	Group Financial Controller	200-250	-	-	-	-	200-250

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

ARMC

9.0 There is an effective and independent ARMC. The Board is able to objectively review the ARMC's findings and recommendations. The Company's financial statement is a reliable source of information.

(i) The ARMC is chaired by Mr. Fan Kah Seong, who is a separate person from the Chairman of the Board, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar.

The ARMC of the Company comprises solely of Independent Non-Executive Directors and the composition of the ARMC is set out in the ARMC Report of this Annual Report.

(ii) The Terms of Reference of ARMC has indicated that a former partner of the external audit firm of the Group shall observe a cooling-off period of at least 3 years before he/she can be appointed as an ARMC member.

(iii) Based on the outcome of the performance assessment on the ARMC by the NC, the NC and Board were satisfied with the performance of the ARMC and regard the ARMC members collectively possess the accounting and related financial management expertise and experience required for the ARMC to discharge its duties and responsibilities, and assist the Board in its oversight over the financial reporting process.

The ARMC members received ongoing training and development as disclosed in Paragraph 5.0 in this Statement.

(iv) The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly announcements of financial results. The Board is assisted by the ARMC to oversee the Group's financial reporting processes and the quality of its financial reporting.

(v) The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and cash flows for the financial year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016, and the Main LR of Bursa Malaysia Securities have been applied or complied with, as the case may be.

In preparing the financial statements, the Directors have selected and applied consistently appropriate accounting policies and made reasonable and prudent judgments and estimates where applicable.

The Directors also have a general responsibility for taking steps reasonably available to them to safeguard the Group's assets and prevent and detect fraud and other irregularities.

The Board is satisfied that it has met its obligation to present a balanced and comprehensive assessment of the Group's financial position and business prospects in the Directors' Report and the Financial Statements of this Annual Report.

(vi) The ARMC assesses the suitability, objectivity and independence of the External Auditors on an annual basis. The assessment areas include, amongst others, the External Auditors' objectivity and independence, audit fees, size and competency of the audit team, audit strategy, audit reporting, and the relevant partner's involvement. The inputs and feedback from the Management who engages directly with the external audit team throughout the financial year would also be referred to by the ARMC in its consideration of the suitability of the External Auditors.

The External Auditors, in supporting their independence, will provide the ARMC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. Accordingly, the External Auditors have provided such declaration in their annual audit planning memorandum presented to the ARMC of the Company during the financial year.

The ARMC and the Board are satisfied with the performance, competency, and independence of the External Auditors, and the Board has accordingly recommended the re-appointment of Messrs. HLB Ler Lum Chew PLT as the Company's External Auditors for shareholders' approval at the forthcoming AGM.

The key features underlying the relationship of the ARMC with the External Auditors are included in the Summary of Works of the ARMC as detailed in the ARMC Report of this Annual Report.

Risk Management and Internal Control Framework

10.0 The Company make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

(i) The Board continues to review and evaluate the effectiveness of the Group's systems of risk management and internal control to safeguard the shareholders' investment and the Group's assets. These controls provide reasonable but not absolute assurance against material misstatement, loss, or fraud.

(ii) The Company has in place an ongoing process for identifying, evaluating, and managing key risks that may affect the achievement of the business objectives of the Group. Towards cultivating a sustainable risk management culture, risk management principles and practices are embedded into existing key processes across different functions within the Group.

(iii) The Board discloses the features of its risk management and internal control framework in the Statement on Risk Management and Internal Control in this Annual Report, which provides an overview of the risk management and internal control within the Group.

11.0 The Company has an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

The Group's internal audit function is outsourced to an independent professional services firm, namely Talent League Sdn. Bhd., which reports directly to the ARMC. The scopes of the internal audit include providing independent assessment on the adequacy, efficiency, and effectiveness of the Group's governance, risk management, and internal control processes.

The information on the Group's internal control is presented in the ARMC Report of this Annual Report

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

Engagement with Stakeholders

12.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

The Company recognises the importance of timely and thorough dissemination of information on all material business and corporate developments to shareholders, investors and other stakeholders.

The Company keeps shareholders informed by ways of announcements, timely release of quarterly financial results through Bursa Malaysia Securities, press releases, annual reports and circulars to shareholders, should it be necessary.

Apart from that, the Company actively updates its website at www.techna-x.com with the latest information on the corporate and business aspects of the Group. Announcements made to Bursa Malaysia Securities, financial information, share prices, and analysts' reports are also made available on the corporate website and this helps to promote accessibility of information to the Company's shareholders and all other market participants. Communication and feedback from investors can also be directed to the Company's Investor Relations at:-

Telephone no. : 03-2715 8688

Email : info@techna-x.com

The Board ensures that the disclosure of material information pertaining to the Group's performance and operations to the public is in accordance with the disclosure requirements under the Main LR of Bursa Malaysia Securities and/or other applicable laws and regulations. The confidential information is restricted to the Top Management only. The authorised spokesperson i.e. the Chairman of the Board and the Executive Directors and any other officers as may be authorised by the Executive Directors are responsible for making disclosures and responding to market rumours and queries if any.

The Company has established a Corporate Disclosure Policy that governs the dissemination of corporate information, the Corporate Disclosure Committee has been established to oversee all matters relating to the Company's corporate disclosure practices and to ensure adherence to the Corporate Disclosure Policy. A copy of the Corporate Disclosure Policy is available on the Company's corporate website at www.techna-x.com.

Conduct of General Meetings

13.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings.

(i) The AGM is the principal forum for dialogue and interaction with all shareholders where they may seek clarifications on any issues pertaining to the Group and to have a better understanding of the Group's activities and performance.

(ii) The Seventeen AGM notice and Annual Report for the financial year ended 31 December 2022 are despatched to the shareholders at least 28 days before the AGM.

(iii) In order to ensure effective participation and engagement, the Board encouraged the shareholders to participate in the question-and-answer session in the Company's Seventeen AGM, whereby the Directors, Chair of the ARMC and RC, Management, and External Auditors in attendance will respond to the shareholders' queries. Mr. Fan Kah Seong (Independent Non-Executive Director) who also the Chair of the ARMC were absent at the Seventeen AGM due to other commitments.

(iv) All resolutions set out in the notice of general meetings will be carried out by poll voting. An independent scrutineer is also appointed to scrutinise the polling process. The Board will make an announcement of the detailed results showing the number of votes cast for and against each resolution at general meetings for the shareholders' information.

(v) Although the Board recognises the importance of leveraging on technology to facilitate remote shareholders' participation and voting on all resolutions via remote participation and voting facilities, but after due considerations, the Company has conducted its Seventeen AGM via physical mode on 30 May 2023. The shareholders and proxies were provided with sufficient opportunity to pose questions during the AGM. There were no questions posed during the Seventeen AGM held on 30 May 2023, but adequate responses were given to the questions from the Minority Shareholders Watch Group during the Seventeenth AGM.

(vi) The minutes of the Seventeenth AGM has been made available to the shareholders at the Company's corporate website at www.techna-x.com within 30 business days from the date of Seventeenth AGM.

Key Focus Areas and Future Priorities

The Board endeavours to comply with the regulatory requirements under the Main LR, MCCG and applicable rules and regulations, and in steering the Group's vision as a frontrunner in leading the way in the digital technology solutions space.

The Board's processes, proceedings, and governance structure are constantly assessed and benchmarked to remain competitive, refreshed, and agile, focusing on strategy, governance, and compliance.

The key focus areas in the financial year ending 30 June 2025 include intensifying efforts to enhance the Board's composition, dynamics, and succession planning of the Board members and Management. The Board will continue to emphasise anti-bribery, anti-corruption, integrity pledges, and communication of the Code of Ethics and Business Conduct to the Directors, employees, and third parties. Further, during the new normal to continue fostering positive interaction between the Board and Management at all levels while supporting growth and innovative mindset, it is envisaged that there will be more virtual engagements with the Management, interactive workshops, encompassing areas such as operations, risk management, cybersecurity and anti-bribery and corruption. The Board is committed to providing oversight and working together with the Management beyond internal Board and Management interactions, but also considering the Group's strategy and value creation (for wider stakeholders) and strategic opportunities. As an ongoing effort for the next few financial years, the Board will continue to benchmark itself against other comparable international digital and technology companies.

Overall, the Board is satisfied that the Group has maintained high standards of corporate governance and strives to achieve the highest level of integrity and ethical standards in its day-to-day operations as well as business dealings.

Moving forward, the Board will continue to operationalise and improve the Company's corporate governance practices and instill a risk and governance awareness culture and mindset throughout the organisation in the best interests of all stakeholders.

This Statement and the Corporate Governance Report were approved by the resolution passed at the Board meeting held on 29 October 2024.

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"):-

1. Utilisation of Proceeds Raised from Corporate Proposals

Proposed Debt Settlement

On 25 April 2024, Techna-X Berhad had completed settlement of an aggregate amount of RM33,834,500 debt owing to creditors by Techna-X Berhad via the issuance of 2,487,830,882 new ordinary shares in Techna-X Berhad at an issue price of RM0.0136 per share.

Techna-X Berhad had obtain approval from its shareholders via the Extraordinary General Meeting ("EGM") dated 8 February 2024. The Settlement Share(s) were issued as settlement of the amount owing to creditors. As such there are no gross proceeds raised from the Proposed Debt Settlement.

2. Audit and Non-Audit Fees

During the financial period, the amount of audit and non-audit fees paid or payable by the Company and the Group to the External Auditors and/or its affiliates are as follows:

	Company RM	Group RM
Audit fees	103,000	437,000
Non-audit fees	134,000	134,000

3. Material Contracts

The Company has on 9 June 2023 entered into a Tripartite Agreement for algae biofuel technology project. Pursuant to the Tripartite Agreement, Techna-X Aerobeidou Sdn Bhd ("TASB"), a subsidiary of TXB has committed to invest USD120 million via a bank guarantee to develop a microalgae farm ("Development"), location is yet to be determined.

The obligations of TASB under this Tripartite Agreement only arises when the bank guarantee is procured and the appropriate location for the development of the farm is identified.

Subsequently, TASB has entered into a Supplemental Agreement whereby TASB is committed to make 2% (USD 2.4million) out of the USD120.0 million bank guarantee payment to the contractor of the Development, RTA E&C Sdn Bhd ("RTA"). The 2% bank guarantee payment shall have a tenure of 3 months, during the 3 months period the 2% bank guarantee payment shall not be drawn down and/or encash without prior written consent of TASB. The purpose of the 2% bank guarantee in favor of the RTA, shall be used strictly for the procurement of financing facility up to USD120.0 million for the purpose of the construction works for the Development.

Save for the disclosed above, there is no material contracts entered into by the Company and its subsidiaries involving the interests of the directors, chief executive (who is not a director) or major shareholders, either still subsisting at the end of the financial period ended 30 June 2024 or entered into since the end of the previous financial year.

4. Recurrent Related Party Transactions of Revenue or Trading Nature

There were no recurrent related party transactions of revenue or trading nature entered into by the Company and its subsidiaries during the financial year.

5. Employees' Share Option Scheme ("ESOS")

The Company has one (1) ESOS in existence during the financial year ended 30 June 2024 which is governed by the By-Laws approved by the shareholders at the Extraordinary General Meeting held on 30 June 2021 and under the administration of the ESOS Committee.

The ESOS shall be in force for a duration of five (5) years from the effective date and extendable for a period of up to another five (5) years immediately from the expiry of the five (5) years upon the recommendation of the ESOS Committee and shall not in aggregate exceed a duration of ten (10) years from the effective date.

On 13 May 2024 in relation to the Corporate Exercises, the Share Consolidation has been completed following the listing and quotation of 235,125,043 Consolidated Shares and the adjusted number of options by multiplying the aggregate number of issued and fully paid-up shares immediately after such consolidation and dividing the aggregate number of issued and fully paid-up shares immediately before such consolidation pursuant to Clause 17.1(f)(ii) of the ESOS By-Laws.;

The information in relation to the ESOS as of 30 June 2024 is as follows:-

	All Eligible Employees including Directors	**Directors**
Options Granted	137,000,000	110,000,000
Options Exercised	3,000,000	-
Options Forfeited	9,000,000	
Options Outstanding *(before share consolidation of 20 ordinary shares into 1 ordinary shares on TXB)*	125,000,000	110,000,000
Options Outstanding *(after share consolidation of 20 ordinary shares into 1 ordinary shares on TXB)*	6,250,000	5,500,000

In accordance with the Company's By-laws, not more than seventy-five per centum (75%) of the Company's ordinary shares available under the ESOS shall be allocated, in aggregate, to the Directors and senior management of the Group. The percentage of options granted to the Directors and senior management are as follows:-

Options Granted to Directors and Senior Management	**During the financial year**	**Since commencement up to 30 June 2024**
Aggregate maximum allocation in percentage	19.42%	41.48%
Actual percentage granted	19.08%	33.31%

During the financial year under review, none of the ESOS options was granted to the Non-Executive Directors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("**Board**") of Techna-X Berhad is pleased to present its Statement on Risk Management and Internal Control ("**Statement**") which has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and Malaysian Code on Corporate Governance and is guided by the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers ("**Guidelines**").

The Statement below outlines the nature and scope of risk management and internal control of the Group's business operations for the financial period ended 30 June 2024, focusing primarily on (i) technology-driven casual dining food and beverage; and (ii) technology and digital transformation enabler. This statement does not cover the risk management and internal control system of Guangxi Aerobeidou New Energy Industry Technology Co, Ltd. (GABNEIT) Group, an associated Company incorporated in China that provides technology energy storage solution and super batteries. Control over this associated company is currently maintained through joint decision-making process.

THE BOARD'S RESPONSIBILITIES

The Board acknowledges its responsibility in maintaining the system of risk management and system of internal control as well as reviewing its adequacy, integrity, and effectiveness. In view of the inherent limitations in any internal control system, the system is designed to manage rather than eliminate the risk of failure in achieving the Group's corporate objectives. Accordingly, the system can only provide reasonable but not absolute assurance against any material misstatement or financial losses.

THE RISK MANAGEMENT PROCESS

Apart from financial controls, the Group's internal control system also covers operational and compliance controls and, most importantly, risk management. As part of the risk management process, the Board is assisted by the Audit and Risk Management Committee ("**ARMC**") in identifying, assessing, and managing the significant business risks faced by the Group throughout the financial period.

Commented [HC1]: period

The process will be regularly reviewed by the Board through the ARMC and is in accordance with the guidance as contained in the Guidelines.

THE INTERNAL CONTROL PROCESS

The other key features of the Group's internal control system include the following:

- An organisation structure with defined lines of responsibility and appropriate reporting structure including proper approval and authorisation limits for approving capital expenditure and expenses within the Group;

- Internal policies and procedures are documented and regularly reviewed, and updated from time to time through a series of manuals and guidelines for all major operations of the Group;

- Strategic planning and annual budgeting are undertaken for all the key business units, namely (i) technology and digital transformation enabler, (ii) technology-driven food and beverage, and (iii) technology energy storage solution and super batteries business segment. Senior Management closely monitors the key performance indicators and financial and operating results to identify and, where appropriate, to address significant variances;

- The Internal Auditors perform regular and systematic reviews throughout the financial year on the internal controls to assess and provide sufficient assurance on the effectiveness of the system of internal control and highlights significant risks impacting the Group with recommendations for improvement; and

- The ARMC regularly reviews reports issued by the Internal Auditors on a yearly basis as well as any reports by the External Auditors that may be presented from time to time. Premised on these reports, the ARMC shall ascertain the adequacy of the Internal Auditors' scope of work and resources.

The Group continues to take measures to enhance and strengthen the internal control environment and system of risk management.

The Group outsources its internal audit function of the technology-driven casual dining food and beverage businesses and digital transformation enabler businesses to a professional internal audit firm, namely Talent League Sdn. Bhd.

The internal audit engagement by Talent League Sdn. Bhd. is headed by an Engagement Director, namely Mr. Roy Thean, a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, and Institute of Internal Auditors Malaysia. All the personnel deployed by Talent League Sdn. Bhd. are free from any relationships or conflict of interest, which could impair their objectivity and independence during the course of work.

The internal audit function report independently to the ARMC to preserve their objectivity.

The risk-based Internal Audit scope covers auditable areas which include amongst others, (i) Human Resource Management, (ii) Project Management, (iii) Business Development, (iv) Financial Reporting, (v) Fixed Assets Management, (vi) Corporate Governance and Corporate Liability Reviews, and (vii) Risk Management Review and Business Continuity Management, all of these of which will be rolled out throughout all the Group's strategic business units in succession and in rotation.

Premised on the above, for this financial period ended 30 June 2024, the auditable areas covered by the Internal Auditors were carried out on the Group to assess the adequacy and effectiveness of the following business processes / areas:

- Corporate Governance Review
- Corporate Liability Review

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

In accordance with Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this Statement for the inclusion in the Annual Report for the financial period ended 30 June 2024 in accordance with the Audit and Assurance Practice Guide ("**AAPG**") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risk and controls or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on their review, the External Auditors have reported that nothing has come to their attention that has caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor it is factually inaccurate.

CONCLUSION

With assurance from the Executive Directors, the Board is satisfied that the Group's overall risk management and internal control system are operating adequately and effectively in all material aspects. Accordingly, no material control failure would have any material adverse effect on the financial results of the Group for the financial period ended 30 June 2024 and up to the date of issuance of the financial statements.

The Board is of the view that the systems of risk management and internal control in place throughout the Group are sufficient to safeguard the Group's interest. Moving forward, the Group endeavors to continue to enhance the existing systems of risk management and internal control, taking into consideration the changing business environment.

This Statement is made in accordance with a resolution passed at the Board of Directors' Meeting held 29 October 2024.

STATEMENT ON SUSTAINABILITY

OVERVIEW

Techna-X Berhad's ("**Techna-X**" or "**the Company**") Sustainability Statement generally seeks to examine the Company and its subsidiaries' ("**the Group**") methods to track the course and intent, to the extent possible, of industry-standard sustainability governance at all levels of the Group's business operations as well as continuing to effectively address the Group's material environmental and social topics. These encompass the Group's business operations as a commercial digital and technology service provider and its commitment to be an inclusive equal opportunity employer.

Techna-X also endeavours to continue being a responsible corporate citizen by contributing to the development of society and making a positive difference to nation-building in the market that we operate in.

Throughout the financial period ended 30 June 2024 ("FP2024"), the Group remained committed to implementing eight of the United Nations Sustainable Development Goals ("UNSDG"). The Group also maintained a workforce of approximately 270 employees, with around 43% being Malaysian citizens.

OUR APPROACH

The Group's ongoing success in sustaining its business and creating long-term value for shareholders is shaped by various internal and external factors. Each significant factor presents distinct risks and opportunities for our organization, playing a crucial role in shaping our strategic planning and execution, as it greatly impacts stakeholder evaluations and decisions. We continuously evaluate these factors to understand their effects on our business model in the short, medium, and long term.

THREE SUSTAINABILITY PILLARS

SCOPE AND BASIS OF SCOPE

This statement pertains to Techna X and its subsidiaries, detailing information related to our primary operations in investment holding. It includes data that was gathered internally over the period from 1 January 2023 to 30 June 2024.

REPORTING FRAMWORKS AND STANDARDS

This report has been prepared in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), with reference to:

- The 3rd Edition of Bursa Malaysia's Sustainability Reporting Guide
- Main Listing Requirements of Bursa Securities [Paragraph 29, Part A of Appendix 9C, supplemented by Practice Note 90]
- Global Reporting Initiative ("GRI") Standards
- United Nations Sustainable Development Goals ("**UNSDG**").

INDEPENDENT ASSURANCE

Independent assurance ensures the accuracy, impartiality, and transparency of the information provided in this report. CAS Consulting Services Sdn. Bhd. performed a limited independent assurance review of the selected sustainability indicators related to Energy Management, and Diversity, Equity, and Inclusion. For detailed information on the scope of the review and the findings, please see the independent limited assurance statement at the end of this report.

Alignment to the UNSDG

In FP2024, the Group continued to make its best effort to align its business operations and administrative policies towards the prescriptions and goals of the UNSDG.

Below are brief descriptions and highlights of efforts made by the Group in ensuring congruency towards the relevant chapters of UNSDG: -

UNSDG	UNSDG Description	Highlights and achievements
	Ensure healthy lives and promote well-being for all at all ages.	• Complied with legal requirements and safe work procedures related to prevention of influenza. • Facilities and welfare related to influenza risk control and resources were adequately provided to the employees. • Information, training, and supervision related to influenza prevention were provided and disseminated. • Provided suitable personal protective equipment to employees according to their respective work needs and complied with the latest standard operating procedures related to influenza mitigation. • Work-from-home for employees was encouraged for departments which are able to, especially non-customer-facing departments. • Prompt dissemination of information on detected influenza cases, not only interdepartmental but also other third-party organisations that are located in the same office building.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	• Provided education for sustainable development by providing continuous training to all employees to further enhance their skills. • Provided employees with continuous opportunities to improve their job-related skills for their current and future employment.
	Achieve gender equality and empower all women and girls.	• Continued to value, stimulate, and hire diverse teams, in line with being an equal opportunity employer. • Continued to maintain a zero-tolerance approach to sexual harassment and bullying by creating a safe channel for employees to report cases of ethical misconduct without being exposed or dismissed. Appropriate actions will be taken to address and mitigate these cases, should there be any. • Continued to promote fair labour recruitment practices. • Ensured female employees' full and effective participation as well as granting equal opportunities in leadership roles at all decision-making levels.

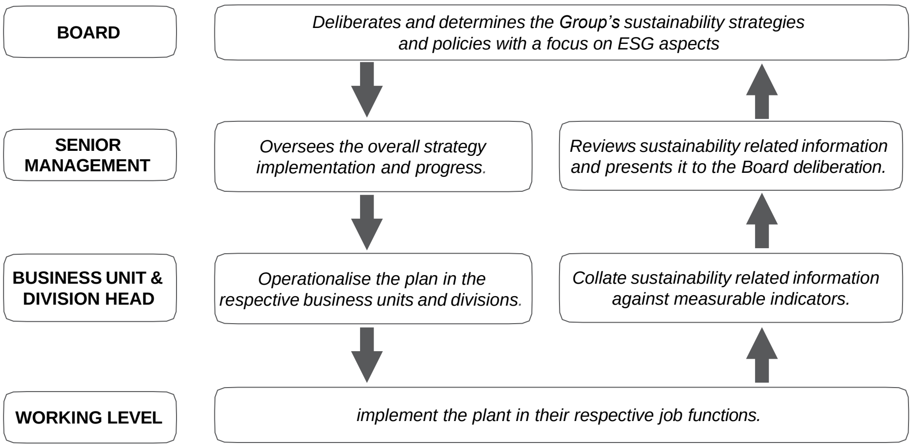
UNSDG	UNSDG Description	Highlights and achievements
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable, and modern energy for all.	• The Group believed the need to improve the access to clean and safe energy sources and technologies for the people. Thus, it has started to chart a path to promote the use of renewable and sustainable energy sources and to increase the electrification of vehicles. • Techna-X continued in its collaboration with several subject matter experts in Electric Vehicle **("EV")** via its equity participation in Electric Revolution Expert d.o.o. (E-Rex), a joint venture entity based in Zagreb, Croatia to develop a low voltage drive system **("LVDS")** for EVs. The LVDS is competitive in price and performance against vehicle powered by internal combustion energy and suitable for passenger cars and commercial vehicles up to 2.5T. Drive power of such EVs would not be less than 100kW for 3o seconds of continuous power, which translates to 100kw > 140km/h. The advantages of LVDS are: - Cheaper and more affordable components for controller, motor, and battery - Cheaper and simpler approval for LVEVs - Easier additional increase in battery capacity - Battery Management System (BMS) is cheaper, practically not needed - They system is more suitable for conversions of existing internal combustion engine vehicles - No risk of electric shock during assembly and servicing the vehicles - Simpler battery design - Cheaper Heating, Ventilation and Air Conditioning (HVAC) systems - Fewer and less costly components in the system - Cheaper and more efficient direct current (DC) converters for 12 to 24V system
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all.	• Through the Group's business model and strategies, it continued to deliver financial and non-financial values for its stakeholders. This includes growth in revenue and earnings from its digital technological businesses, elimination of losses sustained from its discontinuing business, etc. • Indirect contributions include statutory payments to the government, employees' salaries, repayment to financiers and development of local supply chains. • Continued to practice non-discrimination regarding employment. • Maintained equal remuneration, including benefits, for work of equal value. The Group believed the remuneration paid to the employees commensurate with the level of work and industry practice. • Maintained equal remuneration, including benefits, for work of equal value. The Group believed the remuneration paid to the employees commensurate with the level of work and industry practice.

UNSDG	UNSDG Description	Highlights and achievements
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	• In October 2020, Techna-X had invested in an advanced energy storage technology via the acquisition of HK Aerospace Beidou New Energy Technology Co., Limited and its group of companies. Via these companies, the development of new energy principally revolved around the use of its own patented rare metal supercapacitor which is capable of enhancing the performance of batteries in terms of higher power and energy density, higher capacitance, speedy discharging and changing capability, no overheating concerns, significantly increased batteries life cycles. These attributes can translate to a reduction of carbon emission by 50%, increased engine power and savings in fuel cost. • The Group also has its own proprietary Internet of Things ("IoT")/Artificial Intelligence ("AI") solutions for agriculture and aquaculture industry in which employment of such solutions can result in enhanced operational efficiency and reduction of wastages, thus reducing carbon emission, pollution, fuel consumption, morbidity, manual labour, and other relevant resources.
10 REDUCED INEQUALITIES	Reduce inequality within and among countries.	• Continued providing a balanced employment opportunities as an equal opportunity employer. This includes providing employment opportunities to those who have physical disabilities. • Continued to provide equal and fair remuneration to male and female employees in the Group.
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient and sustainable.	• 0ne of the key pillars of the Group is the development of technology infrastructure for Smart City via the deployment of IoT, AI, Data Analytics etc. These Smart City platforms can help communities in the entire value chain, by increasing the effectiveness and efficiency in tasks that directly affect their day-to-day life, in addition to providing a safe and sustainable living condition to the communities.

The Board of Directors of Techna-X ("**Board**") governs the sustainability of the Group and supervises the matters related to risk, audit, remuneration and corporate governance. This also includes business ethics, organisational culture, talent and manpower, health and safety, human rights as well as the environment.

The Environmental, Social and Governance ("**ESG**") priorities are affirmed by the Board and these are cascaded down to the Senior Management to develop strategic plans to realise the ESG goals and objectives.

Beyond just setting the tone from the top, the Group's sustainability governance structure also facilitates the escalation of the progress and performance of applied sustainability strategies. The findings presented by the Senior Management to the Board periodically or on a case-by-case basis should there be any, provide the basis for refinement of strategies and objectives towards ensuring continued progress.



STAKEHOLDER ENGAGEMENT

The Group believes that stakeholder engagement is integral to the development of its sustainability strategy. The engagement activities with the different stakeholder groups are conducted on an on-going basis. The Group's key stakeholders and engagement platforms are as listed below: -

Stakeholder Group	Areas of Interest	Forms of Engagement
Shareholders and investors	• Financial performance • Key corporate developments • Corporate governance	Annual General Meeting • Investor Relations • Annual/Quarterly reports • Corporate website
Customers	• Pricing • Product quality • Customer enquiries	• Social media (Facebook, Instagram) • Company careline (phone/ email) • Customer loyalty programme
Government and regulatory authorities	• Compliance • Security and safety issues • Policy matters concerning public/ safety/ environment/ anti-competition	• Inspection and audit by local authority (JAKIM) • Meetings with local authorities
Employees	• Employee well-being and safety • Career development • Value diversity and equal opportunity • Staff training • Inclusiveness	• Internal engagement channels • 0pen communication through townhall sessions • Whistleblowing policy • Skills development and training opportunities • 0perational safety and health • Employee appreciation dinners/ gatherings and awards

Stakeholder Group	Areas of Interest	Forms of Engagement
Suppliers	• Fair procurement • Transparency • Product quality and service delivery • Anti-bribery • Quality Control	• Group procurement policies • Suppliers' evaluation and periodic review • Meeting and feedback with suppliers • Anti-bribery commitment
Local communities and public	• Transparent and quality products and services • Reaching out to communities	• Community programmes • Donations, financial aids programmes to ensure affordable pricing of products • Local sourcing
Environment NGO (Climate Change)	• Energy • Climate • Carbon footprint • Plastic consumption • Waste management	• Energy saving evaluation • Renewable energy sourcing • Green energy evaluation • Plastic reduction initiative • Food waste reduction
Health Authority	• Food safety and Quality • Food hygiene	• Authority inspection • QA/QC report • Internal audits • Food safety and handling certification

MATERIAL SUSTAINABILITY MATTERS

We acknowledge that our key issues, both directly and indirectly, influence our capacity to create long-term value for our stakeholders. These important matters play a crucial role in shaping our business strategy and guide our resource allocation decisions to tackle sustainability concerns that are significant to both our stakeholders and our organization.

To ensure our evaluations remain accurate, pertinent, and representative of our operations, we regularly update them. This approach allows us to align our strategy and daily operations with business requirements, thereby promoting sustainable long-term value for our stakeholders.

This year, we conducted an internal evaluation and a limited materiality review to identify and prioritize the issues that are most relevant to our businesses and stakeholders. We performed a materiality assessment, gathering feedback from our stakeholders on key sustainability topics that could have a significant Environmental, Economic, and Social (EES) impact on our business or heavily influence stakeholder evaluations and decisions.

