

Annual Report 2024

Driving digital transformation,
shaping technology's future

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz

Independent Non-Executive Chairman

Chua Oou Chuan

Non-Independent Non-Executive Director / Deputy Chairman

Wong Tack Heng

Chief Operating Officer / Executive Director

Amarjeet Kaur A/P Ranjit Singh

Independent Non-Executive Director

Seow Jing Hui

Independent Non-Executive Director

Teoh Wei Yee

Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Amarjeet Kaur A/P Ranjit Singh

Chairperson / Independent Non-Executive Director

Chua Oou Chuan

Member / Non-Independent Non-Executive Director

Teoh Wei Yee

Member / Independent Non-Executive Director

Seow Jing Hui

Member / Independent Non-Executive Director

REMUNERATION COMMITTEE

Chua Oou Chuan

Chairman / Non-Independent Non-Executive Director

Amarjeet Kaur A/P Ranjit Singh

Member / Independent Non-Executive Director

Seow Jing Hui

Member / Independent Non-Executive Director

Teoh Wei Yee

Member / Independent Non-Executive Director

NOMINATING COMMITTEE

Chua Oou Chuan

Chairman / Non-Independent Non-Executive Director

Amarjeet Kaur A/P Ranjit Singh

Member / Independent Non-Executive Director

Seow Jing Hui

Member / Independent Non-Executive Director

Teoh Wei Yee

Member / Independent Non-Executive Director

COMPANY SECRETARIES

Wong Mee Kiat (MAICSA 7058813)

(SSM PC No. 202008001958)

Lim Li Heong (MAICSA 7054716)

(SSM PC No. 202008001981)

Lim Yen Teng (LS0010182)

(SSM PC No. 201908000028)

CORPORATE OFFICE

Units 3-01 to 3-07, Level 3, Menara UAC,
12, Jalan PJU 7/5, Mutiara Damansara,
47800 Petaling Jaya,
Selangor Darul Ehsan.
Tel: 03-7495 0000
www.rexit.com

REGISTERED OFFICE

Level 5, Tower 8, Avenue 5,
Horizon 2, Bangsar South City,
59200 Kuala Lumpur.
Tel: 03-2280 6388 Fax: 03-2280 6399
Email: listcomalaysia@acclime.com

PRINCIPAL BANKERS

Standard Chartered Bank Malaysia Berhad
CIMB Bank Berhad

AUDITORS

Nexia SSY PLT
Chartered Accountants
UOA Business Park,
Tower 3, 5th Floor, K03-05-08,
1 Jalan Pengaturcara U1/51A,
Section U1, 40150 Shah Alam,
Selangor Darul Ehsan.
Tel: 03-5039 1811 Fax: 03-5039 1822

SHARE REGISTRAR

GAP Advisory Sdn. Bhd.
E-10-4, Megan Avenue 1,
189, Jalan Tun Razak,
50400 Kuala Lumpur.
Tel: 03-2181 0516
Email: office@gapadvisory.my

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name : REXIT
Stock Code : 0106

CORPORATE PROFILE

Overview

Rexit Berhad (Rexit) established in 1998 and listed on the ACE Market of Bursa Malaysia Securities Berhad since November 2005, specializes in Software as a Service (SaaS) solutions for general insurance, Takaful, unit trust and financial services industries. Our expertise in business processes and technology positions us as a trusted outsourcing partner, driving digital transformation and operational efficiency for our clients. Our commitment to robust corporate governance ensures transparency and accountability, building trust with stakeholders. In the financial period 2024, Rexit recorded a stable revenue of RM48.29 million, reflecting resilience in a competitive market. By prioritising sustainability through paperless processes and resilient cybersecurity, we align with industry standards and contribute to long-term value creation.

Core Services

The SaaS model eliminates high capital and maintenance costs, enabling clients to focus on core operations. Rexit offers:

- **General Insurance and Takaful**

The flagship e-Cover online platform is used by Insurance and Takaful intermediaries for quotation/policy issuance, renewals, endorsements and real-time transactions. A web-based e-Cover suite streamlines transactions for insurers and agents across devices and browsers. Its De-tariffed Module supports Malaysia's liberalized motor tariff regime. The Reward-Link.com Sdn Bhd Gateway System connects insurers to the Malaysian Road Transport Department (JPJ) for online motor cover note submission. A customised version of e-Cover designed specifically for the Islamic Insurance (Takaful) Industry. Rexit manages the mySalam portal, a Malaysian Government health protection scheme that provides eligible Malaysians with free Takaful health protection.

The Integrated Insurance Management System (IIMS) is a full suite back-office system for insurers, covering everything from marketing, underwriting to reinsurance, claims and accounting that supports companies in running their daily core operations.

- **Unit trust**

Rexit's diversification into the financial services sector, notably the unit trust industry leverages on the SaaS expertise. Rexit was appointed by the Federation of Investment Managers Malaysia (FIMM) as third-party administrator for Employees Provident Fund (EPF). The e-Pelaburan Pilihan Ahli (e-PPA) system developed and managed by Rexit, is an online industry platform that facilitates submission of unit trust investment and redemption between the Fund Management Institutions (IPD) and EPF. The e-PPA provides a close loop process involving the unit trust companies, EPF and nominated banks. Turnaround time from submission to approvals are generally completed within three working days. This serves all IPDs (FIMM and non-FIMM members) that have approved funds by EPF to enable EPF members to invest in selected unit trusts using their EPF contributions.

CORPORATE PROFILE

- ***Banking and Legal Services***

Rexit has further broadened its SaaS solutions with the InfoGuardian Work Management Suite which integrates workflow, case management and document management for banks, legal firms and property valuers. An international Islamic bank and a local bank, alongside with their panels of legal firms and property valuers, utilise InfoGuardian to facilitate online information sharing between the banks and their panels thus increasing transparency and efficiency to all stakeholders of the respective systems. InfoGuardian can be easily adapted for other industries.

Overseas Operations

Rexit markets its products and services internationally through Rexit International Sdn Bhd. The e-Cover and IIMS are used by our clients in Hong Kong SAR and Singapore. The successful implementation of these products and services tailored to localized needs enhances marketability and acceptance of our products and services in international markets. Rexit Software (Guangzhou) Co Ltd supports research and development for international projects, ensuring competitive solutions and access to regional resources.

PRODUCTS AND SERVICES

WHAT WE OFFER:

For General Insurance and Takaful Companies



e-Cover Portal: A 24x7 online platform enabling insurers to deliver products and services efficiently with a rapid time-to-market. Its shared service model reduces operational costs while ensuring scalability and reliability, supporting insurers' digital transformation



Integrated Insurance Management System (IIMS): A comprehensive, customer-focused solution covering all core functions including product development, marketing, intermediary management, underwriting, policy administration, reinsurance, claims, payments and accounting. Fully integrated yet modular provides real-time data to drive strategic decision-making, enhancing customer and operational outcomes.

For Unit Trust Fund Management Institutions



EPF-linked Investment System: A secure online system used by approved Fund Management Institutions (IPD) in Malaysia to facilitate investment and redemption applications for EPF members. It ensures compliance and efficiency in handling transactions using EPF contributions for selected unit trusts.

For Banks, Solicitors, and Property Valuation Firms



Integrated workflow system: A robust platform combining workflow automation, case management and document handling. It facilitates secure, real-time collaboration and information sharing among internal and external stakeholders, boosting productivity and operational agility.

CORPORATE STRUCTURE



100% Rexit Software Sdn Bhd

100% Rexit International Sdn Bhd

100% Rexit Software (Guangzhou)
Co Ltd

100% Rexit Solutions Sdn Bhd

100% Rexit (M) Sdn Bhd

100% Reward-Link.com Sdn Bhd

DIRECTORS' PROFILE



Front (From Left to Right) :

Wong Tack Heng, Teoh Wei Yee, Amarjeet Kaur A/P Ranjit Singh,
Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz,
Chua Oou Chuan, Seow Jing Hui

DIRECTORS' PROFILE

TENGGU TAN SRI DATO' HAJI MOHAMAD RIZAM BIN TENGGU ABDUL AZIZ

Independent Non-Executive Chairman

Malaysian	Male	64 years
Date of Appointment: 15 January 2025		
Number of meetings attended: Not applicable		



Qualifications:

- Master of Business Administration from United States International University, San Diego, California, USA.
- Bachelor of Business Admin (Hons.) majoring in Marketing from Ohio University, Athens, Ohio, USA.

Experience:

Tengku Tan Sri Dato' Haji Mohamad Rizam began his career at MUI Bank Berhad (now known as Hong Leong Bank) in 1986, holding various roles in the Business Development & Marketing Division before becoming Manager. He later served in senior roles at Malaysian French Bank Berhad (now known as Alliance Bank), Bank Utama (M'sia) Berhad (now known as RHB Bank) and RHB Islamic Bank Berhad. He was the Deputy Regional Director (Central) at RHB Bank Berhad, where he supported the Regional Director in managing and maximising returns of the group's retail franchise in the Central Region, contributing significantly to the bank's retail revenue. He also led the Technology Banking Division, overseeing the management and marketing of Internet banking and cash management products. He left in 2014 as Head, Transaction Banking and Senior Vice President of RHB Islamic Bank. His

expertise encompasses business development, technology banking and transaction banking. Beyond his banking career, he has held prominent public sector roles, including Chairman of the Kelantan State Public Service Commission and President of the Kelantan Islamic Religious & Malay Customs Council. His leadership capabilities also extend to the Malaysian Armed Forces, where he served as Commander of Regiment 506 Territorial Army.

Membership of Board Committee(s):

None

Directorship in other public companies:

None

Declaration of any family relationship with any other Directors and/or Major Shareholder:

No

Declaration of any conflict of interest or potential conflict of interest:

No

Declaration on conviction of offences within the past 5 years:

No

DIRECTORS' PROFILE

CHUA OOU CHUAN

Non-Independent Non-Executive
Deputy Chairman

Malaysian	Male	49 years
Date of Appointment: 11 March 2024		
Number of meetings attended: 8 out of 8		



Qualifications:

- Member of Malaysian Institute of Accountants
- Bachelor of Accountancy from University Putra of Malaya

Experience:

Mr. Anderson Chua is a highly accomplished professional with a diverse background in finance, accounting, and international business. His career includes a pivotal role as the Chief Financial Officer of AmFund Management Berhad, where he served from 2008 to 2017. In this capacity, he oversaw all financial matters and played a crucial role in creating value for shareholders and clients. He also served as a member of the Credit Risk Committee and led the Strategist & Program Management Office. Additionally, he was an Independent Advisor at BIMB Investment from 2021 to 2022, a wholly owned subsidiary of Bank Islam. Beyond his extensive experience in the banking industry, he brings valuable international expertise in tourism, hospitality, and fintech industries. Committed to social responsibility, he actively contributes to various initiatives. He serves as a Committee Member at Tung Shin Hospital Kuala Lumpur, and as an Industry Expert Advisory Panel member at Tunku Abdul Rahman University of Management and Technology and

Universiti Putra Malaysia. He is also a member of the Institute of Corporate Directors Malaysia (ICDM) and a committee member of the Malaysia-New Zealand Chamber of Commerce (MNZCC), where he works to strengthen bilateral trade relationships between the two nations.