The materiality assessment process is detailed as below:

Review of Material Matters - We conducted cross-functional deliberation sessions and comprehensive reviews of sustainability issues.

Stakeholder Engagement - Engaged with key internal and external stakeholders to understand their needs and expectations concerning material matters.

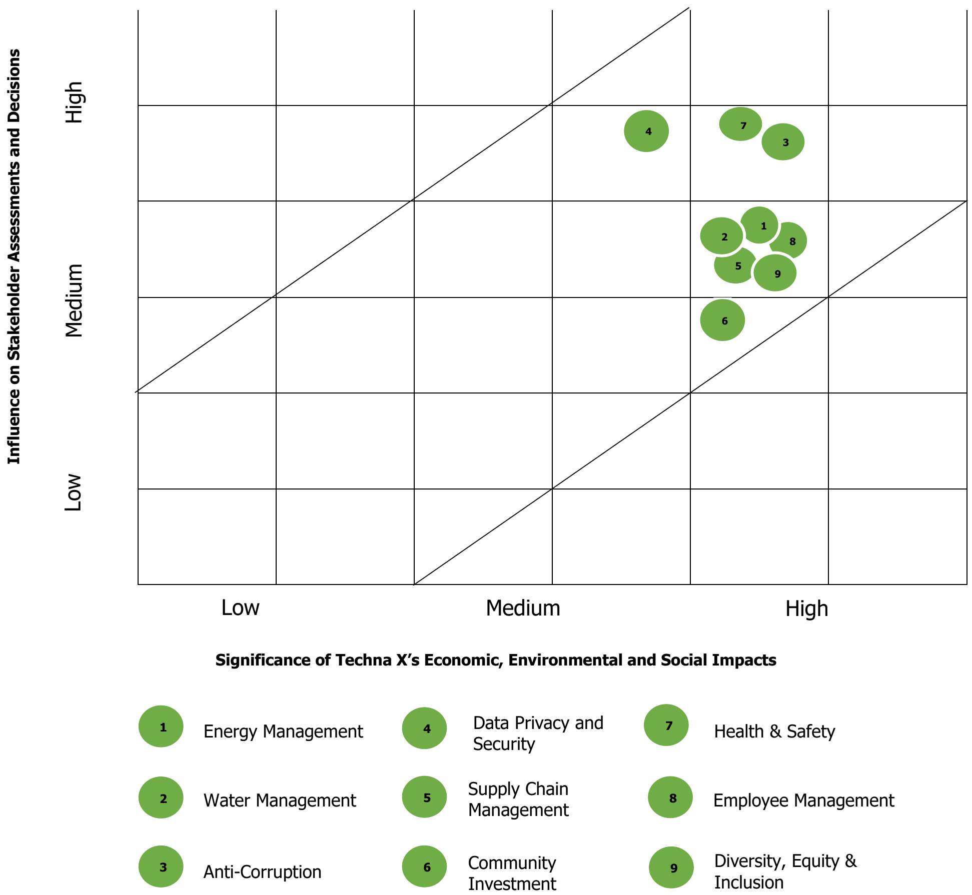
Impact Assessment - Prioritized sustainability issues from a business perspective, involving representatives from diverse business functions.

Consolidation - Compiled, analyzed, and presented consolidated results in the Materiality Matrix.

Review and Approval - Upon finalization of the materiality assessment, the results were presented to the Board of Directors for approval.

Additionally, the Board assessed and incorporated these topics into our current sustainability themes and focus areas. The Materiality Matrix serves as a strategic tool, enabling Techna X Berhad to align its sustainability efforts with overall goals, stakeholder expectations, and the wider societal and environmental landscape.

Below is the Group's Materiality Matrix:



RISK MANAGEMENT

Techna-X places a strong emphasis on risk management, recognizing its importance in achieving long-term sustainability and maintaining stakeholder trust. This focus also helps drive lasting positive outcomes.

We have established a robust system that integrates internal controls with risk management across financial, operational, and compliance areas. This holistic and ongoing approach aims not only to minimize the chances of fraud and errors but also to effectively manage, rather than eliminate, the inherent risks in meeting our strategic goals.

Material Matters	Risks	Opportunities
Economic Performance	Underperformance in financial results poses a risk to business continuity and can lead to missed investment opportunities.	Strong and sustainable financial performance attracts investors and creates long-term value for all stakeholders.
Anti- Corruption	Corruption can undermine the organization's reputation, lead to significant financial losses, and weaken its competitive position.	Robust governance measures to combat corruption enhance credibility and provide a competitive advantage.
Supply Chain Management	Relying on a limited number of suppliers or single sourcing heightens the risk of supply disruptions, quality concerns, and price volatility, making the organization susceptible to fluctuations in supplier behaviour or market conditions.	Establishing collaborative relationships with suppliers founded on trust, transparency, and mutual benefit promotes innovation, facilitates knowledge sharing, and encourages joint problem-solving. This approach ultimately enhances product quality, generates cost savings, and strengthens competitive advantage
Customer Satisfaction	Not meeting customer expectations erodes confidence and loyalty, ultimately leading to decreased revenue.	Satisfied customers cultivate loyalty and encourage repeat orders.
Employee Management	Challenges in attracting and retaining skilled employees can impede business growth and innovation, resulting in competitive disadvantages.	Engaged employees tend to be more productive, committed, and loyal, resulting in increased job satisfaction, improved retention rates, and greater organizational success.
Diversity, Equity & Inclusion	Exclusionary practices or cultures can foster feelings of alienation and disengagement among employees from underrepresented groups, ultimately impeding collaboration, innovation, and overall productivity.	Embracing diversity and equity cultivates an inclusive culture that empowers employees to share their diverse perspectives and ideas, thereby driving innovation and creativity.
Cybersecurity & Data Protection	Cyberattacks can result in unauthorized access, theft, or exposure of sensitive data, leading to financial losses, the compromise of trade secrets and proprietary information, legal liabilities, and damage to the organization's reputation.	Strong cybersecurity measures instil trust and confidence among customers, investors, and partners, thereby enhancing the organization's reputation and brand value.
Community Investment	Neglecting social issues, economic disparities, and community grievances can lead to social unrest, civil disturbances, protests, and community opposition. This may result in operational disruptions, reputational harm, and increased regulatory scrutiny.	Strategic community investment initiatives, philanthropic contributions, and social programs empower organizations to tackle social challenges, support underserved communities, and generate positive social impact. These efforts contribute to poverty alleviation, education, healthcare, and the achievement of sustainable development goals.

Material Matters	Risks	Opportunities
Climate Change	The increasing government regulations aimed at reducing greenhouse gas emissions and mitigating climate change may require corporations to make significant investments in emission reduction strategies. Failure to comply with these regulations could lead to penalties and fines. Furthermore, climate change-related disruptions, such as extreme weather events or resource shortages, can severely affect supply chains, drive up production costs, and delay product deliveries. These factors have the potential to substantially impact business operations and profitability.	Corporations that demonstrate environmental stewardship and sustainability leadership can differentiate themselves in the marketplace, enhance their brand reputation, and attract environmentally-conscious consumers and investors.
Water Management	The limited availability of water resources, driven by droughts, climate change, and overexploitation, presents operational risks, disrupts supply chains, and intensifies competition for water resources, especially in regions facing water stress.	Implementing water conservation measures, utilizing water-saving technologies, and adopting sustainable water management practices enhances water efficiency, decreases water consumption, and mitigates water-related costs and risks.
Waste Management	Failure to comply with waste management regulations, environmental laws, and health and safety standards can lead to fines, penalties, legal liabilities, and reputational harm for the organization.	Implementing initiatives for waste reduction, recycling, and proper waste disposal allows the organization to recover valuable materials, conserve natural resources, lower raw material costs, and minimize environmental impact, all while advancing the principles of a circular economy.

OUR APPROACH FOR MATERIAL MATTERS

ECONOMIC PERFORMANCE

At Techna X, our success is fundamentally tied to the creation of long-term value for our stakeholders. Financial growth enables us to drive job creation, foster entrepreneurial opportunities, enhance our contributions to government taxes, and reinforce local supply chains.

We accomplish this by maintaining a leadership position in our core markets, leveraging innovative technologies, utilizing our employees' expertise to address evolving consumer demands, and exploring opportunities for market expansion. In the fiscal year ending 2024, the Group reported total revenue of RM94,603,000, consistently delivering value to our stakeholders.

ANTI-CORRUPTION

We are dedicated to eliminating conflicts of interest, bribery, and corruption throughout all our business operations. Our commitment extends to conducting business with integrity and fostering a culture of responsibility and ethical behaviour among all employees. Techna X has implemented a zero-tolerance approach to corruption and bribery, embedded within the Group's procedures and practices.

The Anti-Bribery and Anti-Corruption Policy, as well as the Whistleblowing Policy, have been communicated to employees through internal channels. These policies are also accessible electronically on the Company's website at https://www.techna-x.com/corporate_governance.html.

Employees can report any concerns or suspicions of financial or malicious misconduct by using the reporting channels under the Whistleblowing Policy available at http://www.sinohuaan.com/investor/corporategovernance/whistleblowing pollicy.html.

SUPPLY CHAIN MANAGEMENT

Techna X places a high priority on trust and integrity in all its supplier relationships. As a responsible Malaysian company, we understand our duty to support our diverse supply chain, including small and medium-sized enterprises, particularly as the local economy recovers.

Our commitment to ethical business practices extends throughout our supply chain, and we expect our suppliers to adhere to our values and principles in their operations. This approach ensures that our ethical standards are consistently maintained across all business relationships and activities.

Recognizing our operational needs, we prioritize sourcing products and services from local suppliers whenever feasible. This strategy not only minimizes transportation requirements and reduces emissions, supporting environmental sustainability, but also fosters growth opportunities for local suppliers, generates jobs, and strengthens the local economy.

ENERGY & WATER SAVING INITIATIVES

Climate change is one of the most significant threats to our planet, and we are committed to reducing our carbon emissions by conserving energy. Effective energy management not only optimizes our operations and reduces electricity consumption, but it also boosts profitability. To reduce energy use, we have implemented initiatives such as systematically replacing lighting throughout our office facilities and corridors with LED alternatives, a process that is being carried out in stages. Additionally, management plans to introduce reminders encouraging the turning off of lights, air-conditioners, and computers when not in use.

This year, the total electricity consumption from the grid recorded was **3,156.54 megawatts** from the offices and restaurants.

	Megawatts
Total Energy Consumption	3,156.54

Water, as a limited resource, faces increasing demand due to global development and population growth. To address this, our Group is focused on water conservation, aiming to improve our water use efficiency and raising awareness among employees and the public about the importance of water conservation.

This year, the total water consumption from the grid recorded was **45.11 megalitres** from the offices and restaurants.

	Megalitres
Total Water Consumption	45.11

OUR APPROACH FOR MATERIAL MATTERS (cont'd)

OCCUPATIONAL HEALTH AND SAFETY

The safety and well-being of our people is our top priority. We place strong emphasis on maintaining high health and safety standards across the Group. A series of preventive measures are in place, aimed at minimizing any potential risks of exposure faced by our employees.

Key Matters Assessments	FYE 2024
Number of work-related fatalities	Nil
Number of lost time incident	Nil
Number of substantiated complaints concerning human rights violations	Nil

EMPLOYEE MANAGEMENT

The safety and well-being of our employees are our top priorities. We place strong emphasis on maintaining high health and safety standards across the Group. A series of preventive measures are in place, aimed at minimizing any potential risks of exposure faced by our employees.

We are committed to upholding fundamental human rights and preventing any violations. This commitment includes ensuring freedom from forced and child labour, compliance with minimum wage standards, fair compensation practices, and adherence to reasonable working hours as defined by labour laws.

Our workplace is dedicated to fostering a non-discriminatory and harassment-free environment, ensuring a safe, healthy, and ethical space for all employees. We respect the rights of employees to unionize and freely associate, in line with local laws and regulations.

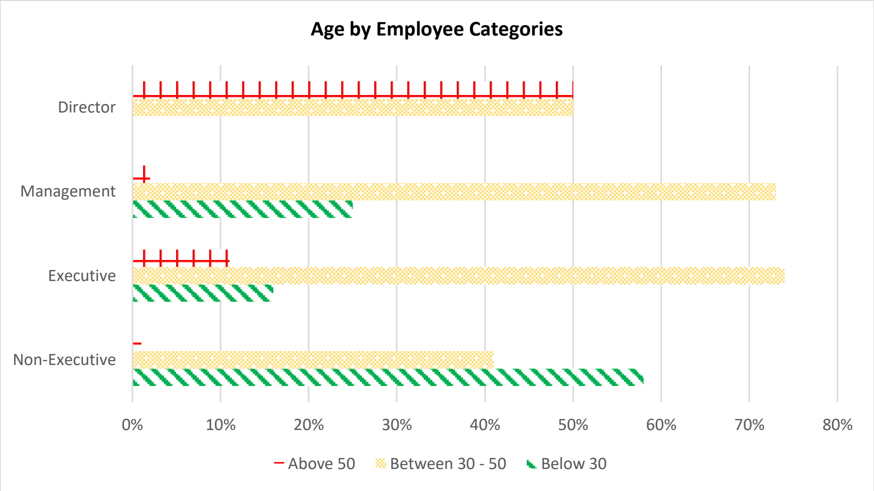
Our recruitment process is based on skills, expertise, educational qualifications, and suitability for the role. We value diversity, and our workforce reflects a range of genders, age groups, and ethnic backgrounds. We maintain a strict non-discrimination policy, regardless of race, national origin, religion, or marital status.

In FYE 2024, Techna X's training and personnel development tracks:

Key Matters Assessments	FYE 2024
Total hours of training for employees	1,080 Hours
Percentage of employees that are contractors or temporary staff	32%
Total number of employee turnover	267 employees

DIVERSITY, EQUITY, AND INCLUSION

We treat everyone with respect and maintain consistent, equitable, and fair labour practices in hiring, developing, and rewarding our employees. We are committed to providing equal opportunities, regardless of age, gender, identity, ethnicity, or religion. Recruitment and promotion are based on merit, skills, and experience.



MOVING FORWARD

In conclusion, our dedication to sustainability is not simply a statement; it is a fundamental part of our identity, guiding every aspect of our decision-making process. We understand that embracing sustainable business practices is both a moral obligation and a strategic asset in today's ever-changing business environment.

We strive to set a high standard for sustainable practices and are committed to consistently embedding sustainability initiatives into our operations each year. By strategically implementing these measures, we strive to achieve strong business growth while fulfilling our commitment to environmental conservation and social responsibility.

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

As a Listed Issuer, Techna-X is mandated to provide ESG disclosures in accordance with the Main Market Listing Requirements, aligning with the enhanced Sustainability Reporting Guide, 3rd Edition. The performance data table downloaded from the ESG Reporting Platform summarises indicators relevant to our Material Matters. This ensures transparency and accountability in our sustainability efforts, reflecting our commitment to responsible corporate practices and stakeholder engagement.

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	3,156.54
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	45.110000
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	91.00
Executive	Percentage	82.00
Non-executive/Technical Staff	Percentage	52.00
Directors	Percentage	75.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	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 (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
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	0

Internal assurance | External assurance | No assurance | (*)Restated

Bursa (Labour practices and standards)

Bursa C6(a) Total hours of training by employee category		
Management	Hours	16
Executive	Hours	68
Non-executive/Technical Staff	Hours	772
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	32.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	22
Executive	Number	4
Non-executive/Technical Staff	Number	241
General Workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	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	25.00
Management Between 30-50	Percentage	73.00
Management Above 50	Percentage	2.00
Executive Under 30	Percentage	15.80
Executive Between 30-50	Percentage	73.70
Executive Above 50	Percentage	10.50
Non-executive/Technical Staff Under 30	Percentage	58.00
Non-executive/Technical Staff Between 30-5	Percentage	41.00
Non-executive/Technical Staff Above 50	Percentage	1.00

Gender Group by Employee Category

Management Male	Percentage	62.00
Management Female	Percentage	38.00
Executive Male	Percentage	68.00
Executive Female	Percentage	32.00
Non-executive/Technical Staff Male	Percentage	90.00
Non-executive/Technical Staff Female	Percentage	10.00

Bursa C3(b) Percentage of directors by gender and age group

Male	Percentage	100.00
Female	Percentage	0.00
Under 30	Percentage	0.00
Between 30-50	Percentage	50.00
Above 50	Percentage	50.00

Internal assurance | External assurance | No assurance | (*)Restated

STATEMENT ON DIRECTORS' RESPONSIBILITY

In accordance with the provisions of the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and the applicable approved accounting standards, the Directors are required to prepare financial statements that give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2024 and the results and cash flows for that year then ended.

In preparing the financial statements, the Directors also have: -

- Adopted the appropriate and relevant accounting policies and applied them consistently;
- Followed the applicable approved accounting standards;
- Made judgements and estimates that are reasonable and prudent; and
- Assessed the Group's and the Company's ability to continue as going concern and confirmed that the annual financial statements are prepared using the going concern basis of accounting.

The Directors are also responsible for: -

- Ensuring that the Group and the Company keep proper accounting and other records to enable the explanation of transactions and preparation of financial statements; and
- Taking the necessary steps to ensure appropriate systems and internal controls are in place to safeguard the assets of the Group and the Company, as well as to prevent and detect fraud and any other irregularities.

This statement is made in accordance with a resolution passed at the Board of Directors' meeting held on 29 October 2024.

AUDIT AND RISK MANAGEMENT
COMMITTEE REPORT

The Board of Directors ("**Board**") of Techna-X Berhad ("**the Company**") is pleased to present the Audit and Risk Management Committee ("**ARMC**") Report for the financial year ended 30 June 2024 ("**FY2024**") in accordance with Paragraph 15.15 of the Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**").

COMPOSITION

The ARMC is appointed by the Board amongst its members, which comprise of 3 Independent Non-Executive Directors. The ARMC members have elected a Chairperson/Chairman from among themselves, who is an Independent Non-Executive Director. In respect of this, the Company has fulfilled the requirements under Paragraphs 15.09(1)(a), 15.09(1)(b) and 15.10 of the Main LR of Bursa Malaysia Securities and the Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance.

The members of the ARMC are as follows:-

Chairman/ Chairperson : **Fan Kah Seong**
Independent Non-Executive Director

Members : **Balraj Singh Pannu A/L Gajjan Singh**
Independent Non-Executive Director
(retired w.e.f. 9 July 2024)

Aidawati Binti Dahari
Independent Non-Executive Director
(retired w.e.f. 9 July 2024)

Sakthi Kumar A/L Ramadas
Independent Non-Executive Director
(Appointed w.e.f. 18 July 2024)

Dato' Linda Geh Guat Yeow
Independent Non-Executive Director
(Appointed w.e.f. 18 July 2024)

Mr. Fan Kah Seong is a member of the Malaysian Institute of Accountants (MIA). Accordingly, the Company complied with Paragraph 15.09(1)(c)(i) of the Main LR of Bursa Malaysia Securities, which requires at least one (1) member of the ARMC must be a member of the MIA.

TERMS OF REFERENCE

The Terms of Reference of the ARMC, outlining the ARMC's composition, proceedings of the meeting, authority, duties and responsibilities, is available on the Company's corporate website at: www.techna-x.com.

ARMC MEETINGS

The ARMC has convened 9 meetings during the FY2024. The ARMC's attendance records are as follows:-

SUMMARY OF THE WORK OF THE ARMC

The ARMC had carried out the following works during the FY2024 in the discharge of its functions and duties:-

Board	Position	Date of ARMC Meeting										
		28 Feb 2023	30 Mac 2023	12 Apr 2023	25 Apr 2023	30 May 2023	29 Aug 2023	29 Nov 2023	28 Feb 2024	29 May 2024	Total	%
Fan Kah Seong	Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9	100%
Balraj Singh Pannu A/L Gajjan Singh (retired w.e.f. 9 Jul 2024)	Independent Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	9/9	100%
Aidawati Binti Dahari (retired w.e.f. 9 Jul 2024)	Independent Non-Executive Director	N/A	✓	✓	✓	✓	X	✓	✓	✓	7/8	88%
Sakthi Kumar A/L Ramadas (appointed w.e.f. 1 July 2024)	Independent Non-Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dato' Linda Geh Guat Yeow (appointed w.e.f. 18 July 2024)	Independent Non-Executive Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Financial Reporting

Reviewed and discussed the quarterly results and annual audited financial statements of the Company and the Group prior to recommendations to the Board for consideration and approval. The key areas of focus included the following:-

- Any change in accounting policies and practices;
- Significant adjustments, if any, arising from the audit;
- Going concern assumptions;
- Compliance and accounting standards and other legal requirements;
- Significant matters highlighted in the financial statements, if any; and
- Significant judgements, if any, made by the Management.

The dates on which the ARMC meetings were convened during the financial year to deliberate on financial reporting matters are detailed below:

Date of Meetings	Activities
28 February 2023	• Unaudited quarterly report on consolidated results of the Company and Group for the fourth quarter ended 31 December 2022.
30 March 2023	• Circulate and deliberate on draft Audited financial statements of the Company and Group for the financial year ended 31 December 2022.
12 April 2023	• Review and approved of the proposed settlement of an aggregate amount of RM34,334,500 debt owing to creditors by the Company via the issuance of 2,452,464,286 new ordinary shares in the Company ("Proposed Debt Settlement")
25 April 2023	• Review and approved Audited financial statements of the Company and Group for the financial year ended 31 December 2022.
30 May 2023	• Unaudited quarterly report on consolidated results of the Company and Group for the first quarter ended 31 March 2023.
29 August 2023	• Unaudited quarterly report on consolidated results of the Company and Group for the second quarter ended 30 June 2023.
29 November 2023	• Unaudited quarterly report on consolidated results of the Company and Group for the third quarter ended 30 September 2023.
28 February 2024	• Unaudited quarterly report on consolidated results of the Company and Group for the fourth quarter ended 30 December 2023.
29 May 2024	• Unaudited quarterly report on consolidated results of the Company and Group for the fifth quarter ended 30 March 2024.

External Audit

On 28 February 2023, the ARMC had reviewed the Audit Summary Report, which had summarised the significant audit findings and observations arising from the statutory audit of the Company and Group for the financial year ended 31 December 2022, status of audit and independence of the External Auditors. The External Auditors had confirmed that they had not noted any fraud-related incidents that rendered reporting to the ARMC.

On 30 March 2023, the ARMC had evaluated the External Auditors' suitability, objectivity, and independence and recommended to the Board on the appointment of HLB Ler Lum Chew PLT as the Company's External Auditors. The ARMC has also reviewed the audited financial statements of the Company and Group for the financial year ended 31 December 2022 and discussed with the External Auditors the results of the final audit conducted on the Company and Group prior to recommending the same to the Board for approval.

On 12 April 2023, The Special ARMC meeting reviewed the proposed settlement of an aggregate amount of RM34,334,500 debt owing to creditors by the Company via the issuance of 2,452,464,286 new ordinary shares in the Company ("Proposed Debt Settlement") and considered all aspects of the Proposed Debt Settlement, including but not limited to the rationale, terms and conditions, basis and justification for the settlement issue price, effects of the Proposed Debt Settlement and the preliminary views of FHMH Corporate Advisory Sdn. Bhd. being the Independent Adviser for the Proposed Debt Settlement, is of the opinion that the Proposed Debt Settlement is:

I. in the best interest of the Company;
II. fair, reasonable and on normal commercial terms; and
III. not detrimental to the interests of the non-interested shareholders of the Company.

On 29 May 2024, the ARMC had reviewed the Audit Planning Memorandum for the FY2024 prepared by the External Auditors, outlining the scope of works, key areas of audit emphasis, audit approach, fraud considerations, audit timeline, audit fees, and the new and revised financial reporting standards.

During the FY2024, the ARMC conducted two (2) private sessions with the External Auditors on 25 April 2023 and 29 May 2024, respectively, without the presence of the Executive Directors and Management of the Company, to discuss the External Auditors' observations and areas for improvements.

Internal Audit

The ARMC had reviewed the Internal Audit Reports issued by the external professional Internal Audit firm on a half- yearly basis and ensured that action plans recommended by the Internal Auditors had been implemented by the Management on a timely basis.

Related Party Transactions

The ARMC had reviewed the related party transactions on a quarterly basis for compliance with both in-house procedures and the Main LR of Bursa Malaysia Securities.

Other Matters

(a) The ARMC had reviewed and confirmed the minutes of the ARMC meetings.

(b) The ARMC had reviewed the ARMC Report and Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval and inclusion in the Annual Report of the Company in respect of the financial period ended 30 June 2024.

(c) The ARMC had reviewed the Terms of Reference of the ARMC prior to submission to the Board for consideration and approval.

(d) The ARMC had reviewed the appointment of compliance officers in charge of the whistleblowing matters prior to submission to the Board for approval.

Summary of Work of the Internal Audit Function

The Group has outsourced its internal audit function to an independent professional services firm, Talent League Sdn. Bhd. to assist in performing the necessary and appropriate internal audit function for its technology-driven casual dining food and beverage businesses as well as the digital transformation enabler businesses.

The outsourced Internal Auditors report directly to the ARMC and assist the ARMC in discharging its functions and duties.

The engagement team from Talent League Sdn. Bhd. is headed by Mr. Roy Thean, a member of the MIA, Malaysian Institute of Certified Public Accountants, and Institute of Internal Auditors Malaysia. All the personnel deployed by Talent League Sdn. Bhd. range from 3 to 4 staff, are free from any relationships or conflict of interest, which could impair their objectivity and independence during the course of work. The internal audits carried out by the Internal Auditors are guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc., a globally recognised professional body for internal auditors.

The internal audit function is independent of the management and is not involved in the operational activities of the Group. This is to ensure that the internal audit activities are performed with impartiality, proficiency, and due professional care.

The principals adopted for the Group's internal audit function involve the Risk-Based Internal Audit ("**RBIA**") methodology, which serves to provide assurance that the risks are being managed within the organisation's risk appetite. The methodology consists of 5 core internal audit roles that cover the risk management framework of the whole organisation, namely:-

1. Giving assurance that the processes used by the Management to identify all significant risks are effective.

2. Giving assurance that the risks are correctly assessed/scored by the Management in order to prioritise them.

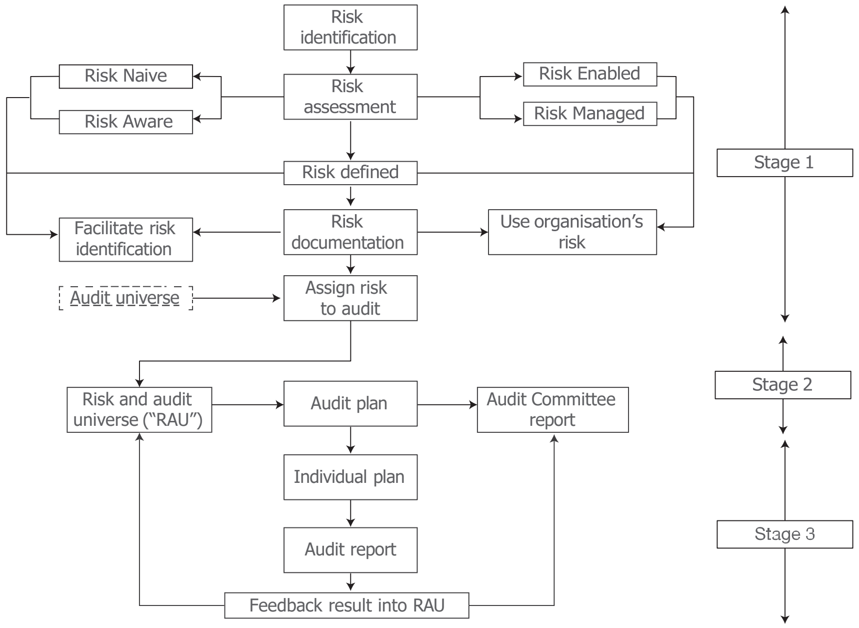
3. Evaluating the risk management processes to ensure the response to any risk is appropriate and conforms to the organisation's policies.

4. Evaluating the reporting of key risks by managers to Directors.

5. Reviewing the management of key risks by managers to ensure controls have been put into operation and are being monitored.

Summary of Work of the Internal Audit Function (cont'd)

Based on an agreed-upon internal audit planning schedule, the abovementioned RBIA approach shall be rolled out in 3 stages, namely:-



The activities performed by the outsourced Internal Auditors include:-

(i) Performed reviews of the key processes to examine and evaluate the adequacy and effectiveness of the operations' internal control system and highlighted any significant risks and non-compliance matters that have an impact on the Group;

(ii) Conducted follow-up review on the status of the Management's implementation based on the agreed recommendations, which were previously reported in the preceding cycles of internal audit; and

(iii) Developed Internal Audit Plan for years 2022 to 2024, setting out the implementation of the internal audit scope for the Group based on agreed communication, timelines, and reporting protocols.

The details of the auditable areas, audit objectives, and scopes are depicted below:-

Auditable Areas	Audit Objectives and Scopes
Financial Reporting	• To ensure a proper internal control system is in place for:- ✓ Receipt system ✓ Payment system ✓ Management reporting ✓ Petty cash management ✓ Information storage and backup procedures • To ensure proper compliance with policies and procedures.
Fixed Asset Management	• To ensure a proper internal control system is in place for:- ✓ Capitalisation and depreciation policy ✓ Acquisitions and disposals ✓ Custodianship and safeguarding of assets ✓ Repair and maintenance ✓ Insurance coverage ✓ Company's vehicles • To ensure proper compliance with policies and procedures.
Human Resource Management	• To ensure a proper internal control system is in place for:- ✓ Recruitment and selection procedures ✓ Handling of personnel matters ✓ Covid-19 measures ✓ Working environment ✓ Maintenance of employee master records ✓ Payroll processing ✓ Statutory contribution ✓ Annual performance reviews of staff performance, increment and bonus ✓ Training, development and succession plan ✓ Disciplinary and termination • To ensure proper compliance with policies and procedures.
Project Management	• To ensure existing internal controls, risk management and corporate governance put in place by the Board and Management are functioning as intended to meet the objectives of:- ✓ Project management framework ✓ Project assessment and approval ✓ Performance monitoring ✓ Monitoring and controlling variation ✓ Project assets deployment and safeguarding ✓ Project claim and payment (interim and final) ✓ Extension of time / back charges ✓ Project handover ✓ Recovery of damages ✓ Review of project outrun and performance • To ensure proper compliance with policies and procedures.
Business Development	• To ensure a proper internal control system is in place for:- ✓ Business development/sales monitoring (budget vs. actual) ✓ Execution of marketing strategy ✓ Sales negotiation, authority, and pricing policy ✓ Order processing and fulfillment ✓ Warehousing and tracing, and recording ✓ Inventory distribution / delivery ✓ Invoicing and collection • To ensure proper compliance with policies and procedures.

The total cost incurred for the Group's internal audit function in respect of the financial period ended 30 June 2024 was RM32,650 (2022: RM68,546)

BOARD'S CONCLUSION

The Board is satisfied that the ARMC and its members have carried out their functions, duties, and responsibilities according to the Terms of Reference of ARMC. There were no material misstatements, frauds, and deficiencies in the internal control systems not addressed by the Management.

The ARMC Report was approved by the resolution passed at the Board of Directors' Meeting held on 29 October 2024

MANAGEMENT DISCUSSION AND ANALYSIS

The transformation of Techna-X Berhad ("**Techna-X**" or "**the Company**") to establish itself as one of Malaysia's leading digital enablers in facilitating the nation's rollout of Industrial Revolution 4.0 ("**IR 4.0**") continues to present many exciting developments within the Company and its subsidiaries ("**the Group**").

During the financial period ended 30 June 2024 ("**FPE2024**"), the Management and Board of Directors ("**Board**") of Techna-X have discussed and deliberated on a multitude of matters/issues. Amongst others, key discussions details/ information on the various subject matters under deliberation and decision-making considerations, include the following:-

1. Fund Raising Exercises

Several fund- raising exercises were proposed, initiated and/or completed during the financial period with the objective of raising the necessary funds for settlement of purchase consideration to the various vendors of businesses/ companies that were acquired by Techna-X as well as for the Group's working capital purposes.

Notwithstanding the above, Techna-X subsequently managed to raise some funding from several business partners and entities to meet its obligation to pay down the purchase consideration creditors. It was negotiated that the repayment of these loans was to be made via subsequent issuance of appropriate number of Techna-X shares ("Proposed Debt Settlement"). The Board of the Company was of the opinion that the said Proposed Debt Settlement was an appropriate method to settle the loan amount as it;

(i) would enable Techna-X to settle the loan amount without incurring additional debt obligation/interest expenses;
(ii) would enable the Techna-X to strengthen its capital base;
(iii) would further strengthen Techna-X's equity base as well as its net assets and gearing ratio as a result of the increase in the share capital of Techna-X; and
(iv) to preserve Techna- X's cash for other purposes, such as working capital requirements.

The Debt Settlement of RM33,834,500 to creditors was deemed completed on 25 April 2024 with the listing of and quotation for 2,487,830,882 settlement Shares on the Main Market of Bursa Securities.

2. Disposal of Equity Interest in Software Development of Artificial Intelligence / Machine Learning Business

Given the fact that the IoT and Smart Data business of the Group has been registering substantial amount of losses over a protracted period of time and that no visibility is envisaged moving forward, the business operations of the said AI business were ceased with effect from 1 March 2023, The fact that the said business continued to chalk up losses has led to the disposal of 510,000 ordinary shares (equivalent 51% of the total issued and paid-up share capital) of Techna Analytics Sdn Bhd. ("TASB") for a total purchase consideration of RM6,375,000.
The condition precedents of the SPA have been satisfied and deemed completed on 30 April 2023 with the purchase consideration fulfilled by the purchaser on 30 June 2024. Notwithstanding the foregoing, Techna-X had subsequently gain in this disposal amounting to RM119,000, during the financial year.

3. Withdrawal of Equity Interest in MBits Digital Sdn Bhd ("MBits")

On 27 December 2022, the Company entered into a Share Purchase Agreement ("SPA") with Debut Supreme Capital Sdn. Bhd. to dispose its 25% equity interest in MBits for a purchase consideration of RM10,000,000. Accordingly, an impairment loss amounting to RM2,500,000 had been recognised in profit or loss for the financial year ended 2022. The condition precedents of the SPA have been satisfied and deemed completed on 31 March 2024 and on 17 April 2024, the purchase consideration was fully fulfilled from the creditor.

4. **Reduction of the Company share capital by RM1,199,734,780 pursuant to Section 116 of the Act**

The Proposed Capital Reduction will enable the Company to rationalise its statement of financial position by reducing the accumulated losses. The reduced issued share capital pursuant to the Proposed Capital Reduction will also reflect more accurately the value of the underlying assets and the financial position of the Company. Further, the elimination of the accumulated losses from the statement of financial position of the Company would ease the Company to declare dividends from its future available profits and provide a better financial platform for the Company's future growth moving forward.

During the FP2024, the Company completed Capital Reduction that result in the reduction of the share capital of TXB from RM1,224,219,163 to RM24,484,383. The Capital Reduction will give rise to a credit of RM1,199,734,780 which was utilised to set off the accumulated losses of the Company while the balance, was be credited to the retained earnings account of the Company.

5. **Share consolidation**

The Share Consolidation entails the consolidation of 20 Existing Shares into 1 Consolidated Share which was completed on 13 May 2024. Under the Share Consolidation, the 4,702,545,618 Existing Shares was consolidated into 235,125,043 Consolidated Shares. The Proposed Share Consolidation is expected to enhance the Company's share capital structure. As the Company shares were traded at relatively low trading price range, a small absolute movement in the share price may be significant in percentage terms. The Share Consolidation resulted in a reduction in the number of TXB Shares available in the market that may potentially reduce the volatility of the trading price for TXB Shares.

6. **Rights Issue and Detachable warrants**

In the EGM on 8 February 2024, our shareholders had approved the Corporate Exercises, where the Company proposed to undertake renounceable rights issue of up to 251,587,641 rights shares on the basis of 1 right share for every 1 consolidated shares held by the entitled shareholders on an entitlement date to be determined later at the issue price of RM0.0875 per rights share, and bonus issue of up to 251,587,641 free warrants with an exercise price of warrants at RM0.14 on the basis of 1 warrant for every 1 rights share subscribed by the entitled shareholders of the Company. An undertaking arose to guarantee the minimum gross proceeds of RM7.00 million to the Rights Issue and Warrants exercise was derived from this proposal.

FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW

Today, the introduction of IoT has enabled the fourth industrial revolution ("Industry 4.0"), whereby technology is used to facilitate the interconnectivity between objects such as mobile devices, machines, home appliances and motor vehicles. This enables the digitalisation and integration of value chains, product and service offerings and business models as well as improve communication with customers. FPE2024 continued to be a challenging year for the Group. Whilst most of the world's economy, the resurrection of economic and business activities proved to be unhurried and somewhat gradual. Malaysia continued lacklustre economic landscape in 2024 primarily precipitated by concerns that a slowdown in the world economy will hurt growth going forward as well as worries of persistently high level of inflation within the economy itself.

On the background of the foregoing, the Group's core digital and technology businesses turned in a relatively lower consolidated net loss of approximately RM19.98million for FPE2024 compared to a consolidated net loss of RM31.2 million recorded in the preceding financial year end.

Notwithstanding the above, the Group's core digital and technology businesses recorded a total consolidated revenue of RM94.4 million in FPE2024, out of which the technology-driven F&B business contributed approximately RM93.7 million while the technology and digital transformation enabler contributed approximately RM0.7 million. The increase in revenue from the technology-driven F&B business seen in FPE2024 compared to that in FYE2022 was mainly attributed to the additional openings of new outlets and a new brand as well as improvement in the spending sentiments by customers. However, the overall revenue increase in this F&B business segment was somewhat constrained by the re-imaging and refurbishment works done on TGI Fridays outlets in Beijing which disrupted their business operations and thus impacted their revenue contribution to the Group for two quarters in FPE2024.

As far as the Group's digital transformation & technology businesses is concerned, there was a significant reduction in contribution to the Group, wherein it managed to generate a very low revenue of approximately RM0.7 million in FPE2024 compared to approximately RM19.7 million recorded last year. This was mainly attributed to the fact that the Group's digital transformation & technology businesses adversely reduce by the fact that the closure of previous project, fulfilling defects liability and to only service the existing contracts with no new addition to securing new projects compared to the previous financial year.

The total cost of sales for the Group's continuing operations has increased to approximately RM33.6 million in FPE 2024 from RM30.2 million recorded in FYE2022 for 12 months. With better margins recorded during the current financial year, the Group saw its overall gross margin improved from 59% to 64% and this can be attributed to selling higher profitability offerings from our technology-driven F&B business.

The administrative and operating expenses of the continuing business operations and that of corporate holding company level saw a increase to RM96.7 million in FPE2024 from RM60.7 million recorded in the preceding year. This higher administrative and operating expense was primary because it is for 18 months and was primarily attributed to the one-off expenses/costs incurred by the corporate holding company level relating to the imputed impairment loss on the intangible asset, impairment on receivables, expenses incurred for the purpose of capital raising and corporate exercises, all of which amounted to approximately RM20.5 million. Apart from that, the other operating expenses were attributed to, by and large, professional fees, rental of premises, staff salaries, depreciation, office and administrative expenses, utility charges, etc. the amount of which were relatively consistent with that incurred last year.

Premised on the above, the operations of the Group recorded a net loss of approximately RM20.0 million in FPE2024, compared to that recorded in the preceding year of approximately RM31.2 million. Based on the weighted average number of shares in issue, this translates to a loss per share of 14.61 per share (based on 131 million number of shares) in FPE2024 compared to a profit 237.25 per share (based on 110 million number of shares) in the preceding year.

The total assets of the Group in FPE2024 amounted to RM160.4 million, compared to RM215.7 million recorded in the preceding financial year. Key components of the Group's Total Assets comprised predominantly of (i) Investment in Associates of RM61.2 million which largely were made up of Techna-X's indirect shareholding in the energy storage solution business in China, (ii) Intangible Assets (i.e. goodwill on acquisition, patents, licenses, proprietary software, etc) which amounted to RM51.2 million, (iii) Trade and Other Receivables of RM12.0 million.

Total Liabilities registered in FPE2024 amounted to RM106.3 million, compared to RM173.9 million in the preceding financial year. Key components of the Total Liabilities comprised (i) Trade Payables of RM4.8 million arising from transactions which were in the ordinary course of business of the Group, (ii) Other Payables and accrued expenses, as well as (iii) Amount Owing to an Associate Company which is attributed to the unpaid portion of the subscribed shares in Guangxi Aerospace Beidou New Energy Industry Technology Co., Ltd. amounting to RM30.2 million.

During the financial period reported RM33.8 million debts were capitalized with issuance of ordinary share. Apart from that, the Capital Reduction enabled the Company to rationalise its statement of financial position by reducing the share capital by RM1.199 billion during the financial year. Accordingly, the Share Capital has been decreased to approximately RM58.3 million in the Statement of Financial Position for FPE2024.

Premised on the above, the Group's Total Equity for the current financial year has returned to a positive territory with the amount of RM54.1 million, out of which RM1.8 million (deficit) was attributed to the portion of Non-controlling Interest compared to RM41.8 million in FYE2022. Accordingly, the Equity Attributable to the Shareholders of Techna-X for the current financial period stood at a surplus of RM55.9 million compared to RM42.0 million in FYE2022. This represents an improvement of approximately 33% from that recorded in the preceding financial year

KEY RISKS

The Group is mindful of several risks which it could be potentially exposed to:-

Risk relating to the Technology Business

(i) *Dependence on key & technical personnel*

The limited availability of suitable talents in Malaysia and China, conversant in the latest technology presents the most critical risk to the successful development and implementation of product offerings of our technology business. The continuous innovation crucial to our business's intensive focus in delivering disruptive technology-based solutions also requires experienced and qualified technical personnel.

The successes of our business will depend, to a certain extent, on the capabilities and continuing efforts of key personnel as well as the ability to retain and attract skilled technical personnel. The loss of key personnel and technical personnel may have an unfavorable and material impact on the financial performance of our business.

(ii) *Competition and rapid evolution of technological trends*

Our technology business faces competition from new players and existing competitors who may be more aggressive in expanding their business. Over the years, the technology industry has evolved rapidly. The use of technology solutions and tools is expected to continue to evolve and advance. This may render the existing solutions and technological tools dated or redundant. With the industry constantly changing and developing to keep up with market needs and trends, there can be no assurance that we can keep up with latest technological developments in order to remain competitive.

(iii) *Foreign exchange risk*

Our technology business will involve transactions with foreign parties and is envisaged to involve foreign currencies, in particular RMB and USD. Some of our subsidiaries involved in the technology business are also foreign companies. There will be an inherent foreign exchange risk involved due to fluctuations of foreign currency relative to the RM. In the event of significant depreciation of the foreign currency, in which the transactions and/or revenues of the foreign companies are denominated, the effective value of profits as expressed or converted into RM may be materially reduced.

In addition, the financial results of our Group is reported in RM, our enlarged Group's financial results may be impacted via exchange translation differences on consolidation as a result of fluctuations in foreign exchange rates as at the date of consolidation

(iv) *Repatriation of profit to Malaysia*

Some of our subsidiaries involved in technology business incorporated in oversea countries may depend largely on the relevant policies on foreign investment and repatriation of profits/ dividends under the Malaysian laws and foreign laws where our foreign companies are incorporated. Any changes and amendments to the relevant policies on foreign investment and repatriation of profits/ dividends under the Malaysian laws and foreign laws where our foreign companies are incorporated will have a material effect on our Group.

Risk relating to the F&B Business

(i) *Competition risks*

The F&B service market in Malaysia consists of establishments ranging from F&B chains to small independently owned restaurants. It is a highly fragmented industry and industry players compete to attract and retain customers by ensuring the food offering are quality, competitively priced and/or innovative as well as effectively and efficiently managing their operations.

Furthermore, some of these F&B establishments are more reputable than others, enabling them to seek and negotiate more suitable and strategic locations for their restaurants/outlets. This is highly important as the visibility and accessibility as well as high foot traffic locations are contributing factors to the success of a particular F&B establishment. The aforementioned factors are key differentiators for industry players, and failure on any industry player's part to build on these differentiating factors as a competitive advantage for themselves could cause losses in sales and a decline in customer loyalty to their establishments, leading to a subsequent loss in market share.

The Group's F&B subsidiary, Craveat International Sdn Bhd ("**Craveat**"), is dedicated in remaining competitive by constantly engaging consumers on all platforms including digital and social media to drive the brand visibility and also focuses on local store marketing, special promotions and innovative menu items to cater for the different needs of consumers.

(ii) *Reliance on human resources*

The F&B service market is service-oriented, and it is therefore important for us to ensure that suitable personnel are hired as cashiers and waiter/waitresses as their interaction with our customers has an impact on the customers' dining experiences. Inefficient and unfriendly customer service could lead to a loss in sales or loss in repeat customers. Also, there is an increasing reliance on foreign employees by our F&B business. Some of the foreign employees hired by our F&B business are from countries such as Nepal and Bangladesh may face language and cultural barriers, and it is important for us to provide sufficient training to ensure that the quality of customer service is maintained at an acceptable level.

Furthermore, the government may amend policies relating to the employment of foreign workers in the F&B service market and/or introduce new conditions from time to time. As our F&B service market is dependent on the supply of foreign workers, any scarcity in supply or change in regulations would adversely affect our F&B business. Additionally, any increase in the levy or minimum wages for foreign workers or any other additional costs to be paid to the government in relation to the employment of foreign workers would increase retail overheads and directly impact the financial performance of our Group.

(iii) *Economic risks*

Our F&B business is dependent upon the present state of the economy, as a growing economy signifies a population with higher disposable income that has greater spending power, creating demand for our F&B establishments. A decline in economic conditions may decrease consumer spending power, which will in turn have a negative impact on our F&B business. A slowdown in the economy may cause reduced sales volumes, which could have a negative impact on our overall financial condition.

(iv) *Fluctuation in raw material price*

Our F&B business will be affected by the availability and price fluctuations of food ingredients. The prices of food ingredients may fluctuate due to various factors beyond our control, such as increase in food prices, outbreak of diseases, droughts, floods, or other disruption on a significant scale. Our F&B business is highly dependent on a sufficient supply of food ingredients that meet its price and quality requirements. A significant increase in the market price of food ingredients will have an effect on our margins if our business is unable to pass such increase in the price of food ingredients to our customers. A material shortage will also affect the operation of our restaurants and its financial performance accordingly

(v) *Non-renewal of leases or renewal of leases on less favorable terms*

Our F&B business may be affected by any increase in the rental or the failure to renew our existing leases. Since the rental expenses represent a relatively significant portion of the total operating expenses of our restaurants, our F&B business's financial performance will be affected by any substantial increase in rental. The landlords have the right to review and change the terms and conditions of the lease agreements upon expiry of the existing leases. There is no assurance that lease agreements could be renewed on terms acceptable to us. The non-renewal of leases or renewal on less favorable terms may have a negative effect on our business and financial performance.

(vi) *Business operations / franchise agreements risk*

TGI Fridays ("TGIF")

The operations of the TGIF restaurants in Malaysia and Beijing are subject to the terms and conditions of the franchise agreements with TGIF's franchisor ("**Franchise Agreements**"). Pursuant to the Franchise Agreements, Craveat was granted the right to establish and operate TGIF restaurants in Malaysia and Beijing. There can be no assurance that Craveat Group will be able to renew the Franchise Agreements and even if renew, there can be no assurance that the Franchise Agreements will not be revoked or terminated prior to its expiry. Although Techna-X does not believe that such events will occur, there can be no assurance that such non-renewal or revocation or termination will not happen and this could prohibit Craveat from continuing to carry out its TGIF restaurants operation. In the event that any of the Franchise Agreements were to be terminated, there will be a negative impact on Craveat's business and financial performance.

In addition, any factors which are detrimental to the standing of TGIF's franchisor may adversely affect Craveat if such factors were to result in TGIF's franchisor being unable to perform its obligation to Craveat and/or cause the Franchise Agreements to be invalid and/or unenforceable. In such event, Craveat's business and financial performance will be negatively affected.

However, these risks are largely mitigated by the fact that Craveat has a long history with the TGIF brand. It has cultivated a good relationship with TGIF's franchisor and has been given much operational support throughout the years. Craveat will use its best endeavours to ensure compliance with the terms and conditions of the Franchise Agreements. Craveat will also seek immediate remedial actions to rectify or address any non- compliance with the Franchise Agreements if and when they arise.

The Teh Tarik Place ("TTP")

Craveat is the proprietor of TTP and most of TTP restaurants are operated by franchisees which are subjected to the terms and conditions of franchise agreement. There is no guarantee that Craveat will always be able to attract suitable franchisees for TTP. TTP franchisees are independent business operators and Craveat does not exercise full control over their day-to-day operations. The quality of the TTP franchised outlets may be diminished by various factors beyond Craveat's control. TTP franchisees may not operate the outlets in a manner consistent with Craveat's standards and requirements or may not hire and train qualified and skilled employees as per Craveat's standards and requirements. The failure of TTP franchisees to maintain Craveat's standards could have a material adverse effect on TTP's reputation and could have a material effect on the Craveat's business and financial performance.

There can be no assurance that the TTP franchisees will comply with the terms and conditions of the franchise agreement. In addition, there can be no absolute certainty that the TTP franchisees selected will have the business acumen or financial resources necessary to operate successfully nor that Craveat can give any assurance that its franchisees will continue to be successful in their operations. The loss of franchisees will result in a decrease in Craveat's revenues.

However, these risks are largely mitigated by the fact that Craveat carefully evaluates and screens its prospective TTP franchisees as well as cultivated a good relationship and given much operational support throughout the years to its TTP franchisees. Craveat will also use its best endeavours to ensure its TTP franchisees complied with the terms and conditions of franchise agreement and seek immediate remedial actions to rectify or address any non-compliance with franchise agreement by its TTP franchisees if and when they arise.

Italiannies ("ITA")

Craveat is the proprietor of ITA and 2 of ITA restaurants. There is no guarantee that Craveat will always be able to attract suitable overseas (China) franchisees for ITA. ITA overseas franchisees are independent business operators and Craveat does not exercise full control over their day-to-day operations. The quality of the ITA franchised outlets may defer by its local localization factors beyond Craveat's expectation. ITA franchisees may need to operate the outlets in a manner consistent with Craveat's standards suiting the local market and requirements or may be challenge to hire and train qualified and skilled employees as per Craveat's standards and requirements.

The failure of ITA franchisees to maintain Craveat's standards could have a material adverse effect on ITA's reputation and could have a material effect on the Craveat's business and financial performance.

There can be no assurance that the ITA franchisees will comply with the terms and conditions of the franchise agreement. In addition, there can be no absolute certainty that the ITA franchisees selected will have the business acumen or financial resources necessary to operate successfully nor that Craveat can give any assurance that its franchisees will continue to be successful in their operations.

However, these risks are largely mitigated by the fact that Craveat carefully evaluates and screens its prospective ITA franchisees overseas as well as cultivated a good relationship and given much operational support throughout the years to its ITA overseas franchisees.

(vii) Change in consumers preferences

Our business is highly dependent on the goodwill and market receptiveness associated with TGIF, TTP and ITA brands. There is no guarantee that the market receptiveness to the brands will persist, hence we would be challenged to continuously adapt to such changes.

The rising trend of e-commerce may also result in the shift in consumption patterns from brick-and-mortar to online shopping, thereby contributing to a decrease in shoppers' traffic to shopping malls where most of the outlets of Craveat's restaurants are located and may translate to weaker same store sales growth.

In addition, consumers' lifestyles and preferences change continuously. Factors which may result in changes to consumers' lifestyles and preferences include disposable income and cost of living. If disposable income decreases and/or cost of living increases, consumers are generally more cautious on their discretionary expenses and spend less in dining out, which in turn may adversely impact Craveat's business.

(viii) *Foreign exchange risk*

Some of our TGIF franchisees operate in foreign country and Craveat may also further expand its business to other foreign countries. There will be an inherent foreign exchange risk involved due to fluctuations of foreign currency relative the RM. In the event of significant depreciation of the foreign currency, in which the revenues of the overseas F&B Business are denominated, the effective value of Craveat's profits as expressed or converted into RM may be materially reduced. Nevertheless, we will assess the need to utilise financial instruments to hedge its foreign exchange exposure to mitigate both transaction and/or translation exchange risk exposure.

Other General Perceivable Risks

(i) *Political, economic and regulatory risks*

Adverse changes in political, economic and regulatory conditions in Malaysia could materially affect the financial and prospects of our business. Amongst the political, economic and regulatory uncertainties are the changes in the risks of economic downturn, unfavourable monetary and fiscal policy changes, exchange control regulations or introductions of new rules or regulations affecting our industry, changes in interest rates, inflation, taxation method, general employment outlook and political leadership.

There can be no assurance that any material change in political, economic and regulatory conditions will not materially affect our operations and financial performance.

MOVING FORWARD

Moving forward, the strategic pillars that will to drive Techna-X Group, are as follows:

Smart City

Currently, the major projects of the Group includes;

(i) the integration of our membership and loyalty system (with e-wallet prepaid token), Mobile Application Bus Ticketing and Mobile Application Parking Payment with the Official Putrajaya Smart City Mobile App; and

(ii) provision of Customised Mobile Community Platform with full-fledged location based journey planner, Google Transit based journey planner on corporate website and data analytic engine as well as performance monitoring for Perbadanan Pengangkutan Johor.

The Group continues to engage with all the local government agencies and councils of all the states within Peninsular Malaysia to introduce our own developed Smart City Platform that enables the government agencies or local authorities to engage with the community intelligently via a mobile application. There are already several cities in Malaysia earmarked to be developed as a smart city which include Iskandar Malaysia in Johor, Georgetown in Penang and Mukah in Sarawak. Iskandar Regional Development Authority also intends to develop Iskandar Malaysia as a smart city by 2025. As such, the potential prospect for this business segment is enormous.

Agritech

Vertical farming in the agriculture sector is one of the key GDP contributor to the country and the aquaculture industry is expected to grow vigorously. The Group has recently ventured into the aquaculture industry by inking a partnership agreement for the joint development and commercialisation of a Smart Integrated Aquaculture Platform for sustainable aquafarming in Malaysia which will revolutionise the aquafarming industry and further promote sustainable farming practices in Malaysia. Through such efforts, the Group is aspired to be the leader in revolutionise the agriculture and aquaculture industries in the near future.

The Group initially have secured its maiden project with PT Sinar Mas Agro Resources and Technology Tbk (PT SMART Tbk) providing Field Activity and Harvesting Data Capturing System for upstream palm oil plantations with wireless connectivity tracking devices and offline data sync modules.

Energy Storage

Following the termination of the Group's proposal of disposing its subsidiaries, namely HKAB via a reverse takeover ("RTO") exercise of Chaswood Resources Holdings Ltd, a company listed on the Catalist Board of Singapore Exchange Securities Trading Limited due to the inadvertent delay in completing the relevant due diligence and corporate restructuring exercises of HKAB in connection with the RTO, the Group has re-assessed the potential value of HKAB and is exploring other approaches to realise the value of HKAB including but not limited to, an Initial Public Offering ("IPO") when the timing is right in the future.

Communication and Security Solutions

The Group's subsidiary, TPI had bagged a two-year technology development and support contract from local government enforcement agency. The contract is to design and deliver an analytics-enabled public safety and security command system.

Under the terms of the engagement, TPI will develop, implement and support an analytics-enabled public safety and security system, incorporating into an Internet of Things powered computing mobile devices as well as provision of Geographic Information System software components and professional engineering services.

The Group continues to tap on the technology development and maintenance contract to design and deliver an analytics-enabled public safety and security command system as a springboard for the Group to pursue and secure other opportunities in the communication and security space, both from the pubic as well as the private sector in the near future.

Technology-driven Food & Beverage

The Group via Craveat International has been one of the leading operators in the F&B casual dining space for over the past 20 years. The 3 core brands comprise TGI Fridays (for the Malaysia and Beijing region), Teh Tarik Place and recently acquired Italiannies.

The Group had recently in advance negotiations of opening new Italiannies restaurants in Beijing tapping into the Group's existing operation capabilities of TGI Fridays in Beijing.

On the Teh Tarik Place brand locally, the Group is continuing to focus on product development and aggressive promotional activities as new competitors has emerge offering similar local food concepts. The management has targeted China as a market that has penchant for Malaysian flavored food and has allocated capital to expand the Teh Tarik Place brand in China. The Group plans to open a few wholly owned stores in Beijing as well as to begin the franchise concept into the other 27 provinces in China. The Group targets to open 15 self-owned outlets and 100 franchise outlets in the next 5 years.

Overall Prospects of TXB Group

The Group's technology driven F&B business continued to show strong contribution approximately 99.2% of total revenue for FPE 2024 compared to Technology and digital transformations enabler. Hence, a third brand an Italian casual dining chain has been acquired for further expansion. In contrast, the Group's digital transformation & technology businesses adversely reduced by virtue of the fact that the relevant business entities managed to only service the existing contracts and no new addition of new projects secured in FPE 2024.

The Group's digital transformation & technology had identified and initiated discussions with multiple large distributors and system integration partners in South Africa in the space of renewable energy and energy storage in the recent past 6 months. These efforts include the development and submission of solution proposals to potential industrial and commercial clients and are in the advanced stages of concluding commercial discussions. Advanced discussions are also taking place with distributors and channel partners to provide market-ready energy storage solutions to the markets in South Africa, Australia and Malaysia. Initial stage engagements with partners and distributors have also been initiated in markets such as Philippines and Indonesia. These countries share common characteristics of energy storage requirement due to acute power shortages and high electricity tariff. Having assessed the market demands and addressable market segments in these countries, our manufacturing and production capability appears to provide significant cost and technology competitive advantages that will be crucial in swift market penetration.

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DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2024.

Principal Activities

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 4 to the financial statements.

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

Financial Results

	Group RM'000	Company RM'000
Loss for the financial period attributable to:		
- Owners of the Company	(19,202)	(4,729)
- Non-controlling interests	(773)	-
	(19,975)	(4,729)

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend to be paid for the financial period under review.

Reserves and Provisions

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

Issue of Shares and Debentures

On 2 April 2024, the Company has reduced its capital by RM1,199,734,780 pursuant to Section 117 of the Companies Act 2016.

On 25 April 2024, the Company's issued and paid-up share capital increased from 2,214,714,736 ordinary shares to 4,702,545,618 ordinary shares by issuance of 2,487,830,882 new ordinary shares pursuant to the debt settlement arrangement at RM0.0136 per share amounting to RM33,834,500.