Membership of Board Committee(s):

- Chairman, Nominating Committee
- Chairman, Remuneration Committee
- Member, Audit and Risk Management Committee

Directorship in other public companies:

Independent Non-Executive Director, Sern Kou Resources Berhad

Declaration of any family relationship with any other Directors and/or Major Shareholder:

No

Declaration of any conflict of interest or potential conflict of interest:

No

Declaration on conviction of offences within the past 5 years:

No

DIRECTORS' PROFILE

WONG TACK HENG

Chief Operating Officer / Executive Director

Malaysian	Male	53 years
Date of Appointment: 11 March 2024		
Number of meetings attended: 8 out of 8		



Qualifications:

- Bachelor (First Class Honour) in Electronics Engineering from Oxford Brookes University in United Kingdom

Experience:

Mr. Steven Wong is a skillful Enterprise Architect, with extensive experience across various sectors, including banking, telecommunications, and technology. He has a strong track record in building delivery partner networks, setting up project teams, and driving technology transformations. Before this, he held leadership roles at Affin Bank, where he led the Technology Strategy and Demand Management practices and served as a technology advisor across the group. His previous experiences include spearheading digital strategies at MBSB Bank, consultancy work in business intelligence and big data at Docomo Pacific, and leadership in BI architecture at DiGi Telecommunications. Throughout his career, he has demonstrated a deep expertise in enterprise architecture, project management, and strategic planning, consistently delivering innovative solutions and aligning technology initiatives with business objectives.

Membership of Board Committee(s):

None

Directorship in other public companies:

None

Declaration of any family relationship with any other Directors and/or Major Shareholder:

No

Declaration of any conflict of interest or potential conflict of interest:

No

Declaration on conviction of offences within the past 5 years:

No

DIRECTORS' PROFILE

TEOH WEI YEE

Independent Non-Executive Director

Malaysian	Male	37 years
Date of Appointment: 11 March 2024		
Number of meetings attended: 8 out of 8		



Qualifications:

- Associate Member of Malaysian Institute of Chartered Secretaries and Administration
- Member of Chartered Institute of Management Accountants
- Member of Malaysian Institute of Accountants
- Chartered Governance Professional of Chartered Governance Institute
- Bachelor of Law degree from University of London

Experience:

Mr. Teoh is the Director of Biz Knight Corporate House Sdn. Bhd. which provides company formation services, Company secretarial services, business structuring services, licensing application, tax incentive application and acting as liquidators for members' voluntary winding up.

Membership of Board Committee(s):

- Member, Audit and Risk Management Committee
- Member, Nominating Committee
- Member, Remuneration Committee

Directorship in other public companies:

None

Declaration of any family relationship with any other Directors and/or Major Shareholder:

No

Declaration of any conflict of interest or potential conflict of interest:

No

Declaration on conviction of offences within the past 5 years:

No

DIRECTORS' PROFILE

SEOW JING HUI

Independent Non-Executive Director

Malaysian	Female	39 years
Date of Appointment: 11 March 2024		
Number of meetings attended: 8 out of 8		



Qualifications:

- Member of Advocates & Solicitors of High Court of Malaya
- Bachelor of Law degree from Multimedia University

Experience:

Ms. Seow is a Managing Partner at Messrs Ling & Theng Book. Throughout her distinguished career as a legal professional, she has showcased her expertise in various areas, including conveyancing, corporate law, and banking affairs. Her background in property development equips her with a comprehensive grasp of the entire property development process, spanning project management, regulatory approvals, and sales administration. Over the years, she has applied her legal knowledge to a wide array of commercial agreements and intricate business negotiations. Beyond her legal pursuits, she is deeply committed to community service. As one of the founding members of the Lions Club of KL Agape Star, she has consistently demonstrated her dedication by assuming

various leadership roles within the club, all in pursuit of the noble objective of extending assistance to those in need.

Membership of Board Committee(s):

- Member, Audit and Risk Management Committee
- Member, Nominating Committee
- Member, Remuneration Committee

Directorship in other public companies:

Independent Non-Executive Director, Sern Kou Resources Berhad

Declaration of any family relationship with any other Directors and/or Major Shareholder:

No

Declaration of any conflict of interest or potential conflict of interest:

No

Declaration on conviction of offences within the past 5 years:

No

DIRECTORS' PROFILE

AMARJEET KAUR A/P RANJIT SINGH

Independent Non-Executive Director

Malaysian	Female	67 years
Date of Appointment: 1 February 2022		
Number of meetings attended: 15 out of 15		



Qualifications:

- Member of Malaysian Institute of Certified Public Accountants
- Bachelor of Accounting degree from University of Malaya

Experience:

Madam Amarjeet Kaur has more than 30 years' experience in the financial markets. She started her career at Bank Negara Malaysia in 1982. In 1994, she joined AmlInvestment Bank Berhad and was promoted to Director of Corporate Services Department. In 2008, she joined EON Bank Berhad (now part of Hong Leong Bank Berhad) where she served as Group Chief Financial Officer and was responsible for managing the Groups Finance, Treasury and Procurement and Administration Departments till August 2011. She was appointed as Executive Vice-President of Alliance Bank Malaysia Berhad from September 2011 to

March 2016. From March 2016 to March 2020, she was an Executive Vice President of Merchantrade Asia Sdn. Bhd. Currently, she is a Consultant and Director of Limon Sdn. Bhd.

Membership of Board Committee(s):

- Chairperson, Audit and Risk Management Committee
- Member, Nominating Committee
- Member, Remuneration Committee

Directorship in other public companies:

None

Declaration of any family relationship with any other Directors and/or Major Shareholder:

No

Declaration of any conflict of interest or potential conflict of interest:

No

Declaration on conviction of offences within the past 5 years:

No

KEY SENIOR MANAGEMENT PROFILES

LEE CHOON TENG

Chief Executive Officer

Malaysian	Male	44 years
Date of Appointment: 2 May 2024		



Qualifications:

- Mergers & Acquisitions Professional Certificate from New York Institute of Finance
- Certified Credit Executive from Asian Institute of Chartered Bankers
- Bachelor of Engineering (Hons.) Electrical / Electronics from Multimedia University

Experience:

Mr. Gallen Lee joined Rexit Group on 2 May 2024 as the Deputy Chief Executive Officer and was promoted to be the CEO on 1 September 2024. He has gained 19 years of experience across various industries, demonstrating expertise in business management, financial services, and strategic leadership. He was the Group CEO at Systech Berhad, where he led the company in defining its vision and mission, developing long-term corporate strategies, and enhancing operational efficiencies. His leadership was instrumental in achieving business objectives and improving financial results, as well as effectively communicating with the Board of Directors to address business challenges. Earlier in his career, he held significant positions in the banking and financial sectors. As a General Partner in Private Equity, he managed asset allocation

decisions and compliance with investment mandates. He gained substantial experience in sales and business development ranging from commercial to SME banking in various financial institutions. He managed and grew the sales portfolio and achieved outstanding results. His diverse roles in account relationship management, finance and administration, and planning engineering highlight his adaptability and extensive knowledge across different business functions.

Any interest in the Company's securities:

None

Directorship in other public companies:

None

Declaration of any family relationship with any other Directors and/or Major Shareholder:

No

Declaration of any conflict of interest or potential conflict of interest:

No

Declaration on conviction of offences within the past 5 years:

No

KEY SENIOR MANAGEMENT PROFILES

CHAN SHIH FEI

Chief Financial Officer

Malaysian

Female

63 years

Date of Appointment:

15 September 2004



Qualifications:

Member of Malaysian Institute of Certified Public Accountants
Bachelor of Arts (Economics) from University of Malaya

Experience:

Ms. Chan was the Group Financial Controller of Proven Resources Sdn. Bhd., Group Financial Controller of RSH (Malaysia) Sdn. Bhd. and an external auditor with two major accounting firms prior to joining Rexit Group.

Directorship in other public companies:

None

Declaration of any family relationship with any other Directors and/or Major Shareholder:

No

Declaration of any conflict of interest or potential conflict of interest:

No

Declaration on conviction of offences within the past 5 years:

No

KEY SENIOR MANAGEMENT PROFILES

TONG TIN HENG

Chief Application Officer

Malaysian	Male	56 years
Date of Appointment: 2 February 1999		



Qualifications:

Certificate of Achievement in Strategic Information Systems and Accounting from Heriot-Watt University, United Kingdom

Experience:

Mr. Tong started his career with Power Computer Supplies Sdn. Bhd. as a programmer in 1989, during which he was instrumental in defining and re-developing additional insurance core modules. He subsequently joined Allianz General Insurance Company (Malaysia) Berhad ("AGI") as an Assistant Manager in 1996. He was appointed to head a team of in-house developers to further enhance and develop existing software while at AGI. He is the technical head with the Rexit Group and has more than 35 years of working experience in the IT industry. With his wide and intimate knowledge, he has contributed significantly to Rexit Group's growth and success.

Directorship in other public companies:

None

Declaration of any family relationship with any other Directors and/or Major Shareholder:

No

Declaration of any conflict of interest or potential conflict of interest:

No

Declaration on conviction of offences within the past 5 years:

No

CHAIRMAN'S STATEMENT

Dear Shareholders,

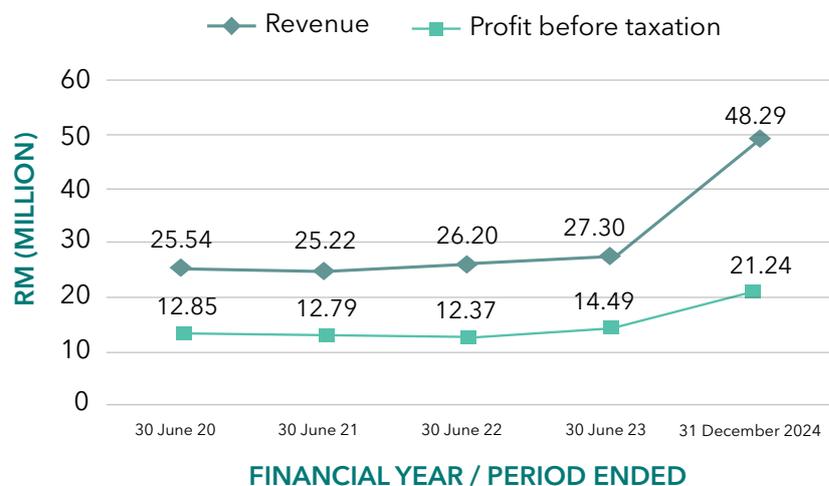
On behalf of the Board of Directors, I am pleased to present the Annual Report and the audited financial statements of Rexit Berhad ("Rexit") for the 18-month period from 1 July 2023 to 31 December 2024 ("FP2024"), reflecting the change in financial year-end from 30 June to 31 December. Throughout this period, our business model remained consistent, focusing on delivering consistent value through our established operations.



Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz

I am delighted to report that Rexit recorded another profitable year, marking the 19th consecutive year of profit and payment of dividends to our shareholders since our listing on the ACE Market of Bursa Malaysia Securities Berhad in November 2005 (FY2006). For FP2024, revenue reached RM48.29 million over the 18-month period, compared to RM27.30 million for the 12-month period ended 30 June 2023. Profit before taxation (PBT) rose to RM21.24 million from RM14.49 million, and profit after taxation (PAT) increased to RM16.63 million from RM11.01 million. Due to the change in reporting period from 12 months to 18 months, comparative figures may not be directly relevant. This growth reflects higher sales of hardware, system software and software customization services, detailed further in the Management Discussion and Analysis section. The 5-year Consolidated Results Chart for FY2020 to FP2024 will be adjusted in future reports to reflect the new year-end of 31 December and this 18-month transitional period.

5 YEARS CONSOLIDATED RESULTS



CHAIRMAN'S STATEMENT

Our commitment to cybersecurity remains a priority. During FP2024, an independent cybersecurity audit was conducted by LE Global Services Sdn Bhd, enhancing the resilience of our systems and reinforcing client trust. In line with the best practices, the Group appointed LE Global Services Sdn Bhd, a reputable cybersecurity firm, to evaluate the effectiveness of our security measures and identify potential vulnerabilities. The audit confirmed that no data breaches occurred during the assessment period. This independent verification strengthens our confidence in the effectiveness of our cybersecurity measures and underscores our ongoing commitment to protecting the privacy and security of our stakeholders' data.

In a rapidly evolving technological landscape, we prioritised innovation, leveraging advancements in Artificial Intelligence (AI), Machine Learning (ML), and cloud computing to improve operational efficiency and customer experience. Investments in scalable, secure platforms ensure we meet digital-first demands while complying with regulations like the Malaysia Cyber Security Act 2024.

Our people remain our greatest asset. To stay competitive in the IT sector, we launched initiatives to embed seven core values and upskill our workforce, fostering a culture of diversity, creativity, and continuous learning. These efforts position us to attract and retain top talent, driving transformative solutions for our clients.

In January 2024, new substantial shareholders acquired 53.27% of Rexit's shares, triggering an unconditional mandatory take-over offer completed in March 2024, followed by significant boardroom changes. We express our gratitude to Datuk Chung Hon Cheong, Mr. Si Tho Yoke Meng, Dato' Abdul Murad bin Khalid, Mr. Kuah Hun Liang, and Mr. Chan Chee Yuan for their contributions during their tenure, wishing them well in their future endeavours. We also thank Datuk Ng Kam Chiu, who retired as Chairman on 1 September 2024, and Dato' Seow Gim Shen, who resigned as Executive Chairman on 11 October 2024, for their invaluable service.

Subsequent to year-end, I assumed the role of Independent Non-Executive bringing over 30 years of banking and leadership experience, including senior roles at RHB Bank and public sector positions like Chairman of the Kelantan State Public Service Commission. This experience strengthens our governance while preserving our core focus. Also in February 2025, Rexit relocated its office to a new premises to support operational efficiency and future growth, with further details in the Management Discussion and Analysis section.

Looking ahead, we remain optimistic about our strategy, leveraging technology and talent to adapt to the financial services and insurance industry's evolving needs. We thank our shareholders, business partners, clients, directors, management, and staff for their unwavering support and dedication. The Board is committed to delivering sustainable value and continued growth.

Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Business and Operations

1) e-Cover and IIMS for the General Insurance and Takaful Insurance Companies

Rexit intensified efforts to promote e-Cover and IIMS to existing and prospective clients. Partnerships with financial institutions and telecommunication providers enabled e-Cover to offer electronic payment features and online messaging notifications on a fee basis, improving user convenience. The persistent demand for digital transformation in a challenging macroeconomic landscape provided Rexit with opportunities to offer new value-added services.

Since 2004, Rexit has managed the JPJ electronic cover note gateway under the Malaysian Government's e-INSURANS initiative, connecting insurance companies to the Malaysian Road Transport Department (JPJ). The Group also developed and operates the mySalam portal, which delivers free Takaful health coverage to eligible members under the Malaysian Government health protection scheme.

2) InfoGuardian and e-PPA for the Financial Services Industries

Rexit extends its digital expertise to the financial services industry with the e-PPA and InfoGuardian. The e-PPA platform facilitates unit trust applications and redemptions via the Employees Provident Fund (EPF), with settlements carried out electronically using members' funds, while InfoGuardian provides an integrated workflow and document management system for financial institutions, legal firms, and then property valuer firms.

Both e-PPA and InfoGuardian continued to deliver steady contributions in FP2024. e-PPA supported transactions from FIMM and non-FIMM member companies, and InfoGuardian remained in use by two banks and their associated legal and valuation panels.

Review of Financial Results

Change of Financial Year End

On 25 October 2024, the Board of Directors approved the change of financial year end from 30 June to 31 December, extending FY2024 to an 18-month period (1 July 2023 to 31 December 2024) to enhance operational efficiencies and to review business plans. Comparative FY2023 figures (12 months) are therefore not directly comparable. Subsequent periods will follow a 12-month cycle ending on 31 December. The necessary regulatory filings have been completed.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Rexit recorded revenue of RM48.29 million for the 18-month Financial Period Ended 2024 (FP2024), an increase of RM20.99 million compared to RM27.30 million recorded in FY2023 (12 months). This reflects mainly income from its software-based activities and increased income from investments.

Software income increased to RM46.91 million from RM26.74 million, driven by higher software customization for clients' digital initiatives in business processes, increased transaction and subscription fees, as well as a one-off sale of hardware and system software sale arising from clients' system upgrades.

Investment income rose to RM1.33 million from RM0.55 million, due to higher distribution returns from quoted funds and fixed deposit interest.

Cost of sales and Gross Profit Margin

Cost of sales increased to RM14.09 million in FP2024 from RM7.18 million in FY2023, due to higher software development staff costs, purchases of hardware and system software, and system software maintenance expenses over the extended 18-month period. Gross profit margin declined to 70.81% from 73.68% reflecting increased salaries and lower margins from hardware sales compared to software sales and services.

Administrative Expenses

Administrative expenses increased to RM14.27 million in FP2024 from RM6.24 million in FY2023. This increase is mainly attributable to several factors : fees paid to an Independent Adviser in connection with the unconditional mandatory take-over offer made by new substantial shareholders who acquired 53.27% of Rexit's shares in January 2024; advisory fees paid to the former CEO and COO to support operational stability during the leadership transition following the change in major shareholding; higher staff costs and directors' remuneration; and fees paid to LE Global Services Sdn Bhd to conduct a cybersecurity audit to bolster system resilience.

Profit Before Taxation and Profit After Taxation

Profit before taxation (PBT) increased to RM21.24 million from RM14.49 million in FY2023 while profit after taxation (PAT) rose to RM16.63 million compared to RM11.01 million in the previous fiscal year. This improvement reflects higher revenue over the extended financial period.

Liquidity and Financial Resources

Shareholders' Equity increased to RM57.07 million in FP2024, up from RM49.58 million in FY2023, bolstered by retained profits. Net cash stood at RM33.96 million from RM27.48 million, positioning the Group for future growth.

Dividends

The Board declared two interim single-tier dividends in respect of FP2024: 5 sen per share paid on 27 December 2023 and 2.5 sen per share paid on 18 February 2025. Total dividends paid amounted to RM12.99 million, representing a payout ratio of 78.14% based on the RM16.63 million PAT. While Rexit does not have a formal dividend policy, it has maintained consistent since payouts since FY2006 guided by profitability and sustainability considerations.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Expenditure Requirements, Capital Structure and Resources

The Group incurred capital expenditure of RM3.47 million in FP2024 (FY2023: RM0.49 million) for staff laptops, servers and system upgrades with an additional RM0.20 million budgeted for 2025.

The Group also incurred RM4.07 million in 2024 for leasehold improvements on its new premises, with a further RM0.63 million earmarked for 2025. In February 2025, Rexit relocated to the new premises to support operational scalability and staff productivity through a modernised workspace.

Staff costs are projected to rise by 5% - 10% due to salary increments and new hires to support growth.

All investments are funded internally reinforcing the Group's financial strength and operational independence.

Anticipated or Known Risks

1. Security Risks and System Disruptions

Operating in a high-tech environment, Rexit faces cybersecurity and system outage risks that could disrupt service delivery and potentially reduce revenue by up to 5%-20% depending on the severity of the case and its impact on service levels. In FP2024, LE Global Services Sdn Bhd conducted a comprehensive cybersecurity audit. Measures have since been enhanced, including antivirus systems, firewall defences and disaster recovery protocols. No major system disruptions have occurred in recent years and we continue to strengthen our cybersecurity framework through proactive measures and compliance with key regulations. These efforts reinforce our commitment to provide a secure environment for our clients and operations. Key regulatory alignments include:

- **Malaysia Cyber Security Act 2024:** We are enhancing policies and systems to meet legal requirements, including improved data protection, threat monitoring, and employee training on compliance standards.
- **Securities Commission Technology Risk Management:** We align with guidelines, strengthening business continuity plans and conducting regular system checks to mitigate risks.
- **Bank Negara Malaysia's RMIT Compliance:** We collaborate with clients to ensure compliance with Risk Management in Technology (RMIT) policies, improving cybersecurity monitoring, testing, and encryption, while ensuring our technology providers meet high security standards.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Technology Developments Risks

The dynamic nature of IT landscape necessitates Rexit to stay current with technological developments with continuous research and developemtn to maintain the relevance and competitiveness of Rexit's products. The Group continues to enhance e-Cover and IIMS to meet evolving regulatory and client expectations.