On 13 May 2024, the issued and paid-up share capital was reduced from 4,702,545,618 ordinary shares to 235,125,043 ordinary shares by way of share consolidation of every twenty (20) existing shares into one (1) consolidated share.

The new ordinary shares issued during the financial period ranks pari-passu in all respect with the existing ordinary shares of the Company.

There was no issuance of debentures by the Company during the financial period.

Employee Share Option Scheme (“ESOS”)

On 30 June 2021, the shareholders of the Company approved the ESOS for eligible Directors and employees of the Company and its subsidiaries, which was subsequently implemented on 1 October 2021.

On 13 May 2024, the Company has completed a share consolidation exercise by consolidating every 20 ordinary shares in the Company into 1 ordinary share. Consequently, the number of unexercised share options was adjusted to 6,700,000, and the exercise price was revised to RM1.41 per share.

During the financial period, the Company has not offer any ESOS.

On 21 August 2024, the Directors of the Company surrendered, renounced, and waived their rights to 110,000,000 unexercised share options. Following a share consolidation, this total was reduced to 5,500,000 share options. These options were originally granted to the Directors under the ESOS on 8 October 2021.

On 22 August 2024, the Company offered 34,360,000 options to eligible employees of the Company and its active subsidiaries. These options, granted under the ESOS, allow employees to subscribe to new ordinary shares in the Company at an exercise price of RM0.135.

The salient features and terms of the ESOS are disclosed in Note 15(c) to the financial statements.

Directors

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

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	
Datuk Lim Chih Li @ Lin Zhili	
Chin How Nyian^	
Fan Kah Seong	
Ahmad Rizan Bin Ibrahim	(Resigned on 1 April 2024)
Ng Chee Seng*	(Resigned on 1 April 2024)
Balraj Singh Pannu A/L Gajjan Singh	(Resigned on 9 July 2024)
Aidawati Binti Dahari	(Resigned on 9 July 2024)
Yen Soon Jin	(Appointed on 1 July 2024)
Sakthi Kumar A/L Ramadas	(Appointed on 1 July 2024)
Dato' Geh Guat Yeow	(Appointed on 18 July 2024)
Y.A.M. Tengku Shahrain Shah Bin Tengku Sulaiman Shah	(Appointed on 18 July 2024)

* Alternate Director to Ahmad Rizan Bin Ibrahim
^ Alternate Director to Datuk Lim Chih Li @ Lin Zhili

The names of Directors of subsidiaries are set out in the respective subsidiaries' statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.

Directors' Interests

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial period held any shares or debentures in the Company or its subsidiaries during the financial period except as follows:

	Number of ordinary shares					
	At 01.01.2023	Debt settlement arrangement on 25.04.2024	Share consolidation exercise on 13.05.2024	Bought	Sold	At 30.06.2024
Techna-X Berhad						
Direct interest						
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	12,073,700	-	(11,470,015)	-	-	603,685
Datuk Lim Chih Li @ Lin Zhili	2,350,000	-	(2,232,500)	-	-	117,500
Chin How Nyian	101,300	-	(96,235)	-	-	5,065
Indirect interest						
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar (1)	304,642,259	-	(289,410,148)	-	-	15,232,111
Datuk Lim Chih Li @ Lin Zhili(2)	-	1,544,117,645	(1,466,911,763)	-	(77,205,882)	-

(1) *Deemed interested by virtue of his interest in Rock Point Alliance Sdn. Bhd., Syarikat Pesaka Antah Sdn. Bhd. and Syarikat Pesaka Radin Sdn. Bhd. and deemed interested by virtue of his family relationship with the relevant persons.*

(2) *Deemed interested by virtue of his interest in TAP Partners Sdn. Bhd. and deemed interested by virtue of his spouse's interest in Tremendous Asia Management Inc..*

Directors' Interests (Continued)

	Number of ESOS					
	At 01.01.2023	**Debt settlement arrangement on 25.04.2024**	**Share consolidation exercise on 13.05.2024**	**Offered**	**Converted**	**At 30.06.2024**[3]
Techna-X Berhad						
Direct interest						
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	50,000,000	-	(47,500,000)	-	-	2,500,000
Datuk Lim Chih Li @ Lin Zhili	60,000,000	-	(57,000,000)	-	-	3,000,000

[3] Following the share consolidation exercise, in which 20 ordinary shares in the Company were consolidated into 1 ordinary share, the Directors' unexercised share options were adjusted from 110,000,000 share options to 5,500,000 share options.

By virtue of their interests in the shares of the Company, Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Datuk Lim Chih Li @ Lin Zhili and Chin How Nyian are deemed to have interests in the shares of all its subsidiaries to the extent the Company has an interest.

Other than as disclosed above, according to the register of Directors' shareholdings, the Directors in the office at the end of the financial period did not hold any interest in shares or debentures in the Company or its subsidiaries during the financial period.

Directors' Benefits

Since the end of the previous financial year, no Director of the Group and of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) 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.

There were no arrangements during and at the end of the financial period which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Remuneration

Directors' remuneration is as follows:

	Group RM'000	Company RM'000
Directors' remuneration:		
- Fees	180	180
- Salaries and other emolument	88	88
- Contributions to Employees Provident Fund	7	7
	275	275

Subsidiaries

Details of the subsidiaries are disclosed in Note 4 to the financial statements.

Auditors' Remuneration

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
HLB Ler Lum Chew PLT		
- Statutory audit	437	103
- Non statutory audit	134	134
	571	237

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for Directors or officers 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 proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision 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 Company have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) any amount stated in the financial statements of the Group and of the Company misleading.

(c) No contingent or other liability of any company in the Group has become enforceable, or are likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(d) 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 period which secures the liabilities of any other person except as disclosed in Note 4 to the financial statements; and

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial period.

Other Statutory Information (Continued)

(e) In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company for the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial period 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 period in which this report is made.

Significant Event

Details of the significant event are disclosed in Note 35 to the financial statements.

Subsequent Events

Details of the subsequent events are disclosed in Note 36 to the financial statements.

Auditors

The auditors, HLB Ler Lum Chew PLT, have expressed their willingness to accept re-appointment.

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

Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR	DATUK LIM CHIH LI @ LIN ZHILI

KUALA LUMPUR

TECHNA-X BERHAD
(Incorporated in Malaysia)

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

We, Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR and DATUK LIM CHIH LI @ LIN ZHILI, being two of the Directors of TECHNA-X BERHAD, do hereby state that, in the opinion of the Directors, the 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 30 June 2024 and of their financial performance and cash flows for the financial period then ended.

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

Y.A.M. TUNKU NAQUIYUDDIN IBNI TUANKU JA'AFAR	DATUK LIM CHIH LI @ LIN ZHILI

KUALA LUMPUR

TECHNA-X BERHAD
(Incorporated in Malaysia)

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

I, DATUK LIM CHIH LI @ LIN ZHILI, being the Director primarily responsible for the financial management of TECHNA-X BERHAD, do solemnly and sincerely declare that the financial statements are to the best of my knowledge and belief, 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 DATUK LIM CHIH LI @)
LIN ZHILI at KUALA LUMPUR)
on this date of)

DATUK LIM CHIH LI @ LIN ZHILI

Before me,

COMMISSIONER FOR OATHS

Registration No.: 200601012477 (732227-T)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHNA-X BERHAD

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Techna-X Berhad, which comprise the statements of financial position as at 30 June 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 period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 87 to 174.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Qualified Opinion

(a) Limitation on audit evidence for investment in a foreign associate

The audit of Guangxi Aerospace Beidou New Energy Industry Technology Co., Ltd. ("GABNEIT"), a foreign associate, was performed by a component auditor. Although GABNEIT's management provided documentation to the component auditor, it was insufficient to fully substantiate the carrying amount of the investment in GABNEIT and share of results of GABNEIT within the timeframe required by the group reporting deadline. Consequently, the component auditor was unable to obtain sufficient appropriate audit evidence regarding the carrying amount of the investment in GABNEIT as at 30 June 2024 and the Group's share of GABNEIT's results for the financial period ended 30 June 2024.

As disclosed in Note 5 to the financial statements, the Group's investment in GABNEIT is carried at RM60,875,000 as at 30 June 2024.

As disclosed in Note 4 to the financial statements, the Company's investment in HK Aerospace Beidou New Energy Technology Co., Ltd. ("HKAB"), an investment holding company, is carried at RM41,662,000 as at 30 June 2024 with an accumulated impairment loss of RM5,027,000.

HKAB is an investment holding company and the recoverable amount of the investment relies on the financial contribution from its associates, GABNEIT and its subsidiary, which is held through Guangxi Aerospace Beidou Internet of Things Technology Co., Ltd. ("GABIOT").

In view of the above, we were unable to obtain sufficient appropriate audit evidence to determine whether any adjustments might be necessary to the carrying amount of the Group's investment in GABNEIT and the share of GABNEIT's results for the financial period ended 30 June 2024.

Similarly, we were unable to obtain sufficient appropriate audit evidence on the recoverable amount of the Company's investment in HKAB as at 30 June 2024, and we were unable to determine whether any adjustments might be necessary in respect of the net carrying amount of the Company's investment in HKAB as at 30 June 2024.

Registration No.: 200601012477 (732227-T)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHNA-X BERHAD (CONTINUED)

Basis for Qualified Opinion (Continued)

(b) Limitation on audit evidence for impairment assessment of the technology and digital transformation enabler cash generating unit ("CGU")

As disclosed in Note 8 to the financial statements, the Group recorded goodwill on consolidation and source codes and software relating to the technology and digital transformation enabler CGU amounting to RM16,707,000 and Nil respectively as at 30 June 2024. During the financial period ended 30 June 2024, the Directors conducted an impairment test on the CGU, resulting in the recognition of an impairment loss of RM6,390,000 and RM3,300,000 on goodwill and source codes and software respectively.

We were unable to obtain sufficient appropriate audit evidence to evaluate the reasonableness of key assumptions used in the impairment assessment, including the executed contracts between the Group and its customers that support forecasted revenue, as well as the evidence supporting forecasted operating costs. Consequently, we were unable to conclude on the appropriateness of management's impairment assessment or obtain sufficient appropriate audit evidence that the impairment charged for goodwill and intangible assets are appropriate in accordance with MFRS 136 "Impairment of Assets". Therefore, we could not determine whether any adjustment was necessary on the impairment loss recognised.

Touchpoint International Sdn. Bhd. ("Touchpoint") primarily operates in the technology and digital transformation enabler CGU. As disclosed in Note 4 to the financial statements, the Company's investment in Touchpoint is carried at RM35,212,000 as at 30 June 2024 with an accumulated impairment loss of RM21,119,000.

In view of the above, we were unable to obtain sufficient appropriate audit evidence on the recoverable amount of the Company's investment in Touchpoint as at 30 June 2024, and we were unable to determine whether any adjustments might be necessary in respect of the net carrying amount of the Company's investment in Touchpoint as at 30 June 2024.

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 qualified opinion.

Independence and Other Ethical Responsibilities

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

Registration No.: 200601012477 (732227-T)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHNA-X BERHAD (CONTINUED)

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 year. We have determined that there are no key audit matters to communicate in our report in the financial statements of the Company. These matters were addressed in the context of our audit of the financial statements of the Group and the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section and *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

1. Impairment assessment of goodwill arising from technology-driven food and beverage business division (Refer to Note 2(h)(i) and Note 8 to the financial statements)

   The risk

   As at 30 June 2024, the Group recognised goodwill arising from its technology-driven food and beverage business division amounting to RM31,928,000.

   Pursuant to MFRS 136 "Impairment of Assets", the Group is required to perform annual impairment assessment on the cash generating unit ("CGU") to which good will has been allocated.

   The Group estimated the recoverable amount of the CGU based on its value-in-use ("VIU"). Given the significant carrying amount of the CGU (including goodwill) and the complexity and subjectivity of the assumptions involved in the annual impairment test, we consider this a key audit focus.

   How our audit addressed the key audit matter

   We evaluated management's impairment assessment and the process by which it was developed and its oversight of the impairment assessment by the Board of Directors.

   We challenged assumptions used in the impairment assessment model which, amongst others, include:
   - forecast revenue;
   - forecast cost of sales and operating costs;
   - forecast capital expenditure; and
   - discount rates.

   We also performed sensitivity analysis on the key assumptions used by management and assessed the impact on the recoverable amount of goodwill within a reasonable range.

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHNA-X BERHAD (CONTINUED)

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) to the financial statements, which indicates the Group and the Company incurred a net loss of RM19,975,000 and RM4,729,000 respectively during the financial year ended, and as at that date, the Group's and the Company's current liabilities exceeded its current assets by RM79,591,000 and RM25,006,000 respectively. These indicate that a material uncertainty exist that may cast significant doubt about the Group's and the Company's ability to continue as going concerns. Our opinion is not modified in this matter.

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 in this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, we were unable obtain sufficient audit evidence about the carrying amounts of the Group's investment in GABNEIT as at 30 June 2024, the Group's share of GABNEIT's results for the financial period ended 30 June 2024, the recoverable amounts of the Company's investments in HKAB and Touchpoint as at 30 June 2024 and key assumptions used in the impairment assessment for the goodwill and source codes and software relating to the technology and digital transformation enabler CGU. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

Responsibilities of the Directors for the Financial Statements

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

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

Registration No.: 200601012477 (732227-T)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHNA-X BERHAD (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Registration No.: 200601012477 (732227-T)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHNA-X BERHAD (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- 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, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that:

(a) the subsidiaries of which we have not acted as auditors are disclosed in Note 4 to the financial statements.

(b) In our opinion, we have not obtained all the information and explanations that we required.

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TECHNA-X BERHAD (CONTINUED)

Other Matters

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

HLB LER LUM CHEW PLT
201906002362 & AF 0276
Chartered Accountants

Teh Weil Xuan
03453/10/2025 J
Chartered Accountant

7 November 2024
Kuala Lumpur

TECHNA-X BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

		Group		Company	
	Note	30.06.2024 RM'000	31.12.2022 RM'000	30.06.2024 RM'000	31.12.2022 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	3	15,899	15,917	56	111
Investment in subsidiaries	4	-	-	108,867	105,447
Investment in associates	5	61,188	68,761	498	-
Other investment	6	7	7	7	7
Right-of-use assets	7	15,648	11,990	184	404
Intangible assets	8	51,203	70,676	-	-
Deferred tax assets	9	143	143	-	-
		144,088	167,494	109,612	105,969
Current Assets					
Inventories	10	990	1,410	-	-
Trade receivables	11	4,026	23,657	-	-
Other receivables	12	7,990	7,755	376	1,754
Tax recoverable		352	404	-	-
Cash and bank balances		2,981	4,990	121	131
		16,339	38,216	497	1,885
Assets classified as held for sale	13	-	10,000	-	10,000
		16,339	48,216	497	11,885
TOTAL ASSETS		160,427	215,710	110,109	117,854
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	58,319	1,224,219	58,319	1,224,219
Reserves	15	10,456	11,694	7,288	7,812
Accumulated losses		(12,827)	(1,193,884)	18,961	(1,176,569)
Equity attributable to owners of the Company		55,948	42,029	84,568	55,462
Non-controlling interests		(1,800)	(192)	-	-
TOTAL EQUITY		54,148	41,837	84,568	55,462

TECHNA-X BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONTINUED)

		Group		Company	
	Note	30.06.2024 RM'000	31.12.2022 RM'000	30.06.2024 RM'000	31.12.2022 RM'000
LIABILITIES					
Non-Current Liabilities					
Other payables	16	-	37,427	-	7,543
Deferred tax liabilities	9	277	122	-	-
Lease liabilities	17	10,072	6,466	38	261
		10,349	44,015	38	7,804
Current Liabilities					
Trade payables	18	4,740	4,932	-	-
Other payables	16	52,056	82,466	24,371	52,242
Amount owing to subsidiaries	19	-	-	7	2,202
Amount owing to associates	20	30,231	32,054	975	-
Lease liabilities	17	6,972	6,832	150	144
Borrowings	21	-	1,735	-	-
Provision for taxation		1,931	1,839	-	-
		95,930	129,858	25,503	54,588
TOTAL LIABILITIES		106,279	173,873	25,541	62,392
TOTAL EQUITY AND LIABILITIES		160,427	215,710	110,109	117,854

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

TECHNA-X BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

		Group		Company	
	Note	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000
Continuing operations					
Revenue	22	94,379	74,231	-	-
Cost of sales		(33,636)	(30,229)	-	-
Gross profit		60,743	44,002	-	-
Other income		21,799	7,188	8,595	328
Administration and operating expenses		(96,672)	(60,654)	(13,313)	(79,467)
Share of associates' results	5(d)	(3,490)	(19,120)	-	-
Finance cost	23	(1,352)	(533)	(11)	(28)
Loss before taxation	24	(18,972)	(29,117)	(4,729)	(79,167)
Taxation	25	(1,003)	(2,089)	-	-
Loss from continuing operations		(19,975)	(31,206)	(4,729)	(79,167)
Discontinued operations					
Profit from discontinued operations	26	-	285,332	-	-
Total (loss)/profit for the financial period/year		(19,975)	254,126	(4,729)	(79,167)

TECHNA-X BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

		Group		Company	
	Note	**01.01.2023 to 30.06.2024 RM'000**	**01.01.2022 to 31.12.2022 RM'000**	**01.01.2023 to 30.06.2024 RM'000**	**01.01.2022 to 31.12.2022 RM'000**
Other comprehensive (expense)/income:					
Items that may be reclassified subsequently to profit or loss					
- Realisation of foreign currency translation reserve upon disposal of foreign operation		-	(184,081)	-	-
- Exchange differences arising from translation of foreign operations		(1,549)	(12,364)	-	-
Total comprehensive (expense)/income for the financial period/year		(21,524)	57,681	(4,729)	(79,167)
(Loss)/Profit for the financial period/year attributable to:					
- Owners of the Company		(19,202)	262,299	(4,729)	(79,167)
- Non-controlling interests		(773)	(8,173)	-	-
		(19,975)	254,126	(4,729)	(79,167)
Total comprehensive (expense)/income for the financial period/year attributable to:					
- Owners of the Company		(19,916)	67,211	(4,729)	(79,167)
- Non-controlling interests		(1,608)	(9,530)	-	-
		(21,524)	57,681	(4,729)	(79,167)
Basic (loss)/earnings per share attributable to the owners of the Company from (sen):					
- Continuing operations	27(a)	(14.61)	(20.83)		
- Discontinued operations	27(a)	-	258.08		
		(14.61)	237.25		
Diluted (loss)/earnings per share attributable to the owners of the Company from (sen):					
- Continuing operations	27(b)	(14.61)	(20.83)		
- Discontinued operations	27(b)	-	258.08		
		(14.61)	237.25		

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

TECHNA-X BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

		Attributable to Owners of the Company									
		<-----Non-Distributable----->									
Group	Note	Share Capital RM'000	Reverse Acquisition Reserve RM'000	Foreign Currency Translation Reserve RM'000	Statutory Common Reserve Fund RM'000	Share Option Reserve RM'000	ESOS Reserve RM'000	Accumulated Losses RM'000	Subtotal RM'000	Non-controlling interests RM'000	Total Equity RM'000
At 1 January 2022		1,222,833	(799,823)	195,050	49,358	2,640	7,987	(705,718)	(27,673)	8,654	(19,019)
Issuance of shares, net of share issuance costs pursuant to:											
- Conversion of RCN		1,000	-	-	-	-	-	-	1,000	-	1,000
- ESOS exercised		386	-	-	-	-	(175)	-	211	-	211
		1,386	-	-	-	-	(175)	-	1,211	-	1,211
Acquisition of a subsidiary		-	-	-	-	-	-	-	-	(77)	(77)
Additional contribution from non-controlling interest		-	-	-	-	-	-	-	-	621	621
Disposal of subsidiaries		-	799,823	-	(49,358)	-	-	(750,465)	-	140	140
Increase in share option reserve		-	-	-	-	1,280	-	-	1,280	-	1,280
Profit/(Loss) for the financial year		-	-	-	-	-	-	262,299	262,299	(8,173)	254,126
Other comprehensive expense:											
- Realisation of foreign exchange translation reserve upon disposal of foreign operation		-	-	(184,081)	-	-	-	-	(184,081)	-	(184,081)
- Exchange differences arising from translation of foreign operations		-	-	(11,007)	-	-	-	-	(11,007)	(1,357)	(12,364)
Total comprehensive income/(expense) for the financial year		-	-	(195,088)	-	-	-	262,299	67,211	(9,530)	57,681
At 31 December 2022		1,224,219	-	(38)	-	3,920	7,812	(1,193,884)	42,029	(192)	41,837

TECHNA-X BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

		Attributable to Owners of the Company							
		<------Non-Distributable------>							
Group	Note	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Share Option Reserve RM'000	ESOS Reserve RM'000	Accumulated Losses RM'000	Subtotal RM'000	Non-controlling interests RM'000	Total Equity RM'000
At 1 January 2023		1,224,219	(38)	3,920	7,812	(1,193,884)	42,029	(192)	41,837
Capital reduction	14	(1,199,735)	-	-	-	1,199,735	-	-	-
Issuance of shares, net of share issuance costs pursuant to debt settlement arrangement	14	33,835	-	-	-	-	33,835	-	33,835
Acquisition of subsidiaries	4(c)	-	-	-	-	-	-	-*	-*
ESOS forfeited		-	-	-	(524)	524	-		-
Loss for the financial period		-	-	-	-	(19,202)	(19,202)	(773)	(19,975)
Other comprehensive expense:									
- Exchange differences arising from translation of foreign operations		-	(714)	-	-	-	(714)	(835)	(1,549)
Total comprehensive expense for the financial period		-	(714)	-	-	(19,202)	(19,916)	(1,608)	(21,524)
At 30 June 2024		58,319	(752)	3,920	7,288	(12,827)	55,948	(1,800)	54,148

* *Represents RM98.*

TECHNA-X BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

		Non-Distributable			
	Note	Share Capital RM'000	ESOS Reserve RM'000	Accumulated Losses RM'000	Total RM'000
Company					
At 1 January 2022		1,222,833	7,987	(1,097,402)	133,418
Issuance of shares, net of share issuance costs pursuant to:					
- Conversion of RCN		1,000	-	-	1,000
- ESOS exercised		386	(175)	-	211
		1,386	(175)	-	1,211
Loss/Total comprehensive expense for the financial year		-	-	(79,167)	(79,167)
At 31 December 2022		1,224,219	7,812	(1,176,569)	55,462
At 1 January 2023		1,224,219	7,812	(1,176,569)	55,462
Capital reduction	14	(1,199,735)	-	1,199,735	-
Issuance of shares, net of share issuance costs pursuant to debt settlement	14	33,835	-	-	33,835
ESOS forfeited		-	(524)	524	-
Loss/Total comprehensive expense for the financial period		-	-	(4,729)	(4,729)
At 30 June 2024		58,319	7,288	18,961	84,568

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

TECHNA-X BERHAD
(Incorporated In Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	Group 01.01.2023 to 30.06.2024 RM'000	Group 01.01.2022 to 31.12.2022 RM'000	Company 01.01.2023 to 30.06.2024 RM'000	Company 01.01.2022 to 31.12.2022 RM'000
Cash flows from operating activities					
(Loss)/Profit before taxation					
- from continuing operations		(18,972)	(29,117)	(4,729)	(79,167)
- from discontinued operations	26	-	285,332	-	-
		(18,972)	256,215	(4,729)	(79,167)
Adjustments for:					
Amortisation of:					
- prepaid lease payments		-	470	-	-
- intangible assets	8	1,038	897	-	-
Bad debts written-off		1,016	31	-	-
Depreciation of:					
- property, plant and equipment		3,472	6,512	55	36
- right-of-use assets	7	11,803	3,106	220	137
Fair value (gain)/loss on contingent consideration payables		(4,167)	1,633	(7,543)	1,012
Fair value loss on assets held for sale		-	2,500	-	2,500
(Gain)/Loss on disposal of assets held for sale		-	(283,424)	-	58,212
Gain on disposal of subsidiaries	4(d)	(4,468)	(144)	(937)	-
Loss on disposal of property, plant and equipment		12	-	-	-
Impairment loss on:					
- trade receivables	11	142	204	-	-
- other receivables	12	86	984	-	984
- intangible assets	8	9,690	24,228	-	-
- investment in subsidiaries	4(a)	-	-	5,027	13,992
- investment in associates	5	10,539	-	5,512	-
Property, plant and equipment written-off	3	1,015	-	-	-
Share of associate results		3,490	19,120	-	-
Unrealised foreign exchange (gain)/loss		(1,447)	30	-	-
Gain on early termination of lease		(401)	-	-	-
Waiver of debts		(970)	(233)	-	-
Finance income		(15)	(5)	-	(5)
Finance cost		1,352	533	11	28
Operating profit/(loss) before working capital changes		13,215	32,657	(2,384)	(2,271)
Changes in working capital:					
Inventories		364	(365)	-	-
Trade receivables		19,447	8,170	-	-
Other receivables		6,359	10,211	1,378	1,178
Amount owing by/to subsidiaries		-	-	(22,205)	10,775
Amount owing by/to associates		(329)	(1,517)	975	-
Trade payables		348	(20,629)	-	-
Other payables		(18,427)	3,239	22,454	1,042
Cash generated from operations		20,977	31,766	218	10,724

TECHNA-X BERHAD
(Incorporated In Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

		Group		Company	
	Note	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000
Cash generated from operations		20,977	31,766	218	10,724
Interest paid		(1,352)	(358)	(11)	(28)
Tax paid		(578)	(177)	-	-
Tax refund		25	248	-	-
Net cash generated from operating activities		19,072	31,479	207	10,696
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired		-	(821)	-	-
Acquisition of intangible assets	8	(2,411)	(219)	-	-
Investment in subsidiaries		-	-	-	(12,000)
Interest received		15	5	-	5
Net cash outflow from disposal of subsidiaries	4(d)	(63)	(270)	-	-
Net cash outflow from disposal group		-	(716)	-	-
Proceeds from disposal of property, plant and equipment		6	-	-	-
Purchase of property, plant and equipment	3	(5,201)	(9,165)	-	-
Net cash used in investing activities		(7,654)	(11,186)	-	(11,995)
Cash flows from financing activities					
Additional contribution by non-controlling interest		-	621	-	-
Proceeds from issuance of Employee Share Option Scheme		-	211	-	211
Repayment of lease liabilities	30	(11,290)	(3,521)	(217)	(138)
Net cash (used in)/generated from financing activities		(11,290)	(2,689)	(217)	73
Net increase/(decrease) in cash and cash equivalents		128	17,604	(10)	(1,226)
Effects of foreign exchange rate changes		(2,137)	(25,456)	-	-
Cash and cash equivalents at the beginning of the financial period/year		4,990	12,842	131	1,357
Cash and cash equivalents at the end of the financial period/year		2,981	4,990	121	131
Cash and cash equivalents at the end of the financial period/year comprises:					
- Cash and bank balances		2,981	4,990	121	131

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

TECHNA-X BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 4 to the financial statements.

The Company is a public limited liability company, incorporated under the Companies Act 1965 and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya Selangor.

The principal place of business of the Company is located at Unit 2.2, Level 2, Work@Clearwater, Changkat Semantan, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

The financial statements of the Group and of the Company for the financial period ended 30 June 2024 were authorised for issue in accordance with a resolution of the Board of Directors dated 7 November 2024.

2. Basis of Preparation and Material Accounting Policy Information

(a) Basis of preparation

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

The financial statements have been prepared under the historical cost convention unless otherwise disclosed.

The Group and the Company has prepared its financial statements by applying the going concern basis notwithstanding that the Group and the Company incurred a loss of RM19,975,000 and RM4,729,000 respectively during the financial period ended 30 June 2024, and as at that date, the Group's and Company's current liabilities exceeded its current assets by RM79,591,000 and RM25,006,000 respectively, thereby indicating doubts over the Group's and the Company's ability to continue as going concerns.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(a) Basis of preparation (continued)

The Group has prepared a cash flow forecast in consideration of the following:

(i) The Group's ability to generate profitable operations and positive cash flows from its continuing operations;

(ii) The Group have obtained undertaking letters from the other payables of the Group as disclosed in Note 16 to the financial statements to not seek repayment should the Group lack the capacity to repay the other payables;

(iii) The Group have obtained undertaking letters from the associates as disclosed in Note 20 to the financial statements to not seek repayment should the Group lack the capacity to repay the associates; and

(iv) The issuance of rights shares with warrants, contingent upon approval from Bursa Malaysia Securities Berhad.

Significant assumptions and judgements are used in the preparation of the cash flows forecast.

The ability of the Group and of the Company to continue as going concerns is dependent on the ability of the Group to attain profitable operations, continuous support from its creditors and timely completion of the issuance of rights shares with warrants.

Should the going concern basis of preparing the financial statements be inappropriate, adjustments would have to be made to reduce the value of all assets to their estimated realisable values, and to provide further estimated liabilities that may arise, and to reclassify non-current assets and non-current liabilities to current assets and current liabilities respectively.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(c) to the financial statements.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(a) Basis of Preparation (continued)

Accounting standard and amendments to accounting standards that are effective for the Group and the Company's financial period beginning on or after 1 January 2023 are as follows:

- MFRS 17, "Insurance Contracts"
- Amendments to MFRS 17, "Insurance Contracts" (Initial application of MFRS 17 and MFRS 9 - Comparative Information)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Disclosure of Accounting Policies)
- Amendments to MFRS 108, "Accounting Policies, Changes in Accounting Estimates and Errors" (Definition of Accounting Estimates)
- Amendments to MFRS 112, "Income Taxes" (International Tax Reform: Pillar Two Model Rules)

The above accounting standard and amendments to accounting standards effective during the financial period do not have any significant impact to the financial results and position of the Group and of the Company.

Amendments to accounting standards that are applicable for the Group and the Company in the following periods but are not yet effective:

Annual periods beginning on/after 1 January 2024

- Amendments to MFRS 16, "Leases" (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Non-current Liabilities with Covenants)
- Amendments to MFRS 107 "Statement of Cash Flow" and MFRS 7 "Financial Instrument" (Supplier Finance Arrangements)

Annual periods beginning on/after 1 January 2025

- Amendments to MFRS 121, "The Effect of Changes in Foreign Exchange Rates" (Lack of Exchangeability)

Annual periods beginning on/after 1 January 2026

- Amendments to MFRS 7 "Financial Instruments: Disclosures" and MFRS 9 "Financial Instruments" (Amendments to the Classification and Measurement of Financial Instruments)

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(a) Basis of preparation (continued)

Annual periods beginning on/after 1 January 2027

- MFRS 18 “Presentation and Disclosure in Financial Statements”
- MFRS 19 “Subsidiaries without Public Accountability: Disclosure”

Effective date yet to be determined by the Malaysian Accounting Standards Board

- Amendments to MFRS 10, “Consolidated Financial Statements” and MFRS 128, “Investments in Associates and Joint Ventures” (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The adoption of the accounting standards and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Group and of the Company.

(b) Functional and presentation currency

Items included in the financial statements of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

(c) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group’s accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Changes in these estimations could significantly affect the recoverable amount at the end of each reporting period.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(c) Significant accounting estimates and judgements (continued)

(ii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. When such indicators exist, recoverable amounts of the cash-generating unit are determined based on the value-in-use calculation. These calculations require the estimation of the expected future cash flows from the cash generating unit and a suitable discount rate is applied in order to calculate the present value of those cash flows.

(iii) Measurement of expected credit loss allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of reporting period.

(d) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(d) Basis of consolidation (continued)

(i) Subsidiaries (continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities, any non-controlling interests and other components of equity related to the disposed subsidiary. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(d) Basis of consolidation (continued)

(ii) Associates (continued)

The Group's share of post-acquisition profit or loss is recognised in profit or loss and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, the proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Dilution gains or losses arising from investments in associates are recognised in profit or loss.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment if the carrying value exceeds the recoverable amount of the associate and recognises the difference as impairment losses in profit or loss.

(e) Investments in subsidiaries and associates

In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(f) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in net in the profit or loss.

(ii) Depreciation and impairment

Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives as follows:

Building and leasehold improvement	10 - 20 years
Office furniture and equipment	5 - 10 years
Smallwares, decoration, restaurant and kitchen equipment	10 years
Electrical installation	10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at end of each reporting period, and adjusted as appropriate.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(f) Property, plant and equipment (continued)

(ii) Depreciation and impairment (continued)

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount in accordance with accounting policy Note 2(i) to the financial statements.

(g) Leases by lessee

Leases are recognised as right-of-use assets and a corresponding liability at the commencement date on which the leased asset is available for use by the Group and the Company.

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension or termination options are taken into consideration in determining the lease term if it is reasonably certain that the lease will be extended or terminated.

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain that it will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(h) Intangible assets

(i) Goodwill arising on consolidation

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Acquired franchise fee

Acquired franchise fee are recognised as an asset and initially measured at cost.

Acquired franchise fee is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on straight-line basis to allocate the cost over its estimated useful lives of 10 years.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(h) Intangible assets (continued)

(iii) Acquired source code, patents and software

Acquired source code, patents and software have finite lives and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the accumulated straight-line method to allocate the cost of the computer software over its estimated useful lives of 5 to 10 years.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

(i) Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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 to sell. 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 its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus. 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 if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial period in which the reversals are recognised.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(j) Inventories

Food and beverage

Inventories comprising food and beverage are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost is determined using the weighted average cost method. The cost of work-in-progress and finished goods comprise cost of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three month or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(l) Provisions for liabilities

Provisions for liabilities are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(m) Foreign currencies

(i) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the spot exchange rates at the date when the fair value was determined. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss, 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.

(ii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into the presentation currency as follows:

- assets and liabilities of foreign operations are translated at the closing rate prevailing at the reporting date;
- income and expenses for each statement of profit and loss and other comprehensive income presented are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- all resulting exchange differences are taken directly to other comprehensive income through the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisitions of the exchange differences are treated as assets and liabilities of the foreign operation and are translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(m) Foreign currencies (continued)

(ii) Foreign operations (continued)

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income through the foreign currency translation reserve.

(n) Financial assets

(i) Classification

The Group classifies its financial assets at amortised cost.

The classification depends on the Group’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(n) Financial assets (continued)

(iii) Subsequent measurement

Debt instruments

Debt instruments mainly comprise of trade receivables, other receivables, amount owing by related parties and cash and cash equivalents.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

Equity instruments

The Group subsequently measures all its equity investments at fair value. Equity investments are classified as fair value through profit or loss ("FVTPL") with movements in their fair values recognised in profit or loss in the period in which the changes arise, except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income ("OCI") as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as fair value through other comprehensive income ("FVOCI") are recognised in OCI. Dividends from equity investments are recognised in profit or loss when the Group's and Company's right to receive payments is established.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(n) Financial assets (continued)

(iv) Impairment

The Group and the Company assess expected credit losses associated with its debt instruments carried at amortised cost and at FVOCI on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Expected credit losses represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

In measuring expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking factors affecting the ability of the customers to settle the receivables.

The Group and the Company define a financial instrument as default, which is aligned with the definition of credit-impaired, when the debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- The debtor is in breach of financial covenants
- Concessions have been made by the Group and the Company related to the debtor's financial difficulty
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- The debtor is insolvent

Financial assets that are credit-impaired are assessed for impairment on an individual basis.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(n) Financial assets (continued)

(iv) Impairment (continued)

The Group and the Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity.

(o) Financial liabilities

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

Fair value though profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

(p) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(q) Non-current assets (or disposal group) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view for resale. Classification as a discontinued operation occurs upon disposal or when the operations meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

(r) Revenue and income recognition

(i) Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(r) Revenue and income recognition (continued)

(i) Revenue from contracts with customers (continued)

Restaurant

- Sale of food and beverage

  Revenue from sale of food and beverage is recognised when the Group satisfies a performance obligation by transferring control of the food and beverage to a customer, which coincides with the delivery of goods and services and acceptance by customers.

- Franchising income

  Franchising income represents the rights granted to the franchisees to operate their restaurant business under the brand name which owned by the Group. Franchising income is recognised over the contract period.

- Royalties income

  Royalties income represents the royalties fee charged to the franchisees based on certain percentage of the franchisees' revenue. Royalties income is recognised on a monthly basis over the term of the franchise agreement.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(r) Revenue and income recognition (continued)

(i) Revenue from contracts with customers (continued)

<u>Technology and digital transformation enabler</u>

- Software development and consultancy

  Revenue from software development and consultancy is recognised when the Group satisfies a performance obligation by transferring a promised goods or services to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of goods and services and acceptance by customers.

- Software maintenance services

  The provision of software maintenance services is recognised when the services are rendered and the customer simultaneously receives and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

- Digital platform services

  Digital platform represents the commission fees and transaction fees based on the number of transactions through the Group's digital platform. Digital platform services is recognised when the services are rendered and the customer simultaneously receives and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

- Data analysis services

  Revenue from data analysis services is recognised when the Group satisfies a performance obligation by transferring a promised service to a customer. An asset is transferred as and when the customer obtains control of that asset, which coincides with the delivery of services and acceptance by customers.

- Sale of devices

  Revenue from sale of devices is recognised when the Group satisfies a performance obligation by transferring control of devices to a customer, which coincides with the delivery of devices and acceptance by customers.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(r) Revenue and income recognition (continued)

(ii) Other revenue and income

Revenue and income from other sources are recognised as follows:

<u>Rental income</u>

Rental income is recognised on a straight-line basis over the term of the lease.

<u>Interest income</u>

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

(s) Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(t) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial periods. Such contributions are recognised as an expense in the profit or loss as incurred. The Group contributes to the statutory pension schemes as defined by the laws of the countries in which it has operations.

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

2. **Basis of Preparation and Material Accounting Policy Information (Continued)**

(t) Employee benefits (continued)

(iii) Share-based compensation (continued)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in 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.

(u) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting and are regularly reviewed by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Director that makes strategic decisions.

3. Property, Plant and Equipment

Group	Note	Building and leasehold improvement RM'000	Office furniture and equipment RM'000	Smallwares, decoration, restaurant and kitchen equipment RM'000	Electrical installation RM'000	Motor vehicles RM'000	Total RM'000
30.06.2024							
Cost							
At 1 January 2023		19,792	5,843	10,272	4,514	515	40,936
Additions		1,165	1,221	2,570	245	-	5,201
Disposal of subsidiaries	4(d)	(2,618)	(1,157)	(1,734)	(1,168)	-	(6,677)
Written-off		(2,037)	(664)	(684)	(455)	-	(3,840)
Disposal		(20)	(12)	(9)	-	-	(41)
Exchange differences		118	34	50	28	-	230
At 30 June 2024		16,400	5,265	10,465	3,164	515	35,809
Accumulated depreciation							
At 1 January 2023		9,716	3,323	6,930	3,657	515	24,141
Charge for the financial period		1,952	619	736	165	-	3,472
Disposal of subsidiaries	4(d)	(2,334)	(874)	(1,645)	(1,054)	-	(5,907)
Written-off		(594)	(646)	(291)	(416)	-	(1,947)
Disposal		(3)	(11)	(9)	-	-	(23)
Exchange differences		68	33	48	25	-	174
At 30 June 2024		8,805	2,444	5,769	2,377	515	19,910

3. Property, Plant and Equipment (Continued)

Group	Note	Building and leasehold improvement RM'000	Office furniture and equipment RM'000	Smallwares, decoration, restaurant and kitchen equipment RM'000	Electrical installation RM'000	Motor vehicles RM'000	Total RM'000
30.06.2024 (continued)							
Accumulated impairment losses							
At 1 January 2023		439	18	385	36	-	878
Written-off		(439)	(18)	(385)	(36)	-	(878)
At 30 June 2024		-	-	-	-	-	-
Carrying amount							
At 30 June 2024		7,595	2,821	4,696	787	-	15,899

3. **Property, Plant and Equipment (Continued)**

Group	Note	Building and leasehold improvement RM'000	Office furniture and equipment RM'000	Smallwares, decoration, restaurant and kitchen equipment RM'000	Electrical installation RM'000	Motor vehicles RM'000	Construction work-in-progress RM'000	Total RM'000
31.12.2022								
Cost								
At 1 January 2022		11,070	4,504	8,083	4,039	593	2,886	31,175
Acquisition of a subsidiary		-	-	-	-	-	2,002	2,002
Disposal of a subsidiary		-	(350)	-	-	(80)	-	(430)
Additions		5,987	1,111	1,667	400	-	-	9,165
Transfers		2,865	557	597	119	-	(4,888)	(750)
Exchange differences		(130)	21	(75)	(44)	2	-	(226)
At 31 December 2022		19,792	5,843	10,272	4,514	515	-	40,936
Accumulated depreciation								
At 1 January 2022		9,145	2,983	6,662	3,582	516	-	22,888
Charge for the financial year		698	344	341	118	-	-	1,501
Disposal of a subsidiary		-	(16)	-	-	(1)	-	(17)
Exchange differences		(127)	12	(73)	(43)	-	-	(231)
At 31 December 2022		9,716	3,323	6,930	3,657	515	-	24,141

3. **Property, Plant and Equipment (Continued)**

Group	Note	Building and leasehold improvement RM'000	Office furniture and equipment RM'000	Smallwares, decoration, restaurant and kitchen equipment RM'000	Electrical installation RM'000	Motor vehicles RM'000	Construction work-in-progress RM'000	Total RM'000
31.12.2022 (continued)								
Accumulated impairment losses								
At 1 January 2022/ 31 December 2022		439	18	385	36	-	-	878
Carrying amount								
At 31 December 2022		9,637	2,502	2,957	821	-	-	15,917

3. **Property, Plant and Equipment (Continued)**

	Company	
	30.06.2024	**31.12.2022**
	RM'000	**RM'000**
Office furniture and equipment		
Cost		
At beginning/end of the financial period/year	202	202
Accumulated depreciation		
At beginning of the financial period/year	91	55
Charge for the financial period/year	55	36
At end of the financial period/year	146	91
Carrying amount		
At end of the financial period/year	56	111

4. **Investment in Subsidiaries**

(a) Investment in subsidiaries

	Company	
	30.06.2024	**31.12.2022**
	RM'000	**RM'000**
Unquoted shares, at cost		
- In Malaysia	66,215	66,662
- Outside Malaysia	41,662	41,662
	107,877	108,324
Less: Impairment loss	(26,146)	(21,119)
	81,731	87,205
Advances to subsidiaries treated as quasi-investment	27,136	18,242
	108,867	105,447

The advances to subsidiaries are unsecured, non-interest bearing with no fixed terms of repayment. The Company does not anticipate repayment of the advances and they are determined to form part of the Company's net investment in the subsidiaries.

4. **Investment in Subsidiaries (Continued)**

(a) Investment in subsidiaries (continued)

Movement in impairment loss on investment in subsidiaries during the financial period/year is as follows:

	Company	
	30.06.2024	**31.12.2022**
	RM'000	**RM'000**
At beginning of the financial period/year	(21,119)	(7,127)
Impairment loss on investment in subsidiaries	(5,027)	(13,992)
At end of the financial period/year	(26,146)	(21,119)

At the end of the financial period, the Company carried out a review of the recoverable amount of its investment in HKAB and Touchpoint. The review had led to recognition of an impairment loss of RM5,027,000 and Nil (31.12.2022: Nil and RM13,992,000) respectively.

The recoverable amount of the Company's investment in HKAB has been predominantly determined based on the value-in-use calculation derived from its associates, Guangxi Aerospace Beidou New Energy Industry Technology Co., Ltd. ("GABNEIT") and its subsidiary company. The key assumptions used for the value-in-use calculation are disclosed in Note 5(e) to the financial statements.

The recoverable amount of the Company's investment in Touchpoint has been determined based on the value-in-use calculation derived from its technology and digital transformation enabler cash generating unit. The key assumptions used for the value-in-use calculation are disclosed in Note 8(b) to the financial statements.

During the financial period, the Company had pledged its investment in unquoted shares in Craveat International Sdn. Bhd. amounting RM31,000,000 (31.12.2022: Nil) to a substantial shareholder for an outstanding debt of RM17,353,000 (31.12.2022: Nil) as disclosed in Note 16(a)(v) and Note 35 to the financial statements.

4. **Investment in Subsidiaries (Continued)**

(b) The subsidiaries and shareholdings therein are as follows:

Name of companies	Country of incorporation and principal place of business	Effective ownership and voting interest 30.06.2024 %	31.12.2022 %	Principal activities
Direct holding:				
Craveat International Sdn. Bhd. ("Craveat")	Malaysia	100	100	Investment holding
Touchpoint International Sdn. Bhd. ("Touchpoint")	Malaysia	100	100	Research, development and providing professional services related to Enterprise Mobile Applications and Smart City platform and ecosystem enablement
Wavetree Technologies Sdn. Bhd. ("Wavetree")	Malaysia	100	100	Research and development of information technology
Techna Analytics Sdn. Bhd. ("Techna Analytics")	Malaysia	-	100	Computer programming, artificial intelligence and business analytics ventures
Techna-X Aerobeidou Sdn. Bhd. ("Techna-X Aerobeidou")	Malaysia	100	100	Dormant
HK Aerospace Beidou New Energy Technology Co., Ltd. ("HKAB") [1]	Hong Kong	50	50	Investment holding and engaged in trading of super batteries and capacitor
Indirect holding:				
Subsidiaries of Craveat:				
Bistroamericana (A) Sdn. Bhd.	Malaysia	100	100	Restaurant

4. **Investment in Subsidiaries (Continued)**

(b) The subsidiaries and shareholdings therein are as follows: (continued)

Name of companies	Country of incorporation and principal place of business	Effective ownership and voting interest 30.06.2024 %	31.12.2022 %	Principal activities
Indirect holding:				
Subsidiaries of Craveat: (continued)				
Bistroamericana (BB) Sdn. Bhd. ("BABB")	Malaysia	-	100	Restaurant
Bistroamericana (BU) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (Hartamas) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (QB) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (TC) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (PBJ) Sdn. Bhd.	Malaysia	100	100	Restaurant
Bistroamericana (JB) Sdn. Bhd. ("BAJB")	Malaysia	51	51	Restaurant
Bistroamericana (SP) Sdn. Bhd. ("BASP")	Malaysia	-	100	Restaurant
Bistroamericana (MYTOWN) Sdn. Bhd. ("BAMT") [3]	Malaysia	51	51	Restaurant
Teh Tarik Place Sdn. Bhd.	Malaysia	100	100	Restaurant
Craveat Italiana (TC) Sdn. Bhd. (formerly known as Teh Tarik Place (Kiosk) Sdn. Bhd.)	Malaysia	100	100	Restaurant
Craveat (BB) Sdn. Bhd. ("CRBB")	Malaysia	51	-	Restaurant
Craveat (SP) Sdn. Bhd. ("CRSP")	Malaysia	51	-	Restaurant
Craveat Italiana (SA) Sdn. Bhd. ("CISA") [2]	Malaysia	100	-	Restaurant

4. **Investment in Subsidiaries (Continued)**

(b) The subsidiaries and shareholdings therein are as follows: (continued)

Name of companies	Country of incorporation and principal place of business	Effective ownership and voting interest 30.06.2024 %	31.12.2022 %	Principal activities
Indirect holding:				
Subsidiaries of Craveat: (continued)				
Chaswood Restaurant Management (Beijing) Co., Ltd. ("Chaswood Beijing") [1]	People's Republic of China	100	100	Restaurant
Subsidiary of HKAB:				
Guangxi Zhongcheng Huatai Industrials Co., Ltd. ("GZHT") [1]	People's Republic of China	40	40	Investment holding
Guangxi Aerospace Beidou Internet of Things Technology Co., Ltd. ("GABIOT") [1]	People's Republic of China	45	45	Involves in internet of things and technical internet research

[1] Subsidiaries not audited by HLB Ler Lum Chew PLT.

[2] The subsidiary was newly incorporated on 3 January 2024 with its first financial year end falls on 30 June 2025. Hence, the audited financial statements for the financial period ended 30 June 2024 of the subsidiary is not available at the date of the financial statements of the Group. However, the Directors are of the opinion that the financial results of this subsidiary is not material to the Group. Hence, the management account of the said subsidiary for the financial period ended 30 June 2024 have been used for consolidation purpose.

[3] The statutory financial year end of the subsidiary is 31 December which is not coterminous with the financial year end of the Group. The audited financial statements for the financial period ended 30 June 2024 of the subsidiary is not available at the date of the financial statements of the Group. However, the Directors are of the opinion that the financial results of this subsidiary is not material to the Group. Hence, the management account of the said subsidiary for the financial period ended 30 June 2024 have been used for consolidation purpose.

4. **Investment in Subsidiaries (Continued)**

(c) Acquisition and incorporation of new subsidiaries

During the financial period, a wholly-owned subsidiary of the Company, Craveat completed the following acquisition and incorporation of new subsidiaries:

(i) On 22 December 2023, the Company completed the acquisition of 51% of the equity interest in CRBB, comprising 51 ordinary shares for a total consideration of RM51.

(ii) On 22 December 2023, the Company completed the acquisition of 51% of the equity interest in CRSP, comprising 51 ordinary shares for a total consideration of RM51.

(iii) On 3 January 2024, the Company incorporated and subscribed 100% of the equity interest in CISA, comprising 1 ordinary shares for a total consideration of RM1.

The acquisition and incorporation of new subsidiaries do not have significant financial impact to the Group and the Company during the financial period.

(d) Disposal of subsidiaries

(i) Techna Analytics

On 4 April 2023, the Company had diluted its 100% equity interest held to 49% by disposing 510,000 ordinary shares, equivalent to 51% of the total issued and paid-up share capital in Techna Analytics for a total purchase consideration of RM6,375,000. Following the loss of control, Techna Analytics has been accounted for as investment in associates as disclosed in Note 5 to the financial statements.

4. **Investment in Subsidiaries (Continued)**

(d) Disposal of subsidiaries (continued)

(i) Techna Analytics (continued)

The effect of the disposal of Techna Analytics to the Group were as follows:

	Group 30.06.2024 RM'000
Property, plant and equipment	50
Intangible assets	319
Other receivables	1,690
Cash and bank balances	3
Other payables	(500)
Provision for taxation	(204)
Net assets	1,358
Goodwill on acquisition	10,908
Net assets disposed off	12,266
Fair value of retained interest in an associate	(6,010)
Group share of net assets disposed	6,256
Disposal consideration	(6,375)
Gain on disposal of the subsidiary	(119)
Disposal consideration	6,375
Contra settlement of disposal consideration with purchaser	(6,375)
Net proceeds from disposal	-
Less: Cash and cash equivalents	(3)
Net cash outflow from disposal	(3)

The Company recognised a gain on disposal of RM937,000 in profit or loss being the difference between the disposal consideration and the derecognition of the carrying amount of the cost of investment.

(ii) BABB and BASP

On 24 May 2023, Craveat, a wholly-owned subsidiary of the Company had entered into Share Purchase Agreements with Debut Supreme Capital Sdn. Bhd. to dispose the following:

- 2,300,000 ordinary shares, equivalent to 100% of the total issued and paid-up share capital of BABB for a total consideration of RM1; and
- 1,800,000 ordinary shares, equivalent to 100% of the total issued and paid-up share capital of BASP for a total consideration of RM1.

As a result of the disposal, BABB and BASP ceased to be subsidiaries of Craveat and the Company accordingly.

4. **Investment in Subsidiaries (Continued)**

(d) Disposal of subsidiaries (continued)

(ii) BABB and BASP (continued)

The effects of the disposal of BABB and BASP to the Group were as follows:

	Group 30.06.2024 RM'000
Property, plant and equipment	720
Right-of-use assets	1,551
Inventories	70
Trade receivables	41
Other receivables	614
Tax recoverable	71
Cash and bank balances	60
Trade payables	(587)
Other payables	(3,563)
Lease liabilities	(1,573)
Borrowings	(1,735)
Deferred tax liabilities	(18)
Net liabilities disposed	(4,349)
Disposal consideration	-*
Gain on disposal of the subsidiaries	(4,349)
Net proceeds from disposal	-*
Less: Cash and cash equivalent	(60)
Net cash outflow from disposal	(60)

* Represents RM2.

(e) On 14 June 2024, Craveat increased its paid-up share capital from 12,000,000 ordinary shares to 23,000,000 ordinary shares. The Company subscribed to additional 11,000,000 ordinary shares in Craveat by way of capitalisation of advances to Craveat amounting to RM11,000,000. There is no change in equity interest subsequent to the subscription of ordinary shares.

4. **Investment in Subsidiaries (Continued)**

(f) Non-controlling interests ("NCI") in subsidiaries

	HKAB and its subsidiaries		BAJB, BAMT, CRBB and CRSP	
	30.06.2024 RM'000	31.12.2022 RM'000	30.06.2024 RM'000	31.12.2022 RM'000
Non-current assets	24,226	27,085	6,273	5,524
Current assets	2,242	6,175	3,256	1,132
Non-current liabilities	-	-	(997)	(944)
Current liabilities	(42,045)	(44,746)	(5,802)	(3,875)
	(15,577)	(11,486)	2,730	1,837
Carrying amount of NCI as at year end	(3,138)	(1,092)	1,338	900
Revenue	-	-	18,980	5,239
(Loss)/Profit for the financial period/year	(2,420)	(17,061)	892	728
Total comprehensive (expense)/income during the financial period/year	(4,091)	(19,773)	892	728
(Loss)/Profit for the financial period/year allocated to NCI	(1,210)	(8,530)	438	357
Total comprehensive (expense)/income during the financial period/year allocated to NCI	(2,046)	(9,887)	438	357
Cash flows (used in)/generated from operating activities	(2,096)	(9,198)	1,965	2,061
Cash flows generated from/(used in) investing activities	7	-	(819)	(1,839)
Cash flows generated from/(used in) financing activities	678	-	(935)	341
Net (decrease)/increase in cash and cash equivalents	(1,411)	(9,198)	211	563
Ownership interest held by NCI	50% - 60%	50% - 60%	49%	49%

5. Investment in Associates

(a) Investment in associates

	Group		Company	
	30.06.2024 RM'000	31.12.2022 RM'000	30.06.2024 RM'000	31.12.2022 RM'000
Unquoted shares, at cost				
- In Malaysia	6,010	-	6,010	-
- Outside Malaysia	88,830	88,154	-	-
	94,840	88,154	6,010	-
Less: Impairment loss	(10,539)	-	(5,512)	-
Share of post-acquisition reserves	(23,113)	(19,393)	-	-
	61,188	68,761	498	-

Movement in impairment loss of investment in associates during the financial period/year is as follows:

	Group		Company	
	30.06.2024 RM'000	31.12.2022 RM'000	30.06.2024 RM'000	31.12.2022 RM'000
At beginning of the financial period/year	-	-	-	-
Impairment loss during the financial period/year	10,539	-	5,512	-
At end of the financial period/year	10,539	-	5,512	-

5. **Investment in Associates (Continued)**

(b) The associates and shareholdings therein are as follows:

Name of companies	Country of incorporation and principal place of business	Effective ownership and voting interest 30.06.2024 %	31.12.2022 %	Principal activities
Direct holding:				
Techna Analytics Sdn. Bhd. ("Techna Analytics")	Malaysia	49	-	Computer programming, artificial intelligence and business analytics ventures
Indirect holding:				
Associate of GABIOT				
Guangxi Aerospace Beidou New Energy Industry Technology Co., Ltd. ("GABNEIT") [1]	People's Republic of China	19	19	Design and manufacture of ultra-capacitors and super batteries
Guangxi Aerospace Beidou High Energy Battery Co., Ltd. [1]	People's Republic of China	19	19	Research and development, manufacturing, assembly and sales of battery materials, batteries, battery packs and battery application products

[1] Associates not audited by HLB Ler Lum Chew PLT.

5. **Investment in Associates (Continued)**

(c) The summarised financial information of the associates are as follows:

	Techna Analytics		**GABNEIT and its subsidiary**	
	30.06.2024 RM'000	**31.12.2022 RM'000**	**30.06.2024 RM'000**	**31.12.2022 RM'000**
Non-current assets	31	-	35,004	39,934
Current assets	1,692	-	63,641	63,261
Current liabilities	(744)	-	(47,060)	(44,240)
	979	-	51,585	58,955
Revenue	-	-	2,527	4,591
Loss/Total comprehensive expense for the financial period/year	(379)	-	(8,787)	(51,126)
Cash flows (used in)/generated from operating activities	-	-	231	763
Cash flows used in investing activities	-	-	(238)	(54)
Cash flows used in financing activities	-	-	-	(66)
Net (decrease)/increase in cash and cash equivalents	-	-	(7)	643

(d) The reconciliation of net assets of the associates to the carrying amount of the investment in associates is as follows:

	Techna Analytics		**GABNEIT and its subsidiary**	
	30.06.2024 RM'000	**31.12.2022 RM'000**	**30.06.2024 RM'000**	**31.12.2022 RM'000**
The Group's share of loss/total comprehensive expenses for the financial period/year	(186)	-	(3,304)	(19,120)
Net assets	979	-	51,585	58,955
Represented by:				
The Group's share of net assets	313	-	14,373	22,339
Goodwill	-	-	46,502	46,422
	313	-	60,875	68,761

5. **Investment in an Associate (Continued)**

(e) Impairment assessment of GABNEIT and its subsidiary

The Group had undertaken an impairment assessment of its investment in GABNEIT following the loss sustained by the associates during the financial period.

Key assumptions used to determine recoverable amount

The recoverable amount of the investment in associate has been determined based on the value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the projected period are extrapolated using the estimated growth rates.

The key assumptions used for the value-in-use calculations of the associate include the following:

(i) Budgeted gross margin which is estimated based on past experience and future expectations over the budgeted period for new product offerings for the associate, adjusted for expected cost savings and efficiency improvements.

(ii) Pre-tax discount rate and terminal growth rate:

	30.06.2024	**31.12.2022**
Terminal growth rate	-	-
Pre-tax discount rate	11%	11%

Management determined the revenue growth rates, direct costs and operating expenses during the budget period based on future expectation of changes in the market. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the associate.

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis, the Board of Directors concluded that no reasonable change in the assumptions above would cause the carrying amount of the associate to exceed its recoverable amounts.