Forward Looking Statements

Rexit remains focused on its core markets and recurring revenue model. The Group plans to expand e-Cover functionalities into adjacent sectors such as the financial services and e-commerce, leveraging its existing secure infrastructure.

The FY2025 outlook remains challenging due to global geo-political risks and increased cybersecurity threats impacting the domestic market. The appointment of Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz as Independent Non-Executive Chairman on 15 January 2025 is expected to strengthen governance without shifting strategic focus.

SUSTAINABILITY STATEMENT

Overview

Sustainable growth is prioritized through the management of economic, environmental, and social (“EES”) risks. Our strategy builds resilience against challenges like climate change and supply chain disruptions, aiming to create a strong and sustainable business model.

At Rexit Berhad (“Rexit”), the focus is on long-term sustainability to enhance our competitive edge and create value for stakeholders in a dynamic business environment. This Sustainability Statement and Annual Report 2024 detail our business performance and strategies for value creation. We encourage you to delve into both reports for a thorough understanding of our approach.

Statement Framework

Our statement is prepared in compliance with the ACE Market Listing Requirements and preparation is according to the following:

1. Bursa Malaysia Sustainability Reporting Guide (3rd edition)
2. Global Reporting Initiative (“GRI”) Universal Standards 2021
3. Sustainability Development Goals (“SDGs”)

The report identifies and addresses 10 relevant SDGs.

Reporting Period

This statement covers Rexit’s sustainability performance in Malaysia for the financial period from 1 July 2023 to 31 December 2024, reflecting an 18-month period due to a change in our financial year-end from 30 June to 31 December. No historical data is available as this is our inaugural report.

Scope

This report includes all operations directly managed by Rexit. The disclosure of our sustainability-related data is based on the indicators set by Bursa Malaysia under the Sustainability Reporting Framework. We have ascertained the quality of disclosures by adherence to relevant regulatory requirements, industry standards and reporting guidelines. All information and data in our Sustainability Statement are sourced from our company’s internal records and documents.

Statement Exclusion

This statement has undergone internal review but has not been externally assured by independent parties. Rexit has conducted an internal review of non-financial sustainability data, gathering insights from the respective data owners within the company.

Statement Assurance

The information in this statement has undergone review and has been approved by the Board to ensure its credibility.

SUSTAINABILITY STATEMENT

Feedback

We value feedback from stakeholders to ensure high-quality reporting and sustainably practices. Your insights are instrumental in our continual progress. Please direct your feedback to us at:

Compliance Department

Units 3-01 to 3-07, Level 3, Menara UAC,
12, Jalan PJU 7/5, Mutiara Damansara,
47800 Petaling Jaya, Selangor Darul Ehsan.
Tel: 03-74950000
Email : compliance@rexit.com

Sustainability Governance

Strong corporate governance serves as the cornerstone of our long-term success and sustainability. Our governance structure is designed to promote transparency, accountability, and integrity at every level of our organization. This structure ensures that we operate in the best interests of our stakeholders.

Sustainability Governance Structure

Board of Directors

Our Board of Directors is responsible for driving sustainability in Rexit. The Board is to review and approve Rexit's sustainability strategies and initiatives while ensuring the internal controls are aligned to our business processes.

Sustainability Working Committee (Senior Management)

The Board is supported by a Working Committee chaired by the Chief Operating Officer (COO) and backed by the Senior Management. The Working Committee's role is to develop sustainability goals, targets and to supervise all sustainability-related initiatives.

Sustainability Working Group (Heads of Departments and key members)

The Working Committee is supported by a working team consisting of the Heads of Departments and a team of key members across departments who are tasked to implement the sustainability initiatives and report the progress to the Working Committee and the Board.

SUSTAINABILITY STATEMENT

Stakeholder Engagement

Rexit maintains transparent communication with our stakeholders to effectively understand their concerns and respond accordingly.

Stakeholder Engagement Table

Stakeholder	Engagement Channels	Needs and expectations
 <p>Customers</p>	<ol style="list-style-type: none"> 1. Email and phone 2. Social media 3. Annual evaluation 	<ol style="list-style-type: none"> 1. Product/service quality and support 2. Customer experience 3. Prices 4. ESG practices and commitments
 <p>Employees</p>	<ol style="list-style-type: none"> 1. Internal Communications 2. Meetings, Townhall 3. Employee Handbook 4. Training and workshops 5. Workplace and intranet 	<ol style="list-style-type: none"> 1. Salary 2. Safe workplace 3. Career development 4. Job satisfaction 5. ESG practices and commitments e.g. human rights and workplace condition
 <p>Investors</p>	<ol style="list-style-type: none"> 1. Annual General Meeting 2. Annual Reports 3. Company's website 	<ol style="list-style-type: none"> 1. Profit 2. Business outlook and strategy 3. Impact of government policies 4. ESG practices and commitments
 <p>Suppliers</p>	<ol style="list-style-type: none"> 1. Meeting 2. Annual Performance Evaluation 	<ol style="list-style-type: none"> 1. Price 2. Meet contract obligations (e.g. timely payment) 3. Fair procurement process 4. ESG practices and commitments
 <p>Local Communities</p>	<ol style="list-style-type: none"> 1. Company's website 2. Community engagements (e.g. seminars, conferences) 	<ol style="list-style-type: none"> 1. Regular local community engagements 2. ESG practices and commitments 3. Rexit's branding and reputation 4. Employment opportunities 5. Ensure company operations don't negatively impact their quality of life
 <p>Regulators</p>	<ol style="list-style-type: none"> 1. Meetings 2. Media releases 3. Site visits and inspections 	<ol style="list-style-type: none"> 1. Comply with the requirements 2. Collaboration to improve ESG matters 3. Information sharing

SUSTAINABILITY STATEMENT

Materiality

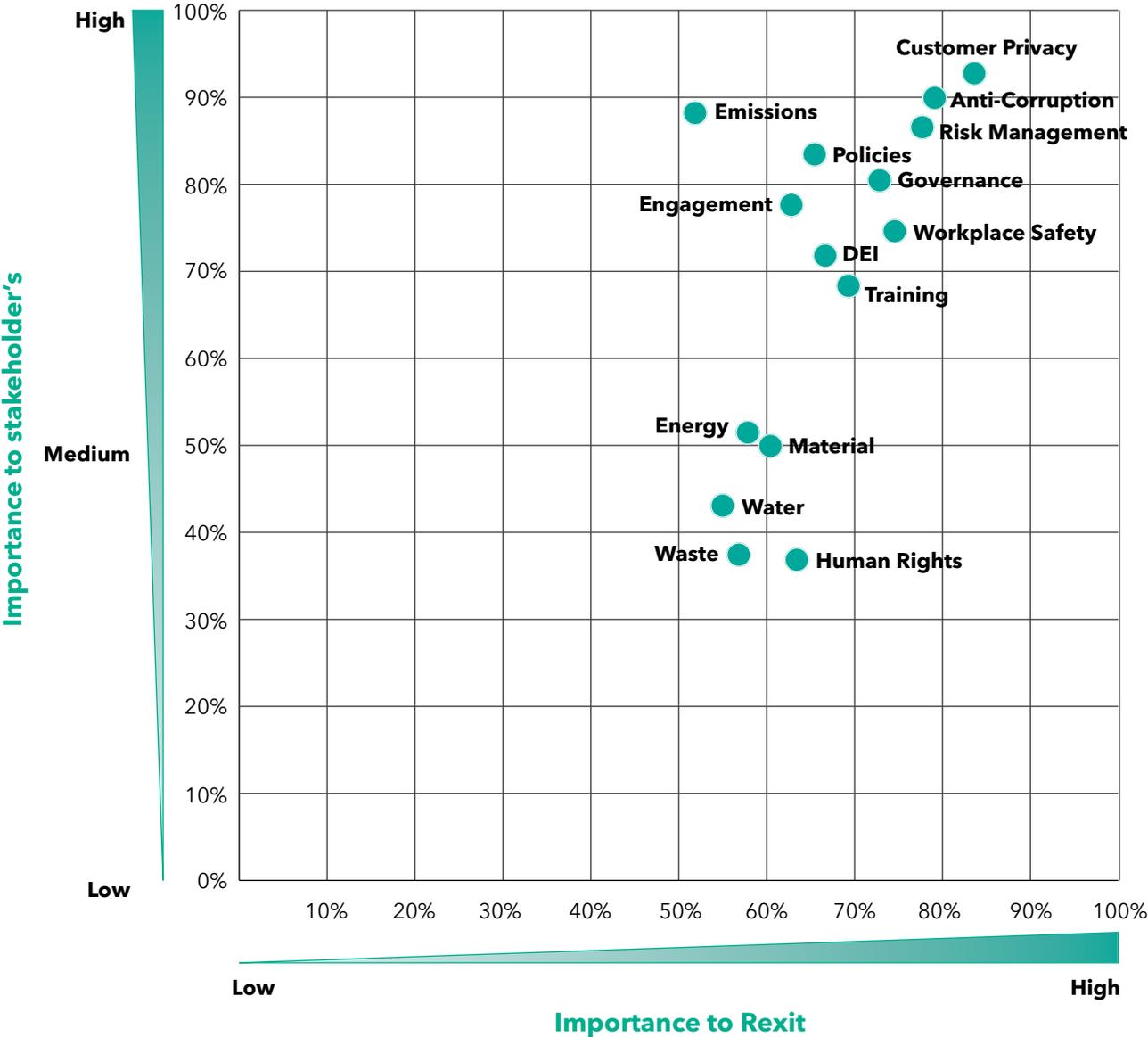
Rexit had conducted a comprehensive materiality reassessment to align sustainability strategies with recent internal and external developments. This process identified critical sustainability issues impacting the company and its stakeholders. The results guide strategic focus on prioritized EESG (Environmental, Economic, Social, and Governance) topics in planning and engaging stakeholders. Regular monitoring will track progress towards sustainability goals.



SUSTAINABILITY STATEMENT

Materiality Matrix

In the period from 1 July 2023 to 31 December 2024, 15 material sustainability topics were placed on the materiality matrix to show importance to Rexit and our stakeholders. We use GRI standards from the Bursa Malaysia Sustainability Reporting Guide to create a materiality matrix, prioritizing our key sustainability topics for impactful decision-making. The result is shown below.



The sustainability issues mapped on the upper right-hand quadrant of the matrix are deemed most significant by both Rexit and our stakeholders. Rexit's top three priority sustainability topics are Customer Privacy, Anti-Corruption and Risk Management. The subsequent sections of this Sustainability Statement provide details about Rexit's strategy for each material topic.

SUSTAINABILITY STATEMENT

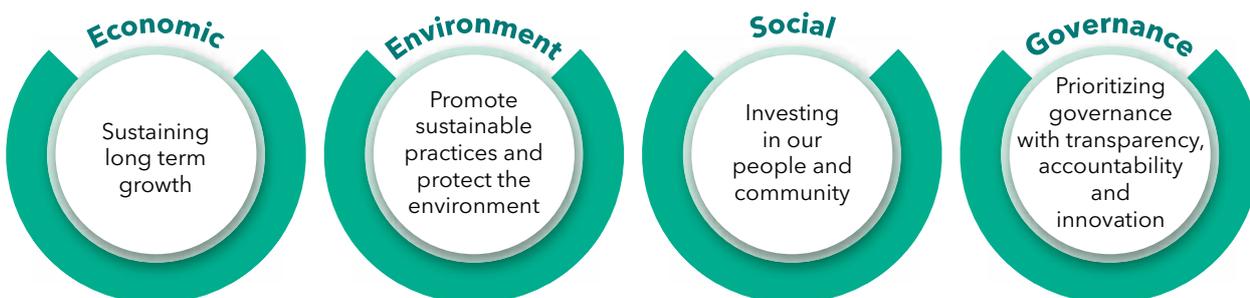
Sustainability Strategies

Rexit's sustainability strategies align with the committed SDGs and corresponding GRI indicators. Please refer to the diagram below for a detailed illustration.

Strategy	GRI Indicator	SDGs
01 Sustainable Economic Growth	20 : Economic Performance	 
02 Safeguard Environment	301 : Materials 302 : Energy 303 : Water and Effluents 305 : Emissions 306 : Waste	  
03 Workplace Empowerment	403 : Occupation Health and Safety 404 : Training & Education 405 : Diversity and Equal Opportunity 412 : Human Rights	   
04 Strong Governance Structure	102-18 : Governance Structure 2-23 : Values, Standards & Codes of Conduct 102 : Risk Management 205 : Anti-Corruption 418 : Customer Privacy	

Summary

Rexit remains dedicated to advancing its ESG objectives, aligning corporate strategy with sustainability principles, and driving positive impact across economic with environmental, social, and governance domains. By prioritizing transparency, accountability, and innovation, Rexit aims to create long-term value for stakeholders while contributing to a sustainable future.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of Rexit Berhad (“**the Company**”) is committed in ensuring good corporate governance is practiced throughout the Company and its subsidiaries (“**the Group**”) as a fundamental part of discharging its fiduciary responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

The Board is pleased to disclose below the Group’s application of the Principles and Best Practices of the Malaysian Code on Corporate Governance (“**Code**”) throughout the financial period ended 31 December 2024.

This statement is to be read together with the Corporate Governance Report 2024 of the Company which is available at www.rexit.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Functions reserved for the Board and those delegated to Management

The Board’s main responsibility is to lead and manage the Group in an effective manner, including developing strategic directions and objectives in line with its vision and missions, implementing plans and supervision of the conduct of the Group’s business as a whole. The Board’s role is to provide leadership of the Group within a framework of prudent and effective controls whilst ensuring risks are consistently assessed and controlled.

The Executive Directors have executive responsibilities for the day-to-day operations of the Group’s business and shall implement policies, strategies and decisions and shall be accountable for the conduct and performance of their businesses within the agreed business strategies.

None of the Directors of the Company hold more than five (5) directorships of listed companies as provided under Rule 15.06 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

Clear Roles and Responsibilities

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- Review and approve strategic plans and significant policies;
- Overseeing the conduct of the Company’s business and financial performance and major capital commitments of the Company and the Group;
- Review and approve any major corporate proposals, new business ventures or joint ventures of the Group;
- Identifying principal risks and ensuring the implementation of appropriate systems of internal control to manage these risks;
- Review the adequacy and integrity of internal control systems and management information systems in the Company and within the Group;
- Oversee development and implementation of a shareholder communications policy for the Company; and
- Oversee an appropriate succession plan for members of the Board and senior management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Clear Roles and Responsibilities (cont'd)

The Board has also formed different Board committees, comprising mainly the non-executive and independent directors, to support and provide independent oversight of management and to ensure that there are appropriate checks and balances in place. Currently, the various Board Committees of the Board are the Audit and Risk Management Committee ("ARMC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). Each of the Board Committee operates within its respective terms of reference ("TOR") that also clearly define its respective functions and authorities. Notwithstanding the above, the ultimate responsibility for decision making still lies with the Board.

Separation of Positions of the Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer ("CEO") are distinct and separate with individual responsibilities. Each of them has clearly defined duties and authority thus ensuring balance of power and greater capacity for independent decision-making. The separation of powers ensures a balance of power and authority and provides a safeguard against the exercise of unfettered power in decision-making.

The Chairman's primary role is to preside over the Board Meetings and ensure the smooth functioning of the Board in the interest of good corporate governance whilst the CEO is responsible for the daily management of the Group's operations and implementation of Board policies and making operational decisions.

Roles of the Company Secretary

The Company Secretaries play an advisory role to the Board in relation to the Company's compliance to relevant regulatory requirements, guidelines and legislation and are capable of carrying out their duties efficiently to ensure the effective functioning of the Board. The Company Secretaries are suitably qualified and have attended relevant training and seminars to keep abreast of the statutory and regulatory requirements' updates. The Company Secretaries provide sound governance advice, ensure adherence to rules and procedures and advocate adoption of corporate governance best practices. They circulate relevant guidelines and update on statutory and regulatory requirements from time to time for the Directors' reference. They also ensure that all Board and Board Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly minuted and documented.

Access to Information and Advice

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. As such, in discharging their duties, the Directors have full and timely access to all information concerning the Company and the Group. Prior to each Board meeting, the agenda together with relevant reports and Board papers would be circulated to all Directors in sufficient time to enable effective discussions and decision-making during Board meetings.

All Board members have access to the advice and services of the Company Secretaries and senior management. The Board, whether as a full board or in their individual capacity, in the furtherance of their duties, may seek independent professional advice in discharge of their duties and responsibilities at the Company's expense.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Board Charter

The Board Charter sets out the composition and balance, roles and responsibilities and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.

The Board Charter shall be reviewed by the Board as and when required to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities. The Board Charter is published on the Company's website.

Ethical Standards through Code of Business Ethics

The Board acknowledges the importance of establishing a healthy corporate culture and has formalised in writing a Code of Conduct and Ethics for the Board and employees, which sets out the standards of good behaviour by underscoring the core ethical values that are vital for their business decisions.

Whistle Blowing Policy

The Group has set up a Whistle Blowing Policy which enables the employees and stakeholders to report and disclose any wrongdoing or improper conduct relating to unlawful conduct, inappropriate behaviour, malpractices, any violation of established written policies and procedures within the Group or any action that is or could be harmful to the reputation of the Group and/or compromise the interests of the shareholders, clients and the public, to the Company.

The Whistle Blowing Policy is published on the Company's website at www.rexit.com.

Anti-Bribery and Anti-Corruption Policy

The Group has established and implemented policies and procedures to prevent corruption practices. The corruption risk is included in the annual risk assessment of the Group.

The Anti-Bribery and Anti-Corruption Policy is published on the Company's website at www.rexit.com.

Fit and Proper Policy

The Group has adopted a Fit and Proper Policy to guide the Nomination Committee and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking re-election/election.

The Fit and Proper Policy is published on the Company's website at www.rexit.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Sustainability Risks and Opportunities

The Company is committed to instituting a robust, wide-ranging and relevant sustainability framework to cover all aspects of operations.

The Company's sustainability strategies, priorities and targets as well as performance against these targets were communicated to its relevant stakeholders.

The Board undertook the relevant training to stay abreast of and understand the sustainability issues relevant to the Company and its businesses, including climate-related risks and opportunities.

The Sustainability Statement of the Group which provides an overview of the sustainability performance for the financial period ended 31 December 2024, is set out in this Annual Report.

Composition of the Board

The Board currently has six (6) members comprising one (1) Executive Director, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The current composition of the Board is in compliance with Bursa Securities, which states that at least 2 directors or 1/3 of the board of directors, whichever is higher, must be independent directors.

The presence of four (4) Independent Non-Executive Directors fulfils Practice 5.2 of the Code's recommendation that at least half of the board comprises of independent directors. The Board is of the view that the current composition provides sufficient checks and balances within the Board.

The Board does not consider it necessary to nominate a recognised senior independent non-executive director to whom any concerns may be conveyed in view of the present independent element of the Board composition and the segregation of the roles of the Chairman and CEO.

Tenure of Independent Directors

As a matter of policy, the Board has established that the tenure of Independent Directors shall not exceed a cumulative term of twelve (12) years. The Board believes that this tenure provides a balance of effectiveness and independence that is appropriate for the Group.

The Independent Non-Executive Director may continue to serve on the Board beyond the twelve (12) years tenure provided the Independent Non-Executive Director is re-designated as a Non-Independent Director.

As at the date of this statement, the term of service of the Independent Directors is less than twelve (12) years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

New Appointment of Directors

The appointment of the Board is based on objective criteria, merit and with due regards for diversity in skills, experience, age and gender. The NC considers candidates proposed by the Directors, Senior Management, Major Shareholders or independent sources. In making its recommendations, the NC is guided by the Fit & Proper Policy and consider the candidates' skills, knowledge, expertise, experience, professionalism, time commitment to effectively discharge his/her role as a director, contribution and performance, character, integrity and competence.

In the case of candidates for the position of Independent Non-Executive Director, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from the Independent Non-Executive Director. New Directors are provided with comprehensive information on the Group to enable them to gain a better understanding of the Group's strategies and operations and hence allow them to effectively contribute to the Board. The NC will ensure that the orientation programme is in place for future new recruits to the Board.

Gender Diversity Policy

The Board does not have a specific policy on gender diversity for candidates to be appointed to the Board. The Company does not practice any form of gender biasness as all candidates shall be given fair and equal treatment. The Board believes that there is no detriment to the Company in not adopting a formal gender diversity policy as the Company is committed to providing fair and equal opportunities and nurturing diversity within the Company. In identifying suitable candidates for appointment to the Board, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

At present, there are two (2) female Directors appointed to the Board, representing 30% women on the Board, in line with Practice 5.9 of the Code. This underscores the Company's dedication to gender diversity and ensures a range of perspectives in decision-making processes.