6. Other Investment

	Group/Company	
	30.06.2024 RM'000	31.12.2022 RM'000
Unquoted shares outside Malaysia	7	7

7. Right-of-Use Assets

	Note	Office RM'000	Retail properties RM'000	Total RM'000
Group				
Cost				
At 1 January 2022		714	9,417	10,131
Additions		647	10,891	11,538
Acquisition of a subsidiary		-	792	792
Expiry of lease		(714)	(6,415)	(7,129)
Translation differences		-	24	24
At 31 December 2022/ 1 January 2023		647	14,709	15,356
Additions		-	16,992	16,992
Disposal of subsidiaries	4(d)	-	(1,783)	(1,783)
Early termination of lease		-	(3,242)	(3,242)
Translation differences		-	(134)	(134)
At 30 June 2024		647	26,542	27,189
Accumulated depreciation				
At 1 January 2022		426	6,952	7,378
Charge for the financial year		342	2,764	3,106
Acquisition of a subsidiary		-	11	11
Expiry of lease		(714)	(6,415)	(7,129)
At 31 December 2022/ 1 January 2023		54	3,312	3,366
Charge for the financial period		323	11,480	11,803
Disposal of subsidiaries	4(d)	-	(232)	(232)
Early termination of lease		-	(3,242)	(3,242)
Translation differences		-	(154)	(154)
At 30 June 2024		377	11,164	11,541
Carrying amount				
At 30 June 2024		270	15,378	15,648
At 31 December 2022		593	11,397	11,990

7. **Right-of-Use Assets (Continued)**

	Office RM'000
Company	
Cost	
At 1 January 2022	256
Additions	441
Expiry of lease	(256)
At 31 December 2022/1 January 2023/30 June 2024	441
Accumulated depreciation	
At 1 January 2022	156
Charge for the financial year	137
Expiry of lease	(256)
At 31 December 2022/1 January 2023	37
Charge for the financial period	220
At 30 June 2024	257
Carrying amount	
At 30 June 2024	184
At 31 December 2022	404

8. Intangible Assets

	Note	Goodwill on consolidation RM'000	Franchise fee RM'000	Source codes and software RM'000	Total RM'000
Group					
Cost					
At 1 January 2022		96,935	972	7,483	105,390
Acquisition of a subsidiary		1,134	-	-	1,134
Addition		-	219	-	219
Exchange differences		(114)	-	-	(114)
At 31 December 2022/ 1 January 2023		97,955	1,191	7,483	106,629
Disposal of subsidiaries	4(d)	(11,010)	(136)	(1,483)	(12,629)
Addition		-	2,411	-	2,411
Exchange differences		71	-	-	71
At 30 June 2024		87,016	3,466	6,000	96,482
Accumulated amortisation					
At 1 January 2022		-	972	1,991	2,963
Charges during the year		-	-	897	897
At 31 December 2022/ 1 January 2023		-	972	2,888	3,860
Charges during the period		-	62	976	1,038
Disposal of subsidiaries	4(d)	-	(136)	(1,164)	(1,300)
At 30 June 2024		-	898	2,700	3,598
Accumulated impairment losses					
At 1 January 2022		7,865	-	-	7,865
Impairment loss during the year		24,228	-	-	24,228
At 31 December 2022/ 1 January 2023		32,093	-	-	32,093
Disposal of subsidiaries	4(d)	(102)	-	-	(102)
Impairment loss during the period		6,390	-	3,300	9,690
At 30 June 2024		38,381	-	3,300	41,681
Carrying amount					
At 30 June 2024		48,635	2,568	-	51,203
At 31 December 2022		65,862	219	4,595	70,676

8. **Intangible Assets (Continued)**

(a) Allocation of goodwill to Cash Generating Units ("CGU")

The Group's goodwill has been allocated to the respective CGUs as follows:

	Group	
	30.06.2024	**31.12.2022**
	RM'000	**RM'000**
Technology-driven food and beverage		
- Malaysia operations	28,232	28,232
- China operations	3,696	3,625
	31,928	31,857
Technology and digital transformation enabler	16,707	34,005
	48,635	65,862

(b) Impairment test for goodwill on consolidation

The Group undertakes an annual impairment assessment on its cash-generating units ("CGU") identified based on its technology-driven food and beverage (Malaysia operations), technology-driven food and beverage (China operations) and technology and digital transformation enabler segments, being the lowest level of asset for which the management monitors the goodwill of the Group.

Arising from the non-materialisation of certain contracts in the technology and digital transformation enabler segment, the Group recognised an impairment loss amounting to RM6,390,000 (2022: RM24,228,000) based on the recoverable amount of the CGU which has been charged to administration and operating expenses.

Key assumptions used to determine recoverable amount

The recoverable amount of the Group's CGU has been determined based on value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering three-to-five-year period. Cash flows beyond the projected period are extrapolated using the estimated growth rates.

The key assumptions used for the value-in-use calculations of the respective CGUs include the following:

(i) Budgeted gross margin which is estimated based on past experience and future expectations over the budgeted period for new product offerings for the respective CGUs, adjusted for expected cost savings and efficiency improvements.

8. **Intangible Assets (Continued)**

(b) Impairment test for goodwill on consolidation (continued)

(ii) Pre-tax discount rate and terminal growth rate:

	Technology-driven food and beverage (Malaysia operation) %	Technology-driven food and beverage (China operation) %	Technology and digital transformation enabler %
30.06.2024			
Terminal growth rate	-	-	-
Pre-tax discount rate	8	11	8
31.12.2022			
Terminal growth rate	-	-	-
Pre-tax discount rate	8	11	8

Management determined the revenue growth rates, direct costs and operating expenses during the budget period based on future expectation of changes in the market. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU.

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis, the Board of Directors concluded that no reasonable change in the assumptions above would cause the carrying amount of the CGUs to exceed its recoverable amounts for the technology driven food and beverage segments for its Malaysia and China operations. For the technology and digital transformation enabler segment, a 0.5% increase in the pre-tax discount rate will not result in significant change in the impairment loss recognised on the technology and digital transformation enabler CGU.

9. **Deferred Taxation**

	Group	
	30.06.2024 RM'000	**31.12.2022 RM'000**
Deferred tax assets	143	143
Deferred tax liabilities	(277)	(122)
	(134)	21

9. **Deferred Taxation (Continued)**

The movement on the net deferred tax assets/(liabilities) are as follows:

		Group	
	Note	**30.06.2024 RM'000**	**31.12.2022 RM'000**
At 1 January		21	78
Disposal of subsidiaries	4(d)	18	-
Recognised in profit or loss	25		
- Property, plant and equipment		(117)	(143)
- Unutilised tax losses		(1)	-
- Unabsorbed capital allowances		(87)	-
- Provisions and others		32	86
		(173)	(57)
At 31 December		(134)	21

The components of deferred tax assets and liabilities of the Group during the financial period prior to offsetting are as follows:

	Group	
	30.06.2024 RM'000	**31.12.2022 RM'000**
Deferred tax assets		
- Unabsorbed capital allowances	46	148
- Unutilised tax losses	115	191
- Provision	122	-
	283	339
Offsetting	(140)	(196)
Net deferred tax assets	143	143
Deferred tax liabilities		
- Property, plant and equipment	417	318
Offsetting	(140)	(196)
Net deferred tax liabilities	277	122

9. **Deferred Taxation (Continued)**

The deductible temporary difference and unutilised tax losses of the Group and the Company for which no deferred tax assets were recognised in the statements of financial position are as follows:

	Group	
	30.06.2024 RM'000	31.12.2022 RM'000
Deductible temporary differences	321	-
Unutilised tax losses	3,964	2,207
Unabsorbed capital allowances	629	932
	4,914	3,139
Deferred tax asset not recognised at 24% (31.12.2022: 24%)	1,179	753

The Group's unutilised tax losses brought forward from year of assessment 2018 and before, can be carried forward for 10 consecutive years of assessment (i.e. from year of assessments 2018 to 2028). Unutilised tax losses from year of assessment 2019 onwards can be carry forward for a maximum period of 10 consecutive years.

10. **Inventories**

	Group	
	30.06.2024 RM'000	31.12.2022 RM'000
At cost:		
Finished goods	3	3
Food and beverages	987	1,407
	990	1,410

11. **Trade Receivables**

	Group	
	30.06.2024 RM'000	31.12.2022 RM'000
Trade receivables	4,765	24,254
Less: Impairment loss	(739)	(597)
	4,026	23,657

The normal credit period granted by the Group to trade customers ranges from 7 to 90 days (31.12.2022: 7 to 90 days).

11. **Trade Receivables (Continued)**

Movement in impairment loss of trade receivables during the financial period/year is as follows:

	Group	
	30.06.2024 RM'000	31.12.2022 RM'000
At beginning of the financial period/year	597	393
Impairment loss during the financial period/year	142	204
At end of the financial period/year	739	597
Represented by:		
Individually impaired	532	472
Collectively impaired	207	125
	739	597

12. **Other Receivables**

	Group		Company	
	30.06.2024 RM'000	31.12.2022 RM'000	30.06.2024 RM'000	31.12.2022 RM'000
Other receivables	5,718	5,231	1,339	2,717
Less: Impairment loss	(1,072)	(984)	(984)	(984)
	4,646	4,247	355	1,733
Deposits	2,865	3,241	20	-
Prepayment	479	267	1	21
	7,990	7,755	376	1,754

Movement in impairment loss of other receivables during the financial period/year is as follows:

	Group		Company	
	30.06.2024 RM'000	31.12.2022 RM'000	30.06.2024 RM'000	31.12.2022 RM'000
At beginning of the financial period/year	984	-	984	-
Impairment loss during the financial period/year	86	984	-	984
Translation differences	2	-	-	-
At end of the financial period/year	1,072	984	984	984

Included in other receivables of the Group is an amount of RM1,252,000 (31.12.2022: Nil) due from a former Director of the Company.

13. Asset Classified as Held for Sale

On 27 December 2022, the Company entered into a Share Purchase Agreement ("SPA") with Debut Supreme Capital Sdn. Bhd. to dispose its 25% equity interest in MBits Digital Sdn. Bhd. for a purchase consideration of RM10,000,000. The transaction was subsequently completed during the financial period ended 30 June 2024.

14. Share Capital

		Group/Company			
		30.06.2024		31.12.2022	
	Note	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid					
At beginning of the financial period/year		2,214,715	1,224,219	2,201,715	1,222,833
Capital reduction	(a)		(1,199,735)	-	-
Issuance of shares, net of transaction costs pursuant to:					
- Conversion of RCN		-	-	10,000	1,000
- Debt settlement	(b)	2,487,831	33,835	-	-
- Employee share option scheme exercised		-	-	3,000	386
		2,487,831	33,835	13,000	1,386
Share consolidation	(c)	(4,467,421)	-	-	-
At end of the financial period/year		235,125	58,319	2,214,715	1,224,219

(a) On 2 April 2024, the Company has reduced its capital by RM1,199,734,780 pursuant to Section 117 of the Companies Act 2016.

(b) On 25 April 2024, the Company's issued and paid-up share capital increased from 2,214,714,736 ordinary shares to 4,702,545,618 ordinary shares by issuance of 2,487,830,882 new ordinary shares pursuant to the debt settlement arrangement at RM0.0136 per share amounting to RM33,834,500.

(c) On 13 May 2024, the issued and paid-up share capital was reduced from 4,702,545,618 ordinary shares to 235,125,043 ordinary shares by way of share consolidation of every twenty (20) existing shares into one (1) consolidated share.

The new ordinary shares issued during the financial period ranks pari-passu in all respect with the existing ordinary shares of the Company.

15. Reserves

		Group		Company	
		30.06.2024	31.12.2022	30.06.2024	31.12.2022
	Note	RM'000	RM'000	RM'000	RM'000
Non-distributable					
Foreign currency translation reserve	(a)	(752)	(38)	-	-
Share option reserve	(b)	3,920	3,920	-	-
Employee share scheme option reserve	(c)	7,288	7,812	7,288	7,812
		10,456	11,694	7,288	7,812

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Share option reserve

The share option reserve is recognised in relation to a call option by Craveat Management Sdn. Bhd. to acquire 49% (31.12.2022: 49%) of the shareholding in Craveat International Sdn. Bhd. and its subsidiaries exercisable 48 months after the completion of the share purchase agreement.

(c) Employee share option scheme reserve

On 30 June 2021, the shareholders of the Company approved the Employee Share Option Scheme ("ESOS") granted to the eligible Directors and employees of the Company and its subsidiaries (excluding subsidiaries which are dormant) (collectively known as "Eligible Persons") and was subsequently implemented on 1 October 2021.

The ESOS is governed by the By-Laws which was approved by the shareholders and administrated by ESOS Committee. The option price is based on the 5-day volume weighted average price of the Company's shares ("TXB's Shares"), immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad ("Bursa Securities") or any other relevant authorities from time to time during the tenure of the ESOS.

15. **Reserves (Continued)**

(c) Employee share option reserve scheme (continued)

The salient features and terms of the ESOS are as follows:

(i) Maximum number of new TXB Shares available under the ESOS

The maximum number of TXB Shares which may be made available under the ESOS shall not in aggregate exceed 15% of the total number of issued shares of the Company (excluding treasury shares) at any point of time during the tenure of the ESOS.

(ii) Basis of allotment and maximum allowable allocation

The allocation of TXB Shares to be made available for the ESOS shall be determined by the ESOS Committee annually, or such other period as determined by the ESOS Committee.

Subject to the By-Laws, the aggregate number of new TXB Shares that may be offered under the ESOS and allotted and issued to an Eligible Person shall be at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other factors, the job grading, length of service, performance appraisal and past and future contributions of the Eligible Person and such other factors that the ESOS Committee may deem relevant subject to the following:

(1) the Directors and senior management do not participate in the deliberation or discussion of their own allocation;

(2) the allocation to the Eligible Person who, either singly or collectively through person connected with the Eligible Person, holds 20% or more of the total number of issued shares (excluding treasury shares) of the Company, does not exceed 10% of the total number of the new TXB Shares to be issued under the ESOS; and

(3) not more than 75% of the total number of new TXB Shares available under the ESOS shall be allocated in aggregate to the Directors and senior management of the Company and its subsidiaries, which are not dormant, on the basis that they are crucial to the performance of the Group as determined by the ESOS Committee at their sole and absolute discretion.

provided always that it is in accordance with any prevailing requirement issued by Bursa Securities, the Listing Requirement or any other relevant authorities as may be amended from time to time.

15. **Reserves (Continued)**

(c) Employee share option reserve scheme (continued)

(iii) Eligibility

The Eligible Persons who fulfilled the following conditions as at the date of the ESOS shall be eligible to participate in the ESOS:

(1) attained the age of 18 years on the date of offer and are neither an undischarged bankrupt nor subject to any bankruptcy proceedings;

(2) must fulfill such other eligibility criteria as may be determined by the ESOS Committee from time to time;

(3) must have been employed by the Company and/or a subsidiary and his employment as an Eligible Person must have been confirmed on the date of offer, irrespective whether he was transferred to a subsidiary within the Group, in which he must have been a confirmed employee in that subsidiary;

(4) if the Director or employee is employed by a company which is acquired, and becomes a subsidiary of the Company upon such acquisition during the duration of ESOS, the Director or employee must have been a confirmed employee in that subsidiary following the date that such company becomes or is deemed to be a subsidiary of the Group;

(5) the Director or employee is an employee of a subsidiary, which is not dormant; and

(6) where the Directors are eligible to participate in the ESOS, such entitlement under the ESOS must have been approved by the shareholders of the Company in general meeting.

The eligibility under the ESOS shall not confer on an Eligible Person a claim or right to participate in or any rights whatsoever under the ESOS and an Eligible Person does not have any rights to acquire or have any rights over or in connection with the ESOS or the new TXB Shares comprised therein unless an Offer has been made in writing by the ESOS Committee to the Eligible Person under ESOS By-Laws and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the ESOS.

15. **Reserves (Continued)**

(c) Employee share option reserve scheme (continued)

(iv) Duration and termination

The ESOS shall in force for a period of 5 years from the effective date. The ESOS may be extended or renewed for a further period of up to 5 years, and shall not in aggregate exceed a duration of 10 years from the effective date.

Upon expiry or termination, all ESOS outstanding but not yet accepted by the Eligible Person shall automatically lapse or cease to have effect as at the date of the resolution and the ESOS yet to be exercised shall automatically lapse or cease to have any effect from the date on which the last of the conditions stipulated in ESOS By-Laws 25 is fulfilled.

(v) Ranking of the ESOS shares

The new shares to be allotted and issued upon to the exercise of the ESOS will, upon allotment, issuance and full payment, rank pari passu in all respects within the existing issued share capital of the Company except the new TXB Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions where the entitlement date precedes the date of allotment of the new TXB Shares and will be subject to all the provision of the Constitution of the Company and Listing Requirements relating to transfer, transmission or otherwise of the TXB Shares.

The fair value of the ESOS granted in which MFRS 2 applies, were determined using the Black-Scholes valuation model. The significant inputs in the model are as follows:

	Share option
Exercise price (RM)*	1.4100
Underlying share price at grant date (RM)*	1.5600
Expected dividend yield (%)	0.0000
Risk free interest rate (%)	3.0020
Option life	5 years
Expected volatility (%)	95.037

The assumptions above are based on historical data and is not necessarily be reflective of the actual outcome.

* On 13 May 2024, the Company consolidated every 20 ordinary shares into 1 ordinary share as disclosed in Note 14(c) to the financial statements. The exercise price and the underlying share price at the grant date have been adjusted to reflect this consolidation.

15. **Reserves (Continued)**

(c) Employee share option reserve scheme (continued)

The movement during the financial period/year in the number of share options of the Company, in which the employees of the Group and the Company are entitled to, is as follows:

	30.06.2024 '000	31.12.2022 '000
At beginning of the financial period/year	134,000	137,000
Exercised	-	(3,000)
Forfeited	(9,000)	-
Effects of share consolidation	(118,750)	-
At end of the financial period/year	6,250	134,000

16. **Other Payables**

	Group		Company	
	30.06.2024 RM'000	31.12.2022 RM'000	30.06.2024 RM'000	31.12.2022 RM'000
Accruals	7,610	13,515	453	3,265
Other payables	44,446	106,378	23,918	56,520
	52,056	119,893	24,371	59,785
Analysed as:				
Current	52,056	82,466	24,371	52,242
Non-current	-	37,427	-	7,543
	52,056	119,893	24,371	59,785

(a) Included in other payables are the following:

(i) An amount of RM11,926,000 (31.12.2022: RM8,300,405) of the Group owing to Directors of a subsidiary which is non-trade in nature, unsecured, interest-free and repayable on demand;

(ii) An amount of Nil (31.12.2022: RM45,472,000) of the Group and Company owing to third parties which had entered into a debt settlement agreement with the Company to convert its debts into ordinary shares of the Company as disclosed in Note 14(b) to the financial statements;

(iii) An amount of RM1,466,000 and RM1,466,000 (31.12.2022: Nil and Nil) of the Group and of the Company owing to a former subsidiary which is non-trade in nature, unsecured, interest-free and repayable on demand;

16. **Other Payables (Continued)**

(a) Included in other payables are the following: (continued)

(iv) An amount of RM2,432,000 and RM2,432,000 (31.12.2022: RM3,570,000 and RM3,270,000) of the Group and Company owing to a company in which a Director of the Company has financial interest; and

(v) An amount of RM17,353,000 and RM17,353,000 (31.12.2022: Nil and Nil) of the Group and the Company owing to a substantial shareholder of the Company which is secured by the Company's investment in Craveat amounting to RM31,000,000 as disclosed in Note 4(a) to the financial statements.

The Group had obtained undertaking letters from the Directors of the subsidiaries, former subsidiary, a related company and a substantial shareholder as disclosed in (i), (iii), (iv) and (v) above that they will not seek repayment should the Group lack the capacity to repay them.

(b) Consideration/Contingent consideration payable in relation to the acquisition of subsidiaries and business as follows:

	Group		**Company**	
	30.06.2024 RM'000	**31.12.2022 RM'000**	**30.06.2024 RM'000**	**31.12.2022 RM'000**
Acquisition of:				
- Techna Analytics	-	3,015	-	3,015
- Touchpoint and business of Wavetree	-	29,884	-	-
- HKAB	-	4,528	-	4,528

Following the expiry of profit guarantee period on 31 December 2023, Techna Analytics and HKAB had failed to achieve the guaranteed profit after taxation of RM3,000,000 and USD2,500,000 (equivalent to approximately RM10,033,000) respectively.

On 2 January 2024, an agreement was reached between the Company and the vendors to irrecoverably waive the remaining contingent consideration payable and a fair value gain on contingent consideration payables of RM7,543,000 has been recognised under other income accordingly.

17. **Lease Liabilities**

	Group		Company	
	30.06.2024 RM'000	**31.12.2022 RM'000**	**30.06.2024 RM'000**	**31.12.2022 RM'000**
Repayable within twelve months	6,972	6,832	150	144
Repayable after twelve months	10,072	6,466	38	261
	17,044	13,298	188	405

The effective interest rates used in arriving the lease liability is ranging from 3.90% to 6.85% (31.12.2022: 3.90% to 6.85%).

18. **Trade Payables**

The normal credit period granted to the Group from the trade payables ranges from 30 to 90 days (31.12.2022: 30 to 90 days).

Included in trade payables of the Group is an amount of RM325,000 (31.12.2022: Nil) owing to an associate with normal credit term granted to the Group. The Group had obtained undertaking letter from the associate that it will not seek repayment should the Group lack the capacity to repay them.

19. **Amount Owing to Subsidiaries**

This represents non-trade transactions, unsecured, interest free and repayable on demand.

20. **Amount Owing to Associates**

This represents non-trade transactions, unsecured, interest free and repayable on demand.

The Group had obtained undertaking letters from the associates that they will not seek repayment should the Group lack the capacity to repay them.

21. Borrowings

	Group	
	30.06.2024	**31.12.2022**
	RM'000	**RM'000**
Secured		
Term loan	-	1,735
Analysed as		
Repayable within twelve months	-	1,735

Interest rate is charged at a rate of 5.10% per annum for previous financial year.

The above credit facilities obtained from licensed banks are secured by the following:

(a) Corporate guarantee by the former ultimate holding company of Craveat, Chaswood Resources Holdings Ltd; and

(b) Fixed and floating charge over all present and future assets of two subsidiaries of Craveat.

22. Revenue

	Group	
	01.01.2023 to 30.06.2024	**01.01.2022 to 31.12.2022**
	RM'000	**RM'000**
Revenue recognised from contracts with customers:		
- Restaurant	93,662	54,580
- Technology and digital transformation enabler	717	19,651
	94,379	74,231
Major goods and services		
Restaurant:		
- Restaurant operations	92,729	53,874
- Royalty	759	594
- Franchising	174	112
	93,662	54,580
Technology and digital transformation enabler:		
- Software development	-	16,054
- Software maintenance	603	221
- Digital platform	-	276
- Data analysis	-	1,339
- Sale of devices	114	1,761
	717	19,651
	94,379	74,231

22. **Revenue (Continued)**

Breakdown of revenue recognised from contracts with customers is as follows:

	Group	
	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000
Geographical market		
People's Republic of China	25,992	13,170
Malaysia	68,387	61,061
	94,379	74,231
Timing of revenue recognition		
At a point in time	92,843	57,738
Over time	1,536	16,493
	94,379	74,231

23. **Finance Cost**

	Group		Company	
	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000
Redeemable convertible notes	-	24	-	24
Lease liabilities	1,352	334	11	4
Term loan interest	-	175	-	-
	1,352	533	11	28

24. Loss Before Taxation

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

	Group		Company	
	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000
Amortisation of intangible assets	1,038	897	-	-
Auditors' remuneration:				
- statutory audit	563	422	103	103
- over provision in prior years	62	(7)	34	-
- other services	134	30	134	30
Bad debts written-off	1,016	31	-	-
Depreciation of property, plant and equipment	3,472	1,501	55	36
Directors of the Company:				-
- fees	180	90	180	90
- salaries and other emoluments	88	141	88	141
- Employee Provident Fund	7	14	7	14
Fair value loss on asset held for sale	-	2,500	-	2,500
Fair value (gain)/loss on contingent consideration payables	(4,167)	1,633	(7,543)	1,012
(Gain)/Loss on disposal of disposal group	-	(283,424)	-	58,212
Gain on disposal of subsidiaries	(4,468)	(144)	(937)	-
Gain on early termination of lease	(401)	-	-	-
Impairment loss on:				
- intangible assets	9,690	24,228	-	-
- investment in subsidiaries	-	-	5,027	13,992
- investment in associates	10,539	-	5,512	-
- trade receivables	142	204	-	-
- other receivables	86	984	-	984
Loss on disposal of property, plant and equipment	12	-	-	-
Property, plant and equipment written-off	1,015	-	-	-
Realised foreign exchange loss	22	-	-	-

24. **Loss Before Taxation (Continued)**

Loss before taxation is derived after charging/(crediting): (continued)

	Group		Company	
	01.01.2023 to 30.06.2024 RM'000	**01.01.2022 to 31.12.2022 RM'000**	**01.01.2023 to 30.06.2024 RM'000**	**01.01.2022 to 31.12.2022 RM'000**
Rental of assets:				
- Depreciation of right-of-use assets	11,803	3,106	220	137
- Short-term leases	5,727	2,759	-	23
- Low value assets	119	252	-	-
Unrealised foreign exchange (gain)/loss	(1,447)	30	-	-
Waiver of debts	(970)	(233)	-	-
Finance income	(15)	(5)	-	(5)

25. **Taxation**

	Group		Company	
	01.01.2023 to 30.06.2024 RM'000	**01.01.2022 to 31.12.2022 RM'000**	**01.01.2023 to 30.06.2024 RM'000**	**01.01.2022 to 31.12.2022 RM'000**
Current taxation:				
- Current year provision	719	1,636	-	-
- Under provision in prior year	111	396	-	-
	830	2,032	-	-
Deferred taxation: (Note 9)				
- Origination and reversal of temporary differences	197	57	-	-
- Over provision in prior year	(24)	-	-	-
	173	57	-	-
	1,003	2,089	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (31.12.2022: 24%) on chargeable income of the estimated assessable loss for the financial period/year. Taxation for other jurisdictions are calculated at the prevailing tax rates in the respective jurisdictions.

25. **Taxation (Continued)**

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000
Loss before taxation	(18,972)	(29,117)	(4,729)	(79,167)
Taxation at statutory tax rate of 24% (31.12.2022: 24%)	(4,553)	(6,988)	(1,135)	(19,000)
Expenses not deductible for tax purposes	7,953	9,003	3,198	19,000
Income not subject to tax	(2,910)	(20)	(2,063)	-
Deferred tax assets not recognised	426	(302)	-	-
Under provision of current taxation in prior year	111	396	-	-
Overprovision of deferred taxation in prior year	(24)	-	-	-
Taxation for the financial year	1,003	2,089	-	-

26. **Discontinued Operations**

Disposal group for PIPO

On 26 May 2022, the Company has entered into a Share Purchase Agreement ("SPA") with Hua Fei Investment Limited ("Hua Fei") for the disposal of the entire equity interest of 50,000 ordinary shares in PIPO for a cash consideration of RM1 which was thereafter completed during the financial year ended 31 December 2022.

Analysis of the results of discontinued operations as follows:

	Group 31.12.2022 RM'000
Revenue	3,263
Cost of sales	(6,156)
Gross loss	(2,893)
Other income	17,417
Administration and operating expenses	(12,616)
Profit before tax	1,908
Taxation	-
Profit after tax	1,908
Gain on sale of discontinued operations	283,424
Gain after tax from discontinued operations	285,332

26. **Discontinued Operations (Continued)**

The following amounts have been included in arriving at loss before tax from discontinued operations:

	Group 31.12.2022 RM'000
Amortisation of prepaid lease payments	470
Depreciation of property, plant and equipment	5,011
Staff costs	1,021

Cash flows of the disposal group held for sale are as follows:

	Group 31.12.2022 RM'000
Operating cash flows	6,304
Exchange difference	(5,849)
	455

Cumulative income recognised in other comprehensive income relating to the disposal group classified as held for sale amounting to RM Nil in previous year.

27. (Loss)/Earnings Per Share

On 13 May 2024, the Company consolidated every 20 ordinary shares into 1 ordinary share as disclosed in Note 14(c) to the financial statements. In line with MFRS 133 "Earnings Per Share", the basic and diluted earnings per share for prior year has been retrospectively adjusted to reflect this consolidation, ensuring comparability across periods.

(a) Basic (loss)/earnings per share

The (loss)/earnings per share has been calculated based on the consolidated (loss)/profit for the financial period/year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial period/year.

	Group	
	01.01.2023 to 30.06.2024	**01.01.2022 to 31.12.2022 Restated**
(Loss)/Profit for the financial period/year attributable to the owners of the Company from: (RM'000)		
- continuing operations	(19,202)	(23,033)
- discontinued operations	-	285,332
	(19,202)	262,299
Weighted average number of shares in issue ('000)	131,467	110,560
Basic (loss)/earnings per share (sen)		
- continuing operations	(14.61)	(20.83)
- discontinued operations	-	258.08
	(14.61)	237.25

27. **(Loss)/Earnings Per Share (Continued)**

(b) Diluted (loss)/earnings per share

For the purpose of calculating diluted (loss)/earnings per share, consolidated (loss)/profit attributable to owners of the Company, adjusted for dilutive adjustments is divided by weighted average number of ordinary shares in issue during the financial period, adjusted for the dilutive effects of all potential ordinary shares.