Nominating Committee

The NC has delegated the responsibility to ensure a formal and transparent procedure for the appointment of new directors to the Board. The NC will review and assess the proposed appointment of new directors and thereupon make the appropriate recommendations to the Board for approval.

In addition, the NC is also responsible for reviewing candidates for appointments to the Board Committees and making appropriate recommendations to the Board for approval. It is also tasked with assessing the competencies and effectiveness of the Board, the Board Committees and the performance of individual directors in ensuring that the required mix of skills and experience are present on the Board.

The NC is appointed by the Board and currently comprising three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Nominating Committee (cont'd)

The NC comprises the following members:-

Members	Designation
Chua Oou Chuan <i>(Appointed on 1 October 2024)</i>	Chairman - Non-Independent Non-Executive Director
Amarjeet Kaur A/P Ranjit Singh	Member - Independent Non-Executive Director
Seow Jing Hui <i>(Appointed on 11 March 2024)</i>	Member - Independent Non-Executive Director
Teoh Wei Yee <i>(Appointed on 1 October 2024)</i>	Member - Independent Non-Executive Director
Datuk Ng Kam Chiu <i>(Resigned on 1 September 2024)</i>	Chairman - Non-Independent Non-Executive Director
Chan Chee Yuan <i>(Resigned on 11 March 2024)</i>	Member - Independent Non-Executive Director

During the financial period ended 31 December 2024, the NC met three times and performed the following activities in the discharge of its duties:-

- (i) evaluated the effectiveness of the Board, Board Committees and the contribution of each director, taking into consideration the required mix of skills, knowledge and expertise, experience and other requisite qualities;
- (ii) assessed the independence of Independent Non-Executive Directors;
- (iii) reviewed the term of office of the ARMC and assessed its effectiveness as a whole;
- (iv) recommended the re-election of the Directors who are to retire by rotation at the 19th Annual General Meeting of the Company;
- (v) assessed and recommended candidates to the Board with the necessary skills, knowledge, experience and competence for new appointments;
- (vi) reviewed, assessed and recommended changes to the composition of the Board Committees; and
- (vii) ensured adequate training and orientation are provided for new members of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Annual Assessment

During the financial period, the NC reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, including core competencies of the Directors, the contribution of each individual Director as well as their character, integrity and time commitment, independence of the Independent Directors, effectiveness of the Board as a whole, and the Board Committees; and also the retirement of Directors eligible for re-election. Self-evaluations had been conducted by each Director and a summary of the self-evaluation was furnished to the NC.

Article 131 of the Company's Constitution provides that at each Annual General Meeting ("AGM"), one-third (1/3) of the Directors for the time being shall retire from office and an election of Directors shall take place provided always that each Director shall retire at least once in every three years but shall be eligible for re-election. Pursuant to Article 116 of the Company's Constitution, any Directors appointed during the year shall hold office only until the next AGM and then be eligible for re-election.

Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz, Mr. Chua Oou Chuan, Mr. Wong Tack Heng, Mr. Teoh Wei Yee and Ms. Seow Jing Hui will retire pursuant to Article 116 of the Company's Constitution whereas Ms. Amarjeet Kaur A/P Ranjit Singh pursuant to Article 131 of the Company's Constitution. All the retiring Directors, being eligible, have offered themselves for re-election at the 20th AGM.

The Directors mentioned above have completed the Directors' Declaration of Fit and Proper. The NC has evaluated their performance and has made recommendation to the Board for their re-election to be tabled for shareholders' approval at the forthcoming 20th AGM.

A brief description of the profile of each Director and their respective attendance at Board Meetings are presented in the Annual Report.

Time Commitment and Directorship in other companies

The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened when necessary. The Board is satisfied with the level of time commitment of the Directors from their attendance at the Meetings. The record of the Directors' attendance at Board Meeting and Board Committees' Meeting for the financial period ended 31 December 2024 is as follows: -

Type of Meeting Name of Director	Board	⁽¹³⁾ ARMC	⁽¹⁴⁾ NC	⁽¹⁵⁾ RC
⁽¹⁾ Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz (Independent Non-Executive Chairman)	-	-	-	-
⁽²⁾ Chua Oou Chuan (Non-Independent Non-Executive Director/Deputy Chairman)	8/8	6/6	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Time Commitment and Directorship in other companies (cont'd)

Type of Meeting Name of Director	Board	⁽¹³⁾ ARMC	⁽¹⁴⁾ NC	⁽¹⁵⁾ RC
⁽³⁾ Wong Tack Heng (Chief Operating Officer / Executive Director)	8/8	-	-	-
Amarjeet Kaur A/P Ranjit Singh (Independent Non-Executive Director)	15/15	11/11	3/3	3/3
⁽⁴⁾ Seow Jing Hui (Independent Non-Executive Director)	8/8	6/6	1/1	1/1
⁽⁵⁾ Teoh Wei Yee (Independent Non-Executive Director)	8/8	8/8	-	-
⁽⁶⁾ Dato' Seow Gim Shen (Executive Chairman)	2/2	-	-	-
⁽⁷⁾ Datuk Ng Kam Chiu (Non-Independent Non-Executive Chairman)	9/9	5/5	3/3	3/3
⁽⁸⁾ Datuk Chung Hon Cheong (Chief Executive Officer / Executive Director)	4/7	-	-	-
⁽⁹⁾ Si Tho Yoke Meng (Chief Operating Officer / Executive Director)	5/7	-	-	-
⁽¹⁰⁾ Dato' Abdul Murad Bin Khalid (Non-Independent Non-Executive Director)	5/7	-	-	-
⁽¹¹⁾ Kuah Hun Liang (Non-Independent Non-Executive Director)	6/7	-	-	-
⁽¹²⁾ Chan Chee Yuan (Independent Non-Executive Director)	7/7	3/3	2/2	2/2

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Time Commitment and Directorship in other companies (cont'd)

Notes:

- (1) Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz was appointed to the Board on 15 January 2025.
- (2) Mr. Chua Oou Chuan was appointed to the Board on 11 March 2024, and was subsequently appointed to the ARMC, NC and RC on 1 October 2024.
- (3) Mr. Wong Tack Heng was appointed to the Board on 11 March 2024.
- (4) Ms. Seow Jing Hui was appointed to the Board, NC and RC on 11 March 2024, and was subsequently appointed to the ARMC on 1 October 2024.
- (5) Mr. Teoh Wei Yee was appointed to the Board and ARMC on 11 March 2024, and was subsequently appointed to the NC and RC on 1 October 2024.
- (6) Dato' Seow Gim Shen was appointed to the Board on 11 March 2024 and subsequently resigned on 11 October 2024.
- (7) Datuk Ng Kam Chiu resigned on 1 September 2024.
- (8) Datuk Chung Hon Cheong resigned on 11 March 2024.
- (9) Mr. Si Tho Yoke Meng resigned on 11 March 2024.
- (10) Dato' Abdul Murad Bin Khalid resigned on 11 March 2024.
- (11) Mr. Kuah Hun Liang resigned on 11 March 2024.
- (12) Mr. Chan Chee Yuan resigned on 11 March 2024.
- (13) A total of 11 ARMC meetings held during the financial period ended 31 December 2024.
- (14) A total of 3 NC meetings held during the financial period ended 31 December 2024.
- (15) A total of 3 RC meetings held during the financial period ended 31 December 2024.

Directors' Training

The Directors will continue to participate in relevant training programmes to keep abreast of the latest developments in areas relating to information technologies, financial reporting requirements, corporate governance practices and regulatory changes so that they would be able to discharge their duties as directors effectively.

During the financial period ended 31 December 2024, the Directors attended individually, or collectively various training programmes, conferences, seminars and courses organised by the Group, the relevant regulatory authorities and professional bodies as follows:-

Name	Programme Attended
Chua Oou Chuan	<ol style="list-style-type: none">1. Director's Dilemma: Mastering Conflict of Interest Prevention in Boardroom Leadership2. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)3. ICDM Post-Budget 2025 Dialogue
Wong Tack Heng	<ol style="list-style-type: none">1. Bursa Malaysia Mandatory Accreditation Programme (MAP)2. Director's Dilemma: Mastering Conflict of Interest Prevention in Boardroom Leadership3. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Directors' Training (cont'd)

Name	Programme Attended
Amarjeet Kaur A/P Ranjit Singh	<ol style="list-style-type: none"> 1. Director's Dilemma: Mastering Conflict of Interest Prevention in Boardroom Leadership 2. KL20 Summit 2024 3. ICDM PowerTalk Series Future-Proofing Malaysian Businesses: "Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape" 4. Malaysia Digital Expo 2023 5. LHDN - Implementation of E-Invoice in Malaysia : Mechanism and Benefits to Taxpayers 6. 2025 Budget Seminar
Seow Jing Hui	<ol style="list-style-type: none"> 1. Director's Dilemma: Mastering Conflict of Interest Prevention in Boardroom Leadership
Teoh Wei Yee	<ol style="list-style-type: none"> 1. Bursa Malaysia Mandatory Accreditation Programme (MAP) 2. MIA Public Practice Programme 2024 (Non Audit) 3. LHDN e-Invoice Seminar 4. MIA e-Learning Series: Introduction to Public Practice 5. MIA Webinar Series: Taxing Matters: A Legal Perspective 6. Overview of Transfer Pricing 7. Outreach Programme 'Corporate Briefing Session with Company Secretaries 2023' 8. Seminar Percukaian Kebangsaan 2023 9. Malaysian Corporate Tax Practices & Principles - An Overview 10. Overview of Malaysian Taxation for Businesses and Multinationals 11. 2024 Budget Seminar 12. Director's Dilemma: Mastering Conflict of Interest Prevention in Boardroom Leadership 13. Seminar Cukai Keuntungan Modal 2024 secara Webinar anjuran Lembaga Hasil Dalam Negeri Malaysia 14. National Tax Conference 2024 15. Outreach Programme 'Corporate Briefing Session with Company Secretaries 2024' 16. Seminar Percukaian Kebangsaan 2024 (Belanjawan 2025)

Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz enrolled in the Mandatory Accreditation Programme Part I, as prescribed by Bursa Securities, on 23 and 24 April 2025.

The Company Secretaries regularly updates the Board on changes to ACE Market Listing Requirements of Bursa Securities and other relevant guidelines/legislation at Board meetings. The External Auditors also briefed the Board members on changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial period under review. The Directors will continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Remuneration policy

The Company has established a formal Remuneration Policy and Procedures for Directors and Senior Management and it is available on the Company's website.