	Group	
	01.01.2023 to 30.06.2024	**01.01.2022 to 31.12.2022 Restated**
(Loss)/Profit for the financial period/year attributable to the owners of the Company from: (RM'000)		
- continuing operations	(19,202)	(23,033)
- discontinued operations	-	285,332
	(19,202)	262,299
Adjustment in respect of ESOS (RM'000)	-*	-*
(Loss)/Profit for the period/year after dilutive adjustment (RM'000)	(19,202)	262,299
Weighted average number of shares in issue ('000)	131,467	110,560
Adjustment in respect of ESOS ('000)	-*	-*
Adjusted weighted average number of shares in issue ('000)	131,467	110,560
Diluted (loss)/earnings per share (sen)		
- continuing operations	(14.61)	(20.83)
- discontinued operations	-	258.08
	(14.61)	237.25

* The potential conversion of ESOS are calculated as Nil as the fair value of the Company's quoted share price during the financial period/year is below the exercise price of the ESOS.

28. Staff Costs

	Group		Company	
	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000
Salary, bonus and other emoluments (excluding Directors)	24,323	15,017	722	721
Defined contribution plan	2,770	1,805	93	90
	27,093	16,822	815	811

29. Related Party Disclosures

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 the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

There are no significant related parties transaction during the period/year.

Key management personnel are 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 include all the Directors of the Group, and certain members of senior management of the Group.

Information regarding compensation of key management personnel is as follows:

	Group		Company	
	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000	01.01.2023 to 30.06.2024 RM'000	01.01.2022 to 31.12.2022 RM'000
Salary and allowances	611	1,502	216	447
Statutory pension scheme contributions	105	118	27	40
	716	1,620	243	487

30. Reconciliation of Liabilities Arising From Financing Activities

	Term loan RM'000	Lease liabilities RM'000	Total RM'000
Group			
At 1 January 2022	1,560	3,534	5,094
Addition	-	12,479	12,479
Acquisition of a subsidiary	-	782	782
Interest accrued	175	-	175
Cash flows	-	(3,521)	(3,521)
Exchange differences	-	24	24
At 31 December 2022/ 1 January 2023	1,735	13,298	15,033
Addition	-	16,992	16,992
Disposal of a subsidiary (Note 4(d)(ii))	(1,735)	(1,573)	(3,308)
Cash flows	-	(11,290)	(11,290)
Early termination of lease	-	(401)	(401)
Exchange differences	-	18	18
At 30 June 2024	-	17,044	17,044

	Lease liabilities RM'000
Company	
At 1 January 2022	102
Addition	441
Cash flows	(138)
At 31 December 2022/1 January 2023	405
Cash flows	(217)
At 30 June 2024	188

31. Segment Information

Segment information is primarily presented in respect of the Group's business segment which is based on the reports reviewed by the Executive Directors. The Executive Directors monitors the operating results of its business segment separately for the purposes of making decision about resource allocation and performance assessment.

Management has determined the operating segments based on the reports reviewed by the Executive Directors (Chief Operating Decision Maker). The Executive Directors considers the business from an activity perspective.

31. **Segment Information (Continued)**

The main business segments of the Group comprise the following:

Food and beverage	:	involved in restaurant operations and provision of franchise
Energy storage solutions	:	involved in manufacturing and trading of energy storage solutions such as super battery and super capacitor for the use in industrial
Technology and digital transformations enabler	:	provision of software development and maintenance services and data analysis
Others	:	Included investment holding and dormant

Segment revenue, results, assets and liabilities include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenue is eliminated on consolidation.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

31. **Segment Information (Continued)**

	Note	Food and beverage RM'000	Energy storage solutions RM'000	Technology and digital transformations enabler RM'000	Others RM'000	Elimination RM'000	Total RM'000
30.06.2024							
Revenue							
Sales		93,662	-	717	-	-	94,379
Less: Inter-segment revenue		-	-	-	-	-	-
		93,662	-	717	-	-	94,379
Results							
Depreciation and amortisation		(15,034)	-	(1,004)	(275)	-	(16,313)
Other significant non-cash expenses	(a)	2,706	(3,619)	(12,284)	2,150	-	(11,047)
Finance income		15	-	-	-	-	15
Finance costs		(1,341)	-	-	(11)	-	(1,352)
Share of associates' results		-	(3,490)	-	-	-	(3,490)
Taxation		(827)	-	(176)	-	-	(1,003)
Segment profit/(loss)		3,813	(2,420)	(15,539)	(5,829)	-	(19,975)
Assets							
Segment assets		76,094	63,117	33,388	109,923	(122,095)	160,427
Liabilities							
Segment liabilities		(33,276)	(42,044)	(45,783)	(25,539)	40,363	(106,279)

31. **Segment Information (Continued)**

	Note	Food and beverage RM'000	Energy storage solutions RM'000	Technology and digital transformations enabler RM'000	Others RM'000	Elimination RM'000	Total RM'000
31.12.2022							
Revenue							
Sales		54,579	-	19,652	-	-	74,231
Less: Inter-segment revenue		-	-	-	-	-	-
		54,579	-	19,652	-	-	74,231
Results							
Depreciation and amortisation		(4,260)	-	(1,070)	(174)	-	(5,504)
Fair value loss on asset held for sale		-	-	-	(2,500)	-	(2,500)
Other significant non-cash expenses	(a)	203	-	(26,369)	(567)	-	(26,733)
Finance income		-	-	-	5	-	5
Finance costs		(505)	-	-	(28)	-	(533)
Share of associates' results		-	(19,120)	-	-	-	(19,120)
Taxation		160	-	1,929	-	-	2,089
Segment profit/(loss)		2,235	(17,061)	(9,602)	(6,778)	-	(31,206)
Assets							
Segment assets		71,601	74,936	60,387	107,854	(109,068)	205,710
Liabilities							
Segment liabilities		(43,623)	(60,451)	(48,405)	(62,389)	40,995	(173,873)

31. **Segment Information (Continued)**

(a) Other significant non-cash expenses consist of the following:

	Group	
	01.01.2023 to 30.06.2024 RM'000	**01.01.2022 to 31.12.2022 RM'000**
Bad debts written off	(1,016)	(31)
Gain on disposal of subsidiaries	4,468	144
Gain on early termination of lease	401	-
Fair value (gain)/loss on contingent consideration payables	4,167	(1,633)
Impairment loss on trade receivables	(142)	(204)
Impairment loss on other receivables	(86)	(984)
Impairment loss on intangible assets	(9,690)	(24,228)
Impairment loss on investment in associates	(10,539)	-
Loss on disposal of property, plant and equipment	(12)	-
Property, plant and equipment written-off	(1,015)	-
Unrealised foreign exchange (gain)/loss	1,447	(30)
Waiver of debts	970	233
	(11,047)	(26,733)

Geographical information

(i) Geographical information of revenue is disclosed in Note 22 to the financial statements.

(ii) Non-current assets by geographical location of assets are as follows:

	Group	
	30.06.2024 RM'000	**31.12.2022 RM'000**
People's Republic of China	69,627	69,547
Malaysia	74,461	97,947
	144,088	167,494

Information about major customers

The Group does not have significant reliance on a single major customer with whom the Group transacted ten percent (10%) or more of its revenue during the financial year.

During the financial year ended 31 December 2022, revenue from 1 major customer amount to RM17,295,000 arising from the technology and digital transformations enabler segment.

32. Financial Instruments

The following table analyses the financial assets and financial liabilities of the Group and of the Company by the classes and categories of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial assets and liabilities at amortised cost	
	30.06.2024 RM'000	31.12.2022 RM'000
Group		
Financial assets		
Trade receivables	4,026	23,657
Other receivables	7,511	7,488
Cash and bank balances	2,981	4,990
	14,518	36,135
Financial liabilities		
Trade payables	4,740	4,932
Other payables	52,056	119,893
Amount owing to associates	30,231	32,054
Lease liabilities	17,044	13,298
Borrowings	-	1,735
	104,071	171,912
Company		
Financial assets		
Other receivables	375	1,733
Cash and bank balances	121	131
	496	1,864
Financial liabilities		
Other payables	24,371	59,785
Amount owing to subsidiaries	7	2,202
Amount owing to associates	975	-
Lease liabilities	188	405
	25,541	62,392

32. **Financial Instruments (Continued)**

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 financial risks, including credit risk, liquidity risk and market risk. 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.

Credit risk

Credit risk is the risk of a financial loss to the Group if a counterparty of a financial asset fails to meet its contractual obligations. The Group's exposure to credit risk arises mainly from trade receivables.

The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the statements of financial position.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of trade receivables ageing.

The ageing analysis of the Group's trade receivables and is as follows:

	Group	
	30.06.2024 RM'000	**31.12.2022 RM'000**
Neither past due nor individually impaired	549	2,512
Past due but not individually impaired:		
- Below 1 year	-	21,262
- Above 1 year	3,684	8
	3,684	21,270
Individually impaired	532	472
	4,765	24,254

The Group's trade receivables of RM3,684,000 (31.12.2022: RM21,270,000) was past due but not individually impaired. These relate to a number of independent customers for whom there is no recent history of default.

The Group's trade receivables of RM532,000 (31.12.2022: RM472,000) was individually impaired. The individually impaired receivables mainly relate to trade receivables, which are facing difficulties in cash flows. As at the end of the reporting date, the impairment loss for these receivables is RM532,000 (31.12.2022: RM472,000).

At reporting date, the Group's concentration of the top 1 (31.12.2022: 1) trade customers of the Group represent 92% (31.12.2022: 96%) of the total trade receivables.

32. **Financial Instruments (Continued)**

Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from trade and other payables, amount owing to associates, lease liabilities and borrowings.

Cash flow forecasting is performed by monitoring the Group's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

The Group has prepared a cash flow forecast taking into account undertaking letters by certain creditors and associates to not seek repayment should the Group lack the capacity to repay them, coupled with projected cash flows from its operating activities and the issuance of rights shares with warrants, contingent upon approval from Bursa Malaysia Securities Berhad, this forecast supports management's assessment that the Group will have sufficient financial resources for at least the next twelve months from the financial period. Significant assumptions and judgements are used in the preparation of the cash flows forecast.

The table below summarises the maturity profile of the Group and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted payments:

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Below 1 year RM'000	Between 2 to 5 years RM'000	Above 5 years RM'000
30.06.2024						
Group						
Trade payables	4,740	-	4,740	4,740	-	-
Other payables	52,056	-	52,056	52,056	-	-
Amount owing to associates	30,231	-	30,231	30,231	-	-
Lease liabilities	17,044	Nil - 3.90	18,104	7,444	10,571	89
	104,071		105,131	94,471	10,571	89

32. **Financial Instruments (Continued)**

Financial risk management objectives and policies (continued)

<u>Liquidity risk (continued)</u>

	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Below 1 year RM'000	Between 2 to 5 year RM'000	Above 5 years RM'000
30.06.2024						
Company						
Other payables	24,371	-	24,371	24,371	-	-
Amount owing to subsidiaries	7	-	7	7	-	-
Amount owing to associates	975	-	975	975	-	-
Lease liabilities	188	-	191	153	38	-
	25,541		25,544	25,506	38	-
31.12.2022						
Group						
Trade payables	4,932	-	4,932	4,932	-	-
Other payables	119,893	-	124,399	82,466	41,933	-
Amount owing to associates	32,054	-	32,054	32,054	-	-
Lease liabilities	13,298	Nil - 3.90	14,581	7,808	6,583	190
Borrowings	1,735	5.10	1,735	1,735	-	-
	171,912		177,701	128,995	48,516	190
Company						
Other payables	59,785	-	60,915	52,242	8,673	-
Amount owing to subsidiaries	2,202	-	2,202	2,202	-	
Lease liabilities	405	-	420	420	-	-
	62,392		63,537	54,864	8,673	-

32. **Financial Instruments (Continued)**

Financial risk management objectives and policies (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and cash flow and fair value interest rate risk that may affect the Group's financial position and cash flows.

(a) Foreign currency exchange risk

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in currency other than Ringgit Malaysia. The currency giving risk to this risk is primarily arise from Hong Kong Dollar. The Group monitor the foreign currency risks on an ongoing basis.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

Functional Currency	Financial assets/(liabilities) held in non-functional currency Hong Kong Dollar ("HKD") RM'000	Total RM'000
Group		
30.06.2024		
Amount owing by subsidiaries	32,979	32,979
31.12.2022		
Amount owing by subsidiaries	-	-

Currency risk sensitivity analysis

The following table shows the sensitivity of the Group's equity and loss net of tax to a reasonably possible change in the Hong Kong Dollar exchange rates against the functional currency of the Group, with all other variables remain constant.

		Group Profit net of tax 30.06.2024 RM'000	31.12.2022 RM'000
HKD/RM	-strengthened 5%	1,253	-
	-weakened 5%	(1,253)	-

32. **Financial Instruments (Continued)**

Financial risk management objectives and policies (continued)

Market risk (continued)

(b) Interest rate risk

The Group and the Company finance its operation through operating cash flows. Interest rate exposure arises from the Group's borrowings.

Exposure to interest rate risk

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

	Group		Company	
	30.06.2024 RM'000	**31.12.2022 RM'000**	**30.06.2024 RM'000**	**31.12.2022 RM'000**
Floating rate instruments				
Financial liabilities	-	(1,735)	-	-

Interest rate sensitivity analysis

A change of 50 basis points ("bp") in floating interest rates at the end of the reporting period would have increase/(decrease) loss net of tax by the amounts shown below, assuming all other variables remain constant.

	Group Profit net of tax	
	30.06.2024 RM'000	**31.12.2022 RM'000**
Profit net of tax		
50 bp increase	-	(7)
50 bp decrease	-	7

32. **Financial Instruments (Continued)**

Financial risk management objectives and policies (continued)

Market risk (continued)

(c) Fair values

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings approximate their fair values at the reporting date due to the relatively short term of these financial instruments.

The Company does not anticipate the carrying amounts of other financial instruments recorded at the reporting date to be significant different from the values that would eventually settled.

33. **Capital Management**

The objective of the Group on capital management is to ensure that it maintains a strong credit rating and safeguard the Group's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise shareholder value.

The Group monitors the capital using gearing ratio, which is net borrowings divided by equity attributable to the owners of the Company. The Group's policy is to keep the gearing ratio within reasonable levels.

	Group	
	30.06.2024 RM'000	**31.12.2022 RM'000**
Trade payables	4,740	4,932
Other payables	52,056	119,893
Amount owing to associates	30,231	32,054
Lease liabilities	17,044	13,298
Borrowings	-	1,735
Less: Cash and bank balances	(2,981)	(4,990)
Net debt	101,090	166,922
Equity attributable to the owners of the Company	55,948	42,029
Debt to equity ratio (times)	1.81	3.97

34. Material Litigations

Saraleana Nattaya Binti Azmi (“the Vendor”) vs. Techna-X Berhad (“the Company”)

Under a sale and purchase agreement dated 10 February 2021, the Company acquired 10,000,000 ordinary shares, representing 25% of the entire issued and paid-up capital of MBits Digital Sdn. Bhd. from the Vendor for RM12,500,000.

The Vendor has filed a suit against the Company, claiming an outstanding balance of RM10,452,000 from this transaction. The trial commenced on 4 September 2024, during which the Vendor presented her testimony and closed her case. The Company is scheduled to begin its defense on 4 December 2024. There is no counterclaim by the Company.

Based on assessment performed by the management and advice sought from its third party solicitor on the probability of the Company in defeating the claims, there is neither potential liability nor operational impact may be arise from the litigation.

Royal Malaysian Customs Department ("Customs") vs. Touchpoint International Sdn. Bhd. ("Touchpoint"), Ng Chee Seng, and Amirrudin Bin Yahaya (collectively, the “Defendants”)

The Customs has commenced legal action against the Defendants for non-payment of service tax totaling RM449,044.82, along with a penalty of RM179,617.90 and interest at 5% per annum on the outstanding amount until full settlement.

A summary judgement was granted in favor of the Customs, with costs of RM3,000 to be paid by the Defendants. No appeal was filed against the judgement. The dispute arose from errors in the submission of Touchpoint’s service tax returns. There is no counterclaim by Touchpoint.

As at 30 June 2024, the Group had recognised the liabilities arising from the litigation in the financial statements.

35. Significant Event

Debt Assignment and Debt Settlement arrangement

On 29 May 2024, Wavetree Technologies Sdn. Bhd., a subsidiary of the Company, transferred its RM17,353,000 debt owed to Creditor A to the Company through a Debt Assignment Agreement. On the same day, an Accounts Receivable Assignment Agreement was signed, transferring the debt rights from Creditor A to Creditor B.

On 4 June 2024, the Company entered into a Debt Settlement Agreement with Creditor B to settle a debt of RM17,353,000. The settlement is scheduled for completion on or before the second anniversary of the agreement’s effective date, with payment options including cash or the transfer of shares in Craveat International Sdn. Bhd. ("Craveat"), a subsidiary of the Company. To secure the settlement, a Share Charge Agreement was executed on 21 June 2024, creating a share charge over Craveat's shares in favor of Creditor B as disclosed in Note 4 to the financial statements.

36. **Subsequent Events**

(i) Issuance of ESOS

On 23 September 2024, the Company issued 1,481,482 share options to eligible employees of the Company and its subsidiaries, with an exercise price of RM0.135 per share.

On 1 October 2024, the Company issued an additional 3,703,704 share options to eligible employees of the Company and its subsidiaries, at the same exercise price of RM0.135 per share.

(ii) Proposed Acquisition of Alco Sdn. Bhd. ("Alco")

On 23 September 2024, the Company entered into a Share Sale and Purchase Agreement for the proposed acquisition of 2,130,000 ordinary shares, representing 30% of the total issued and paid-up share capital of Alco, for a total cash consideration of RM6,000,000, subject to the terms and conditions outlined in the agreement. A refundable deposit of RM500,000 was paid as part of the agreement.

(iii) Termination of Tripartite Agreement

On 20 September 2024, a wholly owned subsidiary of the Company, Techna-X Aerobeidou Sdn. Bhd., entered into a mutual termination agreement regarding the Tripartite Agreement dated 9 June 2023, which involved farming microalgae and producing algae biofuel between Techna-X Aerobeidou Sdn. Bhd., MYKO Global Sdn. Bhd., and RTA E&C Sdn. Bhd.. The termination has no financial impact to the Group.

37. **Comparative Figures**

The comparative figures are for the period from 1 January 2022 to 31 December 2022 as compared to the current financial period from 1 January 2023 to 30 June 2024. Consequently, the comparative figures are not comparable to the current financial period in respect of the statements of profit or loss and other comprehensive income, changes in equity, cash flows and their related notes.

LIST OF PROPERTIES
As at 30 June 2024

As of 30 June 2024 there is no properties owned in the Group nor its subsidiaries

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2024

SHARE CAPITAL

Issued share capital : 240,310,229

Class of shares : Ordinary shares
Voting rights : One vote for each ordinary share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 - 99	7,467	34.30	212,332	0.00
100 – 1,000	7,372	33.86	3,392,155	1,41
1,001 - 10,000	5,194	23.86	19,528,185	8.13
10,001 – 100,000	1,518	6.97	47,288,436	19.68
100,001 – 12,015,510*	215	0.99	124,388,765	51.76
12,015,510 and above**	3	0.01	45,500,356	18.93
Total	21,769	100.00	240,310,229	100.00

Remark : * Less than 5% of issued holdings
** 5% and above of issued holdings

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

		No. of shares held			
Name of Directors	Nationality	Direct	%	Indirect	%
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Malaysian	603,685	0.26	15,116,961(1)	6.48
Datuk Lim Chih Li @ Lin ZhiLi	Malaysian	117,500	0.05	-	-
Yen Soon Jin	Malaysian	-	-	-	-
Sakthi Kumar A/L Ramadas	Malaysian	-	-	-	-
Fan Kah Seong	Malaysian	-	-	-	-
Dato Geh Guat Yeow	Malaysian	-	-	-	-
Y.A.M. Tengku Shahrain Shah Bin Tengku Sulaiman Shah	Malaysian	-	-	-	-
Chin How Nyian (Alternate to Datuk Lim Chih Li @ Lin ZhiLi)	Malaysian	5,065	^	-	-

Notes:-

^ *negligible*

(1) (Deemed interested by virtue of:

- *Him being the sibling to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar;*
- *Him being the father of Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin;*
- *Him being the spouse of Y.M. Tunku Nurul Hayati Binti Tunku Bahador;*
- *His substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in TXB;*
- *His direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn Bhd which in turn holds shares in TXB;*
- *His direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds shares in TXB; and*
- *His direct interest of over 20% equity interest in Rock Point Alliance Sdn Bhd which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.*

ANALYSIS OF SHAREHOLDINGS
30 September 2024cont'd

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTIANTIAL SHAREHOLDERS

		No. of shares held			
Name of Shareholders	**Nationality**	**Direct**	**%**	**Indirect**	**%**
Azmi Bin Osman	Malaysian	15,868,000	6.60	0	0.00
GIP Work Sdn Bhd	Malaysian	15,382,352	6.40	0	0.00
Rock Point Alliance Pte. Ltd.	Singapore	14,250,004	5.93	0	0.00
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	Malaysian	603,685	0.26	15,116,961(1)	6.29
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	Malaysian	61,075	0.02	15,659,571(2)	6.52
Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar	Malaysian	4,500	^	15,716,146(3)	6.54
Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar	Malaysian	5,000	^	15,715,646(4)	6.54
Y.A.M. Tunku Irinah Binti Tuanku Ja'afar	Malaysian	57,712	0.02	15,662,934(5)	6.52
Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar	Malaysian	53,827	0.02	15,666,819(6)	6.52
Y.M. Tunku Nurul Hayati Binti Tunku Bahador	Malaysian	5,010	^	15,715,636(7)	6.54
Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin	Malaysian	75	^	15,720,571(8)	6.54

Notes:-

^ *negligible*

(1) *Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar.*

Deemed interested by virtue of him being the father of Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin.

Deemed interested by virtue of him being the spouse of Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(2) *Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar.*

Deemed interested by virtue of him being the brother-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2024
cont'd

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTIANTIAL SHAREHOLDERS (CONT'D)

Notes:- (cont'd)

(3) Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar.

Deemed interested by virtue of her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of her substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(4) Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar.

Deemed interested by virtue of him being the brother-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(5) Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar.

Deemed interested by virtue of her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of her substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(6) Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Irinah Binti Tuanku Ja'afar.

Deemed interested by virtue of her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of her substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

ANALYSIS OF SHAREHOLDINGS

As at 30 September 2024
cont'd

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTIANTIAL SHAREHOLDERS (CONT'D)

Notes:- (cont'd)

(7) Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar.

Deemed interested by virtue of her being the sister-in-law to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar.

Deemed interested by virtue of her being the mother of Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin.

Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(8) Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar and Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES HELD	%
1.	AZMI BIN OSMAN	15,868,000	6.60
2.	GIP WORK SDN BHD	15,382,352	6.40
3.	HLIB NOMINEES (ASING) SDN. BHD. ROCK POINT ALLIANCE PTE. LTD.	14,250,004	5.93
4.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI	11,700,000	4.87
5.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PAH WAI ONN	8,800,000	3.66
6.	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	6,441,500	2.68
7.	LIM CHING SIANG	5,400,000	2.25
8.	KHOO HSIEN LI	5,185,186	2.16
9.	LEE CHEAK LU	4,800,000	2.00
10.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI CHAN TONG	3,850,000	1.60

ANALYSIS OF SHAREHOLDINGS
As at 30 September 2024
cont'd

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

NO.	NAME	NO. OF SHARES HELD	%
11.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON	3,800,025	1.58
12.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN HWEE LOONG	3,503,765	1.46
13.	TAY HOCK TIAM (DATUK)	2,700,000	1.12
14.	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR TRITON CAPITAL FUND VCC	2,550,000	1.06
15.	LOW TEH BENG	2,332,000	0.97
16.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH CHEE SIANG	2,250,000	0.94
17.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN (HONG KONG) LIMITED (A/C CLIENTS)	2,245,000	0.93
18.	AWAN JINGGA SDN.BHD.	1,900,000	0.79
19.	APEX SECURITIES BERHAD IVT PDR 201 LEONARD CHIN YEN HAW	1,731,800	0.72
20.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW HUN SENG (M&A)	1,687,500	0.70
21.	AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES (HONG KONG) LTD	1,643,252	0.68
22.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR LIM SENG LEE	1,500,000	0.62
23.	LIM SENG LEE	1,500,000	0.62
24.	LIM KENG CHUAN	1,460,000	0.61
25.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KOK SAN	1,250,005	0.52
26.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KHEK KENG (E-TAI)	820,000	0.34
27.	CHEAH BEN LEE	800,000	0.33
28.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY HOCK TIAM	800,000	0.33
29.	WEE SENG HUAT	750,055	0.31
30.	KENANGA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ZHANG LI	750,000	0.31
	Total	**127,650,444**	**53.09**

SHARE BUY-BACK STATEMENT

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK")

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager, or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") has not perused the contents of this Statement prior to its issuance as it is an exempt document pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia Securities.

Bursa Malaysia Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the content of this Statement.

For the purpose of this Statement and the accompanying appendices, except where the context otherwise requires, the following definitions shall apply: -

"Act"	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
"AGM"	:	Annual General Meeting
"Board"	:	Board of Directors of Techna-X
"Bursa Malaysia Securities"	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
"Director(s)"	:	Director(s) of Techna-X and shall have the same meaning as given in Section 2(1) of the Capital Markets and Services Act 2007
"ESOS"	:	Employees' Share Option Scheme
"ESOS Options"	:	Options granted pursuant to the ESOS
"Listing Requirements"	:	Bursa Malaysia Securities' Main Market Listing Requirements, as amended from time to time and any re-enactment thereof
"LPD"	:	30 September 2024, being the latest practicable date prior to the printing of this Statement
"Major Shareholder(s)"	:	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares is: - (a) 10% or more of the total number of voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, "interest" shall have the same meaning as "interest in shares" given in Section 8 of the Act.
"NA"	:	Net assets

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"Person(s) Connected"	:	In relation to any person (referred to as "**said Person**") means such person who falls under any one of the following categories: - (i) a family member of the said Person; (ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary; (iii) a partner of the said Person; (iv) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions, or wishes of the said Person; (v) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions, or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act; (vi) a body corporate in which the said Person or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or (vii) a body corporate which is a related corporation of the said Person.
"Proposed Renewal of Share Buy-Back"	:	Proposed renewal of authority for Techna-X to purchase its own shares of up to 10% of its total number of issued shares at any point in time
"Purchased Shares"	:	TXB Shares purchased pursuant to the Proposed Renewal of Share Buy-Back
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"Rules"	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions, as amended from time to time and any re- enactment thereof
"SC"	:	Securities Commission Malaysia
"Statement"	:	Share Buy-Back Statement dated 7 November 2024
"Substantial Shareholder"	:	Shall have the meaning as defined under Section 136 of the Act

"Treasury Shares"	:	The Shares purchased by the Company which are or will be retained in treasury and shall have the meaning given under Section 127 of the Act
"Techna-X" or "Company"	:	Techna-X Berhad [Registration No. 200601012477 (732227-T)]
"Techna-X Group" or "Group"	:	Collectively, Techna-X and its subsidiaries
"TXB Share(s)" or "Share(s)"	:	Ordinary share(s) in Techna-X
"18th AGM"	:	Eighteenth AGM of Techna-X

All references to "you" in this Statement are to the shareholders of the Company.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include corporation, unless otherwise specified.

Any reference to any enactment in this Statement is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day shall be a reference to Malaysian time unless otherwise stated.

Any discrepancies in the tables included in this Statement between the amounts listed, actual figures and the totals thereof are due to rounding.

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TECHNA-X BERHAD
[Registration No. 200601012477 (732227-T)]
(Incorporated in Malaysia)

Registered Office:
Unit No. EL-11-01,
Amcorp Business Suite,
Menara Melawangi,
Pusat Perdagangan Amcorp,
No. 18, Jalan Persiaran Barat,
46050 Petaling Jaya, Selangor.

7 November 2024

Board of Directors

Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar *(Executive Chairman)*
Datuk Lim Chih Li @ Lin ZhiLi *(Executive Director)*
Mr. Fan Kah Seong *(Independent Non-Executive Director)*
Mr. Chin How Nyian *(Alternate Director to Datuk Lim Chih Li @ Lin ZhiLi)*
Mr. Yen Soon Jin (Executive Director)
Mr. Sakthi Kumar A/L Ramadas (Independent Non-Executive Director)
YAM Tengku Shahrain Shah Bin Tengku Sulaiman Shah (Independent Non-Executive Director)
Dato' Geh Guat Yeow (Independent Non-Executive Director)

To: The Shareholders of Techna-X

Dear Sir/Madam,

1.0 INTRODUCTION

At the Seventeenth AGM of the Company held on 30 May 2023, the Company obtained the shareholders' approval to authorise the Company to purchase its own shares of up to 10% of the Company's total number of issued shares at any time within the time period stipulated in the Listing Requirements. Unless revoked or varied by the Company in a general meeting, this authority will expire at the conclusion of the forthcoming 18th AGM of the Company, unless renewal is obtained from the shareholders of the Company at the said AGM.

The Board had on 29 October 2024 announced to Bursa Malaysia Securities its intention to seek the shareholders' approval for the Proposed Renewal of Share Buy-Back at the forthcoming 18th AGM to be convened.

The purpose of this Statement is to provide you with details of the Proposed Renewal of Share Buy-Back and seek your approval for the Ordinary Resolution to be tabled at the forthcoming 18th AGM of the Company.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE ORDINARY RESOLUTION IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK TO BE TABLED AT THE FORTHCOMING 18TH AGM.