Directors' Remuneration

The RC is delegated the responsibility to review and recommend to the Board the remuneration packages and terms of employment of the Executive Directors that are fairly guided by market norms and industry practices relevant to the Company's business. The policy practiced on Directors' remuneration by the RC is to provide the remuneration packages necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders.

The RC comprises the following members: -

Members	Designation
Chua Oou Chuan (Appointed on 1 October 2024)	Chairman - Non-Independent Non-Executive Director
Amarjeet Kaur A/P Ranjit Singh	Member - Independent Non-Executive Director
Seow Jing Hui (Appointed on 11 March 2024)	Member - Independent Non-Executive Director
Teoh Wei Yee (Appointed on 1 October 2024)	Member - Independent Non-Executive Director
Datuk Ng Kam Chiu (Resigned on 1 September 2024)	Chairman - Non-Independent Non-Executive Director
Chan Chee Yuan (Resigned on 11 March 2024)	Member - Independent Non-Executive Director

The remuneration package of each Executive Director is structured to reflect his experience, performance and scope of responsibilities. The remuneration of Non-Executive Directors is in the form of annual fees and reflects the experience and the level of responsibilities undertaken by the Non-Executive Directors concerned. Executive Directors shall abstain from the deliberation and voting on decisions in respect of their own remuneration package. In the event where the Chairman's remuneration is to be decided, he shall abstain from discussion and voting. The remuneration and entitlements of Non-Executive Directors should be a matter for the Board as a whole. The individuals concerned should abstain from discussions pertaining to their own remuneration.

The Remuneration Committee has convened three (3) meetings during the financial period to review and recommend to the Board, the remuneration package for Executive Directors and Non-Executive Directors.

The remuneration details of the individual Directors for financial period ended 31 December 2024 are disclosed in Practice 8.1 of the Corporate Governance Report 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Directors' Remuneration (cont'd)

The Board has chosen to disclose the remuneration of the top three (3) senior management personnel in bands instead of the named basis as the Board is of the opinion that disclosure of the senior management personnel names and the various remuneration components would not be in the best interest of the Group due to confidentiality and sensitivity of each remuneration package.

The number of top three (3) senior management's remuneration for the financial period ended 31 December 2024 is as follows:-

Range of Remuneration	Number of Senior Management Staff
RM300,001 - RM350,000	1
RM500,001 - RM550,000	1
RM550,001 - RM600,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit & Risk Management Committee Composition and Chairman

The ARMC consists of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Chairperson of the ARMC is Ms. Amarjeet Kaur A/P Ranjit Singh.

Please refer to the ARMC Report of this Annual Report for the detailed disclosure on the role and activities undertaken by the ARMC during the financial period.

Policy on appointment of a former key audit partner as AC member

The Company has incorporated a policy that requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the ARMC. The policy is codified in the ARMC's terms of reference.

Assessment of Suitability, Objectivity and Independence of External Auditors

The ARMC undertakes an annual review of the suitability, objectivity and independence of the external auditors. The External Auditors have confirmed that they were, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The External Auditors can be engaged to perform non-audit services that are not perceived to be in conflict with their role as External Auditors.

Having assessed their performance, the ARMC is satisfied with the competence and independence of the External Auditors and has recommended it to the Board, upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

All ARMC members are financially literate

All members of the ARMC are financially literate and are able to understand matters under the purview of the ARMC including financial reporting process. The Committee members possess the necessary qualifications, knowledge, experience, expertise and skills which contributed to the overall effectiveness of the ARMC. All members of the ARMC undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Risk Management and Internal Control Framework

The Board acknowledges its responsibilities of setting up and maintaining an effective system in ensuring a proper risk management environment. In achieving this, the Board has ensured that the system of internal control has taken into account the process of identifying key risks, the likelihood of occurrence and materiality. The Board believes that the internal control systems and procedures provide reasonable but not absolute assurance that assets are safeguarded, transactions are authorised and recorded properly, and that material errors and irregularities are either detected or minimised to prevent recurrence.

The Risk Management Steering Committee (“**RMSC**”) is made up of Heads of Departments. The RMSC reports directly to the ARMC the outcome of its meetings and such reports are subsequently briefed at Board Meetings.

Internal Audit function to report directly to the ARMC

The internal auditors perform its functions with impartiality, proficiency and due professional care. It undertakes regular monitoring of the Group’s key controls and procedures, which is an integral part of the Group’s system of internal control.

The internal audit reports are presented to the ARMC for its review and deliberation. The ARMC will be briefed on the progress made in respect of each recommendation, and of each corrective measure taken as recommended by the audit findings. The internal auditors report directly to the ARMC to ensure independence.

Details of the Group’s internal control systems and the state of internal controls are further elaborated under the Statement on Risk Management and Internal Control, which has been reviewed by the Company’s external auditors, provided in this Annual Report.

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

Communication with Stakeholders

The Board recognises the importance of an effective communication channel between the Board and shareholders. The Company’s website is updated regularly with the latest corporate developments of the Group and is accessible to shareholders, investors and the public. Shareholders may also send their queries to the Company’s Executive Director, Mr. Wong Tack Heng at steven.wong@rexit.com or the Chief Financial Officer, Ms. Chan Shih Fei, at sfchan@rexit.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Communication with Stakeholders (cont'd)

The Company is committed to providing clear, accurate and timely disclosure of all material information pertaining to its performance and operations to its stakeholders and the general public. The Board will ensure that it adheres to and comply with the disclosure requirements of the ACE Market Listing Requirements of Bursa Securities as well as the Corporate Disclosure Guide issued by Bursa Securities.

The Board acknowledges the importance of timely and equal dissemination of material information to shareholders, investors and public at large. As such, the Board accords a high priority in ensuring that information is made available and disseminated as early as possible.

Conduct of general meetings

The Company encourages its shareholders to attend the AGM. The Annual Report and Notice of the AGM are sent to all shareholders in accordance with the provisions of the ACE Market Listing Requirements of Bursa Securities. The Notice of AGM is also published in national newspapers. The Notice would include explanatory statements for proposed resolutions to facilitate understanding and evaluation of issues involving the shareholders.

The AGM is the primary forum for the Directors to communicate with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the business of the Group.

Usage of information technology for effective dissemination of information.

The Annual Reports, press releases, quarterly results and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance. The Board ensures that shareholders are kept fully informed through information provided on the Company's website.

The Company's 20th AGM will be held at The Bousteador, Mutiara Damansara in Petaling Jaya and this venue is easily accessible.

The Company will explore the leverage of technology to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at AGMs of the Company where circumstances permit.

This Corporate Governance Overview Statement was approved by the Board of Directors on 16 April 2025.

Key Focus Areas and Future Priorities in Relation to Corporate Governance Practices

In view of the enhancements in the corporate governance regulations, the Board has reviewed and updated the existing policies and procedures to ensure that they are kept contemporaneous and relevant to the Company's needs. The Board will further look into enhancements or developments of corporate governance policies and procedures as the case may be.

REPORT ON AUDIT AND RISK MANAGEMENT COMMITTEE

MEMBERSHIP AND MEETINGS

The Audit and Risk Management Committee ("the ARMC") comprises of four (4) members, the majority of whom are Independent Non-Executive Directors, in compliance with Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. None of the ARMC members are a former partner of the Company's external auditors.

The members of the ARMC and details of their attendance at the ARMC meetings during the financial period ended 31 December 2024 are as follows:-

Members	Designation	Attendance
Amarjeet Kaur A/P Ranjit Singh [^] (Redesignated as ARMC Chairperson on 11 March 2024)	Chairperson, Independent Non-Executive Director	11/11
Chua Oou Chuan [#] (Appointed on 1 October 2024)	Member, Non-Independent Non-Executive Director	6/6
Teoh Wei Yee [#] (Appointed on 11 March 2024)	Member, Independent Non-Executive Director	8/8
Seow Jing Hui (Appointed on 1 October 2024)	Member, Independent Non-Executive Director	6/6
Chan Chee Yuan (Resigned as ARMC Chairman on 11 March 2024)	Chairman, Independent Non-Executive Director	3/3
Datuk Ng Kam Chiu (Resigned on 1 September 2024)	Member, Non-Independent Non-Executive Director	5/5

[^] Member of the Malaysian Institute of Certified Public Accountants

[#] Member of the Malaysian Institute of Accountant

The ARMC met eleven (11) times during the financial period under review. Mr. Steven Wong Tack Heng, the Company's Chief Operating Officer and other senior management staff attended the ARMC meetings by invitation of the ARMC. The representatives of internal and external auditors were also present during deliberations on the subjects which required their input and advice.

The Terms of Reference of the ARMC is available at www.rexit.com.

REPORT ON AUDIT AND RISK MANAGEMENT COMMITTEE

SUMMARY OF ACTIVITIES

During the financial period ended 31 December 2024, the ARMC carried out the following activities and discharged its duties and responsibilities to the best of their abilities in accordance with its Terms of Reference: -

Area of focus	Matters reviewed and considered
Financial Reporting	<ul style="list-style-type: none">• Reviewed the quarterly financial results and recommended the same for the Board's approval.• Reviewed and ensured the Audited Financial Statements of the Company and the Group for the FYE 30 June 2023 were drawn up in accordance with the provisions of the Companies Act 2016, and the applicable Malaysian Financial Reporting Standards ("MFRS") and recommended the same for the Board's approval.
Annual Reporting	<ul style="list-style-type: none">• Reviewed the ARMC Report and Statement on Risk Management & Internal Control for inclusion in the Annual Report.
External Audit	<ul style="list-style-type: none">• Reviewed the statutory audit plan for FYE 30 June 2024 which outlined the audit scope, audit process and areas of emphasis and updates on the development of applicable MFRS and all other related statutory requirements presented by Ecovis Malaysia PLT ("Ecovis").• Reviewed the Audited Financial Statements and addressed the audit findings and internal controls issues identified during the statutory audit in respect of FYE 30 June 2024 with Ecovis.• Conducted private sessions with Ecovis without the presence of Executive Directors and Management personnel.
Internal Audit	<ul style="list-style-type: none">• Reviewed the internal audit reports and follow-up reports on the Group operations to ensure that appropriate and prompt remedial action is taken by the Management on major deficiencies in controls or procedures that are identified.• Reviewed and approved the internal audit plan.
Related Party Transaction and Conflict of Interest	<ul style="list-style-type: none">• Verified with the management on the existence of related party transactions and/or conflict of interest situation that may arise within the Group including measures taken to resolve, eliminate or mitigate such conflicts on a quarterly basis.
Risk Management	<ul style="list-style-type: none">• Reviewed the risk report presented by the Risk Management Steering Committee.• Reviewed and approved the risk management framework annual plan.