2.0 INFORMATION ON THE PROPOSED RENEWAL OF SHARE BUY-BACK

2.1 Details of the Proposed Renewal of Share Buy-Back

The Board proposes to seek your approval to renew the authority given to the Company to purchase its own shares of up to 10% of the Company's total number of issued shares, subject to the compliance with the Act, the Company's Constitution, the Listing Requirements and all other applicable laws, guidelines, rules and regulations for the time being in force and the approvals of all relevant governmental and/or regulatory authority.

The authority from shareholders, if granted, shall be effective upon the passing of the Ordinary Resolution for the Proposed Renewal of Share Buy- Back at the forthcoming 18^{th} AGM and shall continue to be in force until: -

(a) the conclusion of the next AGM of the Company following the 18^{th} AGM at which such resolution was passed, at which time the authority shall lapse, unless by an Ordinary Resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or

(c) revoked or varied by an Ordinary Resolution passed by the Company's shareholders in a general meeting,

whichever occurs first.

2.2 Quantum

The maximum aggregate number of TXB Shares that may be purchased and/or held by the Company shall not exceed 10% of the Company's total number of issued shares at any point in time.

As at the LPD, the Company's total number of issued shares comprises 240,310,229 TXB Shares.

Based on the minimum scenario on the assumption that none of the outstanding ESOS Options as at LPD are exercised into new TXB Shares, the Proposed Renewal of Share Buy-Back will enable the Company to purchase 24,031,022 TXB Shares.

Based on the maximum scenario on the assumption that all 53,174,814 ESOS Options as at LPD are fully exercised into 53,174,814 new TXB Shares, the Proposed Renewal of Share Buy-Back will enable the Company to purchase 29,348,504 TXB Shares.

The actual number of TXB Shares to be purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back will depend on, inter alia, the market conditions and sentiments of TXB Shares traded on Bursa Malaysia Securities, as well as the retained profits and financial resources available to the Company at the time of purchase(s).

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2.0 INFORMATION ON THE PROPOSED RENEWAL OF SHARE BUY-BACK (CONT'D)

2.3 Treatment of Purchased Shares

According to Section 127 of the Act, the Directors may deal with any TXB Shares so purchased by the Company in the following manner: -

(a) to cancel the Purchased Shares;
(b) to retain the Purchased Shares as Treasury Shares; or
(c) to retain part of the Purchased Shares as Treasury Shares and cancel the remainder.

If the Purchased Shares are held as Treasury Shares, the Directors may: -

(a) distribute the Purchased Shares as dividends to the shareholders;
(b) resell the Purchased Shares on the market of Bursa Malaysia Securities;
(c) transfer the Purchased Shares for the purposes of or under an employees' share scheme established by the Company;
(d) transfer the Purchased Shares as purchase consideration;
(e) cancel the Purchased Shares; or
(f) deal in such other manner as Bursa Malaysia Securities and such other relevant authorities may allow from time to time.

The decision whether to retain the Purchased Shares as Treasury Shares, to cancel the Purchased Shares or a combination of both, or any alternatives as mentioned above, will be made by the Board at the appropriate time.

If such Purchased Shares are held as Treasury Shares, the rights attached to them in relation to voting, dividends, and participation in any other distribution or otherwise would be suspended, and the Treasury Shares would not be taken into account in calculating the number or percentage of Shares or a class of Shares in the Company for any purposes, including, without limiting the generality of the provisions in the Act or Listing Requirements on the determination of substantial shareholdings, take- overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on resolution(s) at shareholders' meetings.

3.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Proposed Renewal of Share Buy-Back is expected to have the potential benefits to the Company and its shareholders in the following manners: -

(i) to provide Techna-X Group the option to return its surplus financial resources to its shareholders;

(ii) to stabilise the supply and demand of the TXB Shares in the open market and thereby allowing TXB Shares price better reflects TXB Shares' fundamental value;

(iii) if the Purchased Shares are subsequently cancelled, the long-term investors are expected to enjoy a corresponding increase in the value of their investments in the Company with the proportionate strengthening of the Company's earnings;

(iv) the Purchased Shares may be held as Treasury Shares and resold in accordance with the Listing Requirements on the stock market of Bursa Malaysia Securities to reap potential capital appreciation of the Shares without affecting the Company's total number of issued Shares;

3.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK (CONT'D)

(v) where the Purchased Shares are retained as Treasury Shares, the Board would have an option to distribute the Purchased Shares as share dividends to reward the Company's shareholders; and

(vi) to provide flexibility to the Company to use the Purchased Shares, which are held as Treasury Shares for the purposes of the employees' share scheme established by the Company or as the purchase consideration in corporate transactions such as acquisition of lands/properties/assets, thereby, reducing the financial outflow and/or preserve the working capital of the Company.

4.0 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

4.1 Potential Advantages

The potential advantages of the Proposed Renewal of Share Buy-Back to the Company and its shareholders are as follows: -

(a) The Proposed Renewal of Share Buy-Back is expected to enable the Company to utilise its financial resources to enhance the value of shareholders' investments in the Company.

(b) The Proposed Renewal of Share Buy-Back is expected to stabilise the supply and demand of TXB Shares traded on the stock market of Bursa Malaysia Securities and mitigate the TXB Shares price's volatility to reflect their fundamental value better.

(c) The Proposed Renewal of Share Buy-Back is expected to provide opportunities for potential gains if the Purchased Shares, which are retained as Treasury Shares, are resold at prices higher than their purchase prices.

(d) The Treasury Shares may be distributed as share dividends to the Company's shareholders as a reward.

(e) The Treasury Shares may be utilised as purchase consideration by the Company in corporate transactions, thereby reducing the financial outflow and/or preserving the Company's working capital.

4.2 Potential Disadvantages

The potential disadvantages of the Proposed Renewal of Share Buy-Back to the Company and its shareholders are as follows: -

(a) The Proposed Renewal of Share Buy-Back is expected to reduce the immediate financial resources of Techna-X Group temporarily.

(b) The Proposed Renewal of Share Buy-Back may result in Techna-X Group foregoing better investment opportunities that may emerge in the future and/or any income that may be derived from other alternative uses of such funds, such as a deposit in interest-bearing instruments.

(c) The Proposed Renewal of Share Buy-Back may reduce the amount of financial resources available for distribution to the Company's shareholders in the form of dividends as the funds are utilised to purchase its own Shares.

4.0 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK (CONT'D)

4.2 Potential Disadvantages (cont'd)

Nevertheless, the Proposed Renewal of Share Buy-Back is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be implemented only after careful consideration of the financial resources of Techna-X Group and its resultant impact. The Board is mindful of the interests of the Company and its shareholders and will be prudent with respect to the Proposed Renewal of Share Buy-Back.

5.0 Sources of Funds

The Proposed Share Buy-Back will be funded by internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, actual number of TXB Shares to be purchased and other relevant factors. The actual number of TXB Shares to be purchased and/or held, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock markets as well as the retained profits and financial resources available to the Company. In the event that the Proposed Share Buy-Back is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group.

6.0 SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at the LPD, and assuming that the Proposed Renewal of Share Buy- Back is implemented in full and that the Purchased Shares are from the shareholders other than the Company's Directors and Substantial Shareholders, the effect of the Proposed Renewal of Share Buy-Back on the shareholdings of the Directors and Substantial Shareholders of Techna-X is as follows: -

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6.0 SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)

Minimum Scenario: Assuming that none of the outstanding ESOS Options as at LPD are exercised into new TXB Shares and the Proposed Renewal of Share Buy-Back is fully implemented.

	Shareholdings as at LPD$^{\beta}$				After Proposed Renewal of Share Buy-Back$^{@}$			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	603,685	0.25	15,232,111 [(1)]	6.33	603,685	0.28	15,232,111 [(1)]	7.04
Datuk Lim Chih Li @ Lin ZhiLi	117,500	0.05	-	-	117,500	0.05	-	-
Fan Kah Seong	-	-	-	-	-	-	-	-
Yen Soon Jin	-	-	-	-				
Sakthi Kumar A/L Ramadas	-	-	-	-				
YAM Tengku Shahrain Shah Bin Tengku Sulaiman Shah	-	-	-	-				
Dato' Geh Guat Yeow	-	-	-	-				
Chin How Nyian (Alternate Director for Datuk Lim Chih Li @ Lin Zhili)	5,065^	^	-	-	5,065^	^	-	-
Substantial Shareholders								
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	603,685	0.25	15,232,111 [(1)]	6.33	603,685	0.28	15,232,111 [(1)]	7.04
Rock Point Alliance Pte. Ltd.	14,831,816	6.17	-	-	14,831,816	6.86	-	-
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	61,075	0.03	15,774,646 [(2)]	6.54	61,075	0.03	15,774,646 [(2)]	7.29
Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar	58,325	0.02	15,777,396 [(3)]	6.55	58,325	0.03	15,777,396 [(3)]	7.29
Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar	58,825	0.02	15,776,896 [(4)]	6.55	58,825	0.03	15,776,896 [(4)]	7.29
Y.A.M. Tunku Irinah Binti Tuanku Ja'afar	57,712	0.02	15,778,009 [(5)]	6.55	57,712	0.03	15,778,009 [(5)]	7.29
Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar	53,827	0.02	15,781,894 [(6)]	6.55	53,827	0.02	15,781,894 [(6)]	7.30
Y.M. Tunku Nurul Hayati Binti Tunku Bahador	5,010	^	15,830,786 [(7)]	6.57	5,010	^	15,830,786 [(7)]	7.32
Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin	75	^	15,448,011 [(8)]	6.42	75	^	15,448,011 [(8)]	7.14

Wong Guan Siew	-	-	15,382,352 [9]	6.40	-	-	15,382,352 [9]	7.11
GIP Work Sdn. Bhd.	15,382,352	6.40	-	-	15,382,352	7.11	-	-
Tan Yi Sin	-	-	15,382,352 [10]	6.40	-	-	15,382,352 [10]	7.11

6.0 SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)

Maximum Scenario: Assuming that all 53,174,814 ESOS Options as at LPD are fully exercised into 53,174,814 new TXB Shares and the Proposed Renewal of Share Buy-Back is fully implemented.

	Shareholdings as at LPD^β				After Full Exercise of ESOS Options (I)*				After (I) and Proposed Renewal of Share Buy-Back#			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors												
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	603,685	0.25	15,232,111 (1)	6.33	603,685	0.21	15,232,111 (1)	5.19	603,685	0.23	15,232,111 (1)	5.76
Datuk Lim Chih Li @ Lin ZhiLi	117,500	0.05	-	-	117,500	0.04	-	-	117,500	0.04	-	-
Fan Kah Seong	-	-	-	-	-	-	-	-	-	-	-	-
Yen Soon Jin	-	-	-	-	-	-	-	-	-	-	-	-
Sakthi Kumar A/L Ramadas	-	-	-	-	-	-	-	-	-	-	-	-
YAM Tengku Shahrain Shah Bin Tengku Sulaiman Shah	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Geh Guat Yeow	-	-	-	-	-	-	-	-	-	-	-	-
Chin How Nyian (Alternate Director for Datuk Lim Chih Li @ Lin Zhili)	5,065^	^	-	-	5,065^	^	-	-	5,065^	^	-	-

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6.0 SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)

Maximum Scenario: Assuming that all 53,174,814 ESOS Options as at LPD are fully exercised into 53,174,814 new TXB Shares and the Proposed Renewal of Share Buy-Back is fully implemented.

	Shareholdings as at LPD^{β}				After Full Exercise of ESOS Options (I)*				After (I) and Proposed Renewal of Share Buy-Back#			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Substantial Shareholders												
Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar	603,685	0.25	15,232,111 (1)	6.33	603,685	0.21	15,232,111 (1)	5.19	603,685	0.23	15,232,111 (1)	5.76
Rock Point Alliance Pte. Ltd.	14,831,816	6.17	-	-	14,831,816	5.05	-	-	14,831,816	5.62	-	-
Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar	61,075	0.03	15,774,646 (2)	6.54	61,075	0.02	15,774,646 (2)	5.38	61,075	0.02	15,774,646 (2)	5.97
Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar	58,325	0.02	15,777,396 (3)	6.55	58,325	0.02	15,777,396 (3)	5.38	58,325	0.02	15,777,396 (3)	5.97
Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar	58,825	0.02	15,776,896 (4)	6.55	58,825	0.02	15,776,896 (4)	5.38	58,825	0.02	15,776,896 (4)	5.97
Y.A.M. Tunku Irinah Binti Tuanku Ja'afar	57,712	0.02	15,778,009 (5)	6.55	57,712	0.02	15,778,009 (5)	5.38	57,712	0.02	15,778,009 (5)	5.97
Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar	53,827	0.02	15,781,894 (6)	6.55	53,827	0.02	15,781,894 (6)	5.38	53,827	0.02	15,781,894 (6)	5.97
Y.M. Tunku Nurul Hayati Binti Tunku Bahador	5,010	^	15,830,786 (7)	6.57	5,010	^	15,830,786 (7)	5.40	5,010	^	15,830,786 (7)	5.99
Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin	75	^	15,448,011 (8)	6.42	75	^	15,448,011 (8)	5.26	75	^	15,448,011 (8)	5.85

Wong Guan Siew	-	-	15,382,352 (9)	6.40	-	-	15,382,352 (9)	5.24	-	-	15,382,352 (9)	5.82
GIP Work Sdn. Bhd.	15,382,352	6.40	-	-	15,382,352	5.24	-	-	15,382,352	5.82	-	-
Tan Yi Sin	-	-	15,382,352 (10)	6.40	-	-	15,382,352 (10)	5.24	-	-	15,382,352 (10)	5.82

6.0 SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)

Notes:

β *Calculated based on the Company's total issued Shares of 240,310,229 Shares as at LPD.*

@ *Assuming that 24,031,022 Shares, being the maximum number of Shares of not more than 10% of the total number of issued Shares as at LPD, are bought back by the Company.*

* *Calculated based on the Company's enlarged total number of issued Shares of* 293,485,043, *assuming that all 53,174,814 ESOS Options as at LPD are fully exercised into 53,174,814 new TXB Shares.*

Assuming that 29,348,504 Shares, being the maximum number of Shares of not more than 10% of the enlarged total number of issued Shares, are bought back by the Company after taking into consideration that all 53,174,814 ESOS Options as at LPD are fully exercised into 53,174,814 new TXB Shares.

^ *Negligible*

(1) *Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar.*

Deemed interested by virtue of him being the father of Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin. Deemed interested by virtue

of him being the spouse of Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

6.0 SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)

Notes (cont'd):

(2) *Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar.*

Deemed interested by virtue of him being the brother-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(3) *Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar.*

Deemed interested by virtue of her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of her substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

6.0 SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)

Notes (cont'd):

(4) *Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar.*

Deemed interested by virtue of him being the brother-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of his substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested pursuant to Section 8 of the Act by virtue of his direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(5) *Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar.*

Deemed interested by virtue of her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of her substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

6.0 SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)

Notes (cont'd):

(6) *Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, and Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar and Y.A.M. Tunku Irinah Binti Tuanku Ja'afar.*

Deemed interested by virtue of her being the sister-in-law to Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested pursuant to Section 8 of the Act by virtue of her substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the sibling to Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(7) *Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar.*

Deemed interested by virtue of her being the sister-in-law to Y.A.M. Tunku Irinah Binti Tuanku Ja'afar, Y.A.M. Tunku Dato' Seri Nadzaruddin Ibni Tuanku Ja'afar, Y.A.M. Tunku Tan Sri Imran Ibni Tuanku Ja'afar, Y.A.M. Tunku Dara Tunku Tan Sri Naquiah Binti Tuanku Ja'afar and Y.A.M. Tunku Jawahir Binti Tuanku Ja'afar.

Deemed interested by virtue of her being the mother of Y.M. Tunku Mohamed Alauddin Tunku Naquiyuddin.

Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has substantial shareholdings in Syarikat Pesaka Antah Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of her being the spouse of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

6.0 SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS (CONT'D)

Notes (cont'd):

(8) Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar and Y.M. Tunku Nurul Hayati Binti Tunku Bahador.

Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Syarikat Pesaka Radin Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds shares in Techna-X.

Deemed interested by virtue of him being the son of Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja'afar, who has a direct interest of over 20% equity interest in Rock Point Alliance Sdn. Bhd. which in turn holds the entire equity interest in Rock Point Alliance Pte. Ltd.

(9) Deemed interested by virtue of his shareholdings in GIP Work Sdn. Bhd.

(10) Deemed interested by virtue of her shareholdings in GIP Work Sdn. Bhd.

[The rest of this page is intentionally left blank]

7.0 PUBLIC SHAREHOLDING SPREAD

As at the LPD, the public shareholding spread of the Company is 87.02%. The Company will not undertake any share buy-back if that will result in a breach of Paragraph 8.02(1) of the Listing Requirements, which requires the Company to maintain a shareholding spread of at least 25% of its total listed shares (excluding treasury shares) or such lower percentage of shareholding spread as may be allowed by Bursa Malaysia Securities in the hands of public shareholders.

The Board is mindful of the shareholding spread requirement and will continue to be mindful of the requirement when making any purchase of TXB Shares by the Company.

8.0 IMPLICATIONS RELATING TO THE RULES

Pursuant to the Rules, a person or a group of persons acting in concert will be required to make a mandatory general offer if his/their stake(s) in the Company is/are increased to beyond 33% of the Company's total number of issued Shares or if his/their existing shareholding(s) is/are more than 33% but less than 50% and it exceeds by another 2% in any 6 months' period.

In the event that the share buy-back exercise results in the shareholdings of any of the above parties being affected, the said person or group of persons acting in concert will be obliged to make a mandatory general offer for the remaining TXB Shares not held by him/them. However, an exemption from a mandatory offer obligation may be granted by SC under the Rules, subject to the affected person and the parties acting in concert complying with certain conditions, if the obligation is triggered as a result of action outside their direct participation.

As it is not intended for the share buy-back exercise to trigger the obligation to undertake a mandatory general offer by any of its Substantial Shareholders and/or parties acting in concert with them, the Board is mindful that only such number of TXB Shares are purchased, retained as Treasury Shares, cancelled or distributed such that the Rules will not be triggered.

However, in the event that an obligation to undertake a mandatory general offer should arise with respect to any parties resulting from the Proposed Renewal of Share Buy-Back, the relevant parties shall make the necessary application to SC for an exemption from undertaking a mandatory general offer pursuant to the Rules.

9.0 FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The effects of the Proposed Renewal of Share Buy-Back on the issued share capital, NA, earnings, working capital, dividends, and gearing based on the minimum scenario and maximum scenario are set out below: -

Minimum Scenario	:	Assuming that none of the outstanding ESOS Options as at LPD are exercised into new TXB Shares
Maximum Scenario	:	Assuming that all 53,174,814 ESOS Options as at LPD are fully exercised into 53,174,814 new TXB Shares

9.1 Share Capital

The effect of the Proposed Renewal of Share Buy-Back on the Company's issued share capital depends on whether the Purchased Shares are cancelled or retained as Treasury Shares.

9.0 FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK (CONT'D)

9.1 Share Capital (cont'd)

Based on the Company's total number of issued Shares as at LPD and assuming that the maximum number of TXB Shares of up to 10% of the total number of issued Shares authorised under the Proposed Renewal of Share Buy-Back are purchased and cancelled, it will result in the Company's total number of issued Shares being reduced as follows:-

	Minimum scenario	Maximum scenario
Total number of issued Shares as at LPD	240,310,229	240,310,229
New Shares to be issued pursuant to the exercise of ESOS Options	-	53,174,814
Enlarged number of issued Shares	240,310,229	293,485,043
Less: 10% of the total number of Shares purchased and cancelled	(24,031,022)	(29,348,504)
Total number of issued Shares after the Proposed Renewal of Share Buy-Back	216,279,207	264,136,539

The above illustration assumes that all the Purchased Shares are cancelled. Nevertheless, if the Purchased Shares are retained as Treasury Shares, resold, or distributed to the Company's shareholders, there will be no effect on the Company's total number of issued Shares.

9.2 NA

The effect of the Proposed Renewal of Share Buy-Back on the NA depends on the number of the Purchased Shares, the purchase prices of the Purchased Shares, the treatment of the Purchased Shares, and the effective funding cost to Techna-X Group to finance such purchases or any loss in interest income.

When the Company purchases its own Shares, regardless of whether they are retained as Treasury Shares or are subsequently cancelled, the NA per Share of Techna-X Group will decrease if the cost per Purchased Share exceeds the NA per Share of Techna-X Group at the time of purchase. Conversely, if the cost per Purchased Share is below the NA per Share of Techna-X Group at the time of purchase, the NA per Share of the Group will increase.

In the case where the Purchased Shares are held as Treasury Shares and are subsequently resold on Bursa Malaysia Securities, the NA per Share of Techna- X Group would increase if the Company realises a gain from the resale and vice versa.

If the Treasury Shares are distributed to the shareholders as share dividends, the NA per Share of Techna-X Group will decrease by the cost of the Treasury Shares.

9.3 Earnings

The effect of the Proposed Renewal of Share Buy-Back on Techna-X Group's earnings depend on the number of the Purchased Shares, the purchase prices of the Purchased Shares, the effective funding cost to finance such purchases, and/or loss in interest income to Techna-X Group.

9.0 FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK (CONT'D)

9.4 Working Capital

The Proposed Renewal of Share Buy-Back will reduce Techna-X Group's working capital and cash flow, the quantum of which depends on, amongst others, the number of the Purchased Shares, the purchase prices of the Purchased Shares and the effective funding cost thereof.

For Purchased Shares which are kept as Treasury Shares, upon resale at a higher selling price than the initial purchase price, the Group's working capital and cash flow will increase upon the receipt of the resale proceeds. The quantum of the increase in the working capital and cash flow depends on the Treasury Shares' actual selling price(s) and the number of Treasury Shares resold.

9.5 Dividends

Barring any unforeseen circumstances, the Proposed Renewal of Share Buy- Back may have an impact on the Company's dividend policy as it may reduce the cash available, which may otherwise be used for the dividend payment. Nonetheless, the Board may distribute the future dividends in the form of Treasury Shares pursuant to the Proposed Renewal of Share Buy-Back.

9.6 Gearing

The effect of the Proposed Renewal of Share Buy-Back on Techna-X Group's gearing depends on the proportion of borrowings utilised to fund any purchase of TXB Shares. Any borrowing utilised to purchase TXB Shares may increase the Company's gearing.

10.0 PURCHASE, RESALE, TRANSFER AND/OR CANCELLATION OF TREASURY SHARES MADE IN THE PRECEDING 12 MONTHS

There were no purchase, resale, transfer and/or cancellation of Treasury Shares made by Techna-X in the previous 12 months preceding the date of this Statement.

11.0 HISTORICAL SHARE PRICES

The monthly highest and lowest prices of TXB Shares as traded on the Main Market of Bursa Malaysia Securities for the past 12 months from November 2023 to October 2024 are as follows: -

	HIGHEST (RM)	LOWEST (RM)
2023		
November	0.4000	0.2000
December	0.4000	0.2000

11.0 HISTORICAL SHARE PRICES (CONT'D)

	HIGHEST (RM)	LOWEST (RM)
2024		
January	0.5000	0.2000
February	0.3000	0.2000
March	0.3000	0.2000
April	0.3000	0.2000
May	0.3600	0.1000
June	0.3950	0.3350
July	0.3800	0.3650
August	0.3650	0.0950
September	0.1550	0.1200
October	0.1450	0.0750

The last transacted market price of TXB Shares on the LPD was RM0.1250 per Share.

12.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed in Section 6.0 of this Statement, none of the Directors and/or major shareholders of the Company and/or persons connected to them have any direct or indirect interest in the Proposed Renewal of Share Buy-Back.

13.0 DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy- Back, is of the opinion that the Proposed Renewal of Share Buy-Back is fair, reasonable, and in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the Ordinary Resolution pertaining to the Proposed Renewal of Share Buy-Back to be tabled at the forthcoming 18^{th} AGM.

14.0 APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back is subject to the shareholders' approval at the forthcoming 18^{th} AGM to be convened and any other relevant authorities and/or parties if required.

15.0 AGM

The 18^{th} AGM will be held at the "The Perdana Room" located at The Royal Lake Club Kuala Lumpur Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur on Monday, 9 December 2024 at 10:00 a.m. for the purpose of considering and, if thought fit, approving, inter alia, with or without modifications, the Ordinary Resolution on the Proposed Renewal of Share Buy-Back.

If you are unable to attend and vote at the 18^{th} AGM, the Form of Proxy must be completed and deposited at the Company's Registered Office at Synergy Professionals Group Sdn. Bhd., Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor not less than 24 hours before the time set for holding the 18^{th} AGM. The lodging of the Form of Proxy will not preclude you from attending, participating, speaking, and voting in person at the 18^{th} AGM should you subsequently wish to do so.

16.0 FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board of Techna-X, who individually and collectively accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Statement false or misleading.

2. MATERIAL CONTRACTS

As at the LPD, the Group has not entered into any material contracts (not being contract entered into in the ordinary course of business) within the past 2 years immediately preceding the date of this Statement.

3. MATERIAL LITIGATION, CLAIM, OR ARBITRATION

There is no material litigation, claim, or arbitration, either as a plaintiff or a defendant, which will have a material and/or adverse effect on the financial position or business of the Group, and the Board is not aware of any proceedings pending or threatened against the Group or of any fact which is likely to give rise to any proceedings which may materially and/or adversely affect the financial position or business of the Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's Registered Office at Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor during normal business hours (except for public holidays) from the date of this Statement, up to and including the date of the 18th AGM: -

(a) Constitution of Techna-X; and

(b) The audited consolidated financial statements of Techna-X Group for the financial years ended 31 December 2022 and 30 June 2024.

This Statement is dated 7 November 2024.

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TECHNA-X BERHAD
[Registration No. 200601012477 (732227-T)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.

Number of ordinary shares held

*I/We (full name), ____

bearing *NRIC No./Passport No./Company No. ____

of (full address)____

being a *member/members of Techna-X Berhad ("**Company**") hereby appoint:-

First Proxy "A"

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

*and/or

***Second Proxy "B"**

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

 # to put on a separate sheet where there are more than two (2) proxies

100%

or failing *him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Eighteenth Annual General Meeting of the Company to be held at the "The Perdana Room" located at The Royal Lake Club Kuala Lumpur Taman Tasek Perdana, Jalan Cenderamulia, Off Jalan Parlimen, 50480 Kuala Lumpur, on Monday, 9 December 2024 at 10:00 a.m. and any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be cast. If no specific direction for voting is given, the proxy will vote or abstain from voting at *his/her discretion.

	ORDINARY RESOLUTIONS	For	Against
1.	To approve the payment of Directors' fees to the Directors amounting to RM180,000.00 for the financial year period ended 30 June 2024.		
2.	To approve the Directors' benefits payable to the Non-Executive Directors of up to RM30,000.00 from 9 December 2024 until the next Annual General Meeting of the Company to be held in the year 2025.		
3.	To re-elect Mr. Fan Kah Seong who is due to retire pursuant to Clause 118 of the Company's Constitution.		
4.	To re-elect Mr. Mr. Yen Soon Jin, who is due to retire pursuant to Clause 117 of the Company's Constitution.		
5.	To re-elect Mr. Sakthi Kumar A/L Ramadas, who is due to retire pursuant to Clause 117 of the Company's Constitution.		
6.	To re-elect YAM Tengku Shahrain Shah Bin Tengku Sulaiman Shah, who is due to retire pursuant to Clause 117 of the Company's Constitution.		
7.	To re-elect Dato' Geh Guat Yeow, who is due to retire pursuant to Clause 117 of the Company's Constitution.		
8.	To re-appoint Messrs. HLB Ler Lum Chew PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration.		
9.	Authority to Issue Shares pursuant to the Companies Act 2016.		
10.	Proposed Renewal of Authority for Share Buy-Back of up to ten per centum (10%) of the total number of issued shares of the Company.		

As witness my/our hand(s) this day ________________ of ________________ , 2024.

____
*Signature/Common Seal of Member

* Strike out whichever not applicable

Fold this flap for sealing

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 3 December 2024 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.*
2. *A member entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.*
3. *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporations' common seal or under the hand of an officer or attorney duly authorised.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power of authority, must be deposited at the Company's Registered Office at Synergy Professionals Group Sdn. Bhd., Unit No. EL-11-01, Amcorp Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor not less than twenty-four (24) hours before the time set for holding the Meeting or any adjournment thereof. All resolutions set out in this notice of Meeting are to be voted by poll.*

Then fold here

Affix
Stamp

The Registered Office
TECHNA-X BERHAD
Unit No. EL-11-01, Amcorp Business Suite,
Menara Melawangi, Pusat Perdagangan Amcorp,
No. 18, Jalan Persiaran Barat,
46050 Petaling Jaya, Selangor

1st fold here

6. *Any notice of termination of authority to act as proxy must be received by the Company before the commencement of the Meeting or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Companies Act 2016:-*

   (i) the constitution of the quorum at such meeting;
   (ii) the validity of anything he did as chairman of such meeting;
   (iii) the validity of a poll demanded by him at such meeting; or
   (iv) The validity of the vote exercised by him at such meeting.

7. *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data, which may include your name and mailing address, you hereby consent, agree, and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this Meeting and convening the Meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement, and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.*

www.techna-x.com

Techna-X Berhad 200601012477 (732227-T)

Registered Office :
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Corporate Office :
Unit 2.2, Level 2
Work@Clearwater
Jalan Changkat Semantan
Damansara Heights
50490 Kuala Lumpur