REPORT ON AUDIT AND RISK MANAGEMENT COMMITTEE

SUMMARY OF ACTIVITIES (CONT'D)

During the financial period ended 31 December 2024, the ARMC carried out the following activities and discharged its duties and responsibilities to the best of their abilities in accordance with its Terms of Reference: - (cont'd)

Area of focus	Matters reviewed and considered
Others	<ul style="list-style-type: none">• Reviewed the independence and objectivity of the external auditors and their services rendered, including non-audit services and professional fees, to ensure a proper balance between objectivity and value for money.• Reviewed the re-appointment, performance and audit fee of external auditors.• Reviewed the resignation of Ecovis as external auditors.• Reviewed the appointment of Nexia SSY PLT as external auditors.• Reviewed the appointment of an independent cybersecurity audit firm to reaffirm the security of the Group's data against breaches and reviewed their audit progress reports.

INTERNAL AUDIT FUNCTION

The Company recognises that an internal audit function is essential to ensure the effectiveness of the Group's system of internal control and is an integral part of the risk management process. The Company has an established Internal Audit Division whose primary function is to assist the ARMC in discharging its duties and responsibilities. The Head of Internal Auditor Division reports directly to the AMRC on a quarterly basis by presenting the internal audit plans and reports.

The following activities were carried out during the financial year:-

- Conducted internal audit reviews in accordance with the internal audit plan;
- Reviewed compliance with internal policies, procedures and standards and assessing the adequacy and effectiveness of the Group's internal controls;
- Issued internal audit reports incorporating audit recommendations and management's responses in relation to audit findings on weaknesses in the systems and controls;
- Presented internal audit plans and reports to the Audit and Risk Management Committee for review;
- Suggestion on improvement opportunities in the areas of internal controls, systems, adequacy and efficiency improvements;
- Follow up review to ensure that recommendations are implemented effectively and in a timely manner.

The internal audit carried out during the financial period ended 31 December 2024 did not reveal weakness that have resulted in any material losses.

The cost incurred for the Internal Audit Department for the financial period 31 December 2024 amounted to RM239,754.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control is made pursuant to Paragraph 15.26 (b) of the Listing Requirements (LR) of Bursa Securities for the ACE Market, whereby Boards of Directors of Listed Companies are required to include in their annual report a statement about the state of risk management and internal control of the listed issuer as a group.

Accordingly, the Board of Directors of Rexit Berhad (“Rexit”) is pleased to provide this Statement on Risk Management & Internal Control, prepared in accordance with the “Statement on Risk Management & Internal Control - Guidelines for Directors of Listed Issuers” endorsed by Bursa Malaysia Securities Berhad. This Statement outlines the nature and scope of the enterprise risk management and internal control systems within the Group during the financial period under review.

RESPONSIBILITIES

The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system, as well as reviewing its adequacy and effectiveness in conforming to applicable laws, regulations, rules, directives and guidelines, which cover financial, organisational, operational and compliance controls. This is done from time to time to manage risk and safeguard shareholders’ investment and the Group’s assets in order to achieve the Group’s business objective.

The Board is of the view that the risk management framework and internal control system are designed to manage the Group’s risks within an acceptable risk appetite, rather than to eliminate the risk of failure to achieve the business goals and objectives. Having reviewed the adequacy and effectiveness of the risk management and internal control system in place, the Board is satisfied that it is adequate and effective. However, due to inherent limitations in any systems of internal control, these systems are designed to manage rather than eliminate the risk of failure to achieve business goals and objectives and can only provide reasonable, not absolute, assurance against the risk of material loss, misstatement, or occurrences of unforeseeable circumstances.

RISK MANAGEMENT FRAMEWORK

The management of core risks is an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial period enables the Group to make cautious, mindful and well-informed decisions through the formulation and implementation of requisite action plans and monitoring regimes which are imperative in ensuring the accomplishment of the Group’s objectives.

To strengthen our risk management framework, we have continuously enhanced the scope of our risk management practices. This ensures that we effectively identify, evaluate and manage significant risks that may impede the achievement of business and corporate objectives. Rexit’s risk management framework is reviewed annually by the Board. Among other aspects, the risk management framework defines risk tolerance and appetite levels, outlines the risk strategy, and provides guidance for identifying and managing key risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

SYSTEMS OF INTERNAL CONTROL

The following key processes have been established in reviewing the adequacy and integrity of the Group's system of internal control:

Clear Lines of Accountability & Reporting Within the Organisation

Key responsibilities and accountability in the organisational structure is clearly defined, with clear reporting lines up to the Board and to Management. Established delegation of authority sets out the appropriate authority levels for decision-making, including matters requiring Board approval.

Formalised & Documented Policies and Procedures

Internal policies and procedures which are set out in a series of clearly documented standard operating manuals covering most areas within the Group, are maintained and subject to review as and when necessary.

Financial Performance

The preparation of periodic and annual financial statements and the state of affairs, as published to shareholders, are reviewed and approved by the Board. The external auditors also audit the full year financial statements.

The Audit & Risk Management Committee

The Audit & Risk Management Committee comprises non-executive directors, all of whom bring with them a wide variety of experience. The Audit & Risk Management Committee has full and unimpeded access to both the internal and external auditors.

The Audit & Risk Management Committee operates within its Terms of Reference and ensures that there are effective risk monitoring and compliance procedures to provide the level of assurance required by the Board. The Committee, on behalf of the Board, regularly reviews and holds discussions with Management on the actions taken on internal risk management and control issues identified in the reports prepared by the internal auditors, external auditors and Management.

INTERNAL AUDIT

The Internal Audit function of the Group is undertaken by the Internal Audit Department (IAD) established to assist the Audit Committee and the Board in reviewing the system of risk management and internal control of the Company in line with the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market and Malaysian Code on Corporate Governance.

In supporting the Rexit Group to accomplish its objectives, the roles of the IAD are:

- a) To provide an effective and value-added internal process compliance audit function focusing on operational processes and practices;
- b) To provide an independent, objective appraisal and consulting mechanism designed to add value and improve the Group's operations;
- c) To provide management the required information to enhance the effectiveness of project management, improve software processes and documentation currently in place and instill good governance practices by all staff;
- d) To maintain records in Central Repository where process documents are stored for reference;
- e) To facilitate, monitor and verify that the processes, procedures and guidelines are clearly documented and defined to meet organisational and regulatory requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

The Risk Management Steering Committee (RMSC) undertakes Risk Management of the Group, comprising heads from various departments and / or projects. They have extensive knowledge on the operations of their respective areas of responsibility and meet to identify, evaluate, decide on preventive or mitigating measures, take action, monitor and review the risk that impact or may impact the organisation.

The (RMSC) team also prepares the Risk Management Framework Annual Plan which is presented each year to the Audit & Risk Management Committee for their review, consent and approval.

The Risk Management Framework Annual Plan includes a Risk Assessment Register, maintained by the RMSC. This register identifies assets or operations at risk, detailing the hazard, likelihood, impact, severity, risk strategy, mitigating factors, risk monitoring and control for each risk. The RMSC of Rexit met quarterly during the period from 1 July 2023 to 31 December 2024 to ensure the ongoing effectiveness, adequacy and integrity of the risk management system. Key matters were escalated to the Audit & Risk Management Committee for deliberation and approval.

INDEPENDENT CYBERSECURITY AUDIT

In line with the best practices for cybersecurity, the Group has appointed LE Global Services Sdn Bhd, a reputable cybersecurity firm, to conduct an independent audit of our cybersecurity infrastructure. The audit aimed to evaluate the effectiveness of our security measures and identify potential vulnerabilities. The results, reviewed by the Board, confirmed that no data breaches occurred during the assessment period. This independent verification strengthens our confidence in the effectiveness of our cybersecurity measures and underscores our ongoing commitment to protecting the privacy and security of our stakeholders' data

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group and its subsidiaries for the financial period ended 31 December 2024.

Pursuant to the above, the Board is of the view that the risk management framework and internal control system are satisfactory, and no material weakness in the risk management framework and internal control system has resulted and/or given rise to any material loss, contingency or uncertainty during the financial period under review.

The Group continues to take necessary measures to ensure that the system of risk management and internal control is in place and functions effectively.

STATEMENT ON DIRECTORS' RESPONSIBILITY

The Directors are required under the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the provisions of the Act.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2024, and of the results and cash flows of the Company and of the Group for the financial year then ended.

In preparing the financial statements, the Directors have:

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

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

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

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

There were no proceeds raised from corporate proposals during the financial period ended 31 December 2024.

2. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees incurred for services rendered by the external auditors, Nexia SSY PLT, for the financial period ended 31 December 2024, are as follows:

	Group (RM)	Company (RM)
Auditors of the Company Audit services rendered	320,000	152,000
Other auditors Audit services rendered	168,376	56,000
Total	488,376	208,000

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving Directors, chief executive or major shareholders' interests which were still subsisting at the end of the financial period ended 31 December 2024 or which were entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

There were no RRPT entered during the financial period ended 31 December 2024.

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DIRECTORS' REPORT

For the Financial Period Ended 31 December 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial period ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding whilst those of its subsidiaries are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial period.

CHANGE OF FINANCIAL YEAR END

On 25 October 2024, the Board of Directors approved the change of financial year end from 30 June 2024 to 31 December 2024. This change in financial year end is to enhance operational efficiencies and to review the business plan moving forward.

As a result, the current financial period will cover 18 months from 1 July 2023 to 31 December 2024. Consequently, the comparative amounts presented in the financial statements and related notes are not comparable. Subsequent financial years will follow a 12-month period ending on 31 December each year.

The necessary regulatory filings and notifications have been completed in accordance with applicable laws and regulations.

RESULTS

	Group RM	Company RM
Profit for the financial period	16,625,978	7,971,464

In the opinion of the Board of Directors, the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

There was no material transfer to and from reserves or provisions during the financial period other than those disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Directors recommended and approved the first interim single tier dividend of 5.0 sen per ordinary share, declared on 28 November 2023 and paid on 27 December 2023 in respect of the financial period ended 31 December 2024 amounting to RM8,660,791.

The Directors recommended and approved the second interim single tier dividend of 2.5 sen per ordinary share, declared on 10 January 2025 and paid on 18 February 2025 in respect of the financial period ended 31 December 2024 amounting to RM4,330,396.

DIRECTORS' REPORT

DIRECTORS

The Directors of the Company who served during the financial period up to the date of this report are:

Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz	(Appointed on 15 January 2025)
Amarjeet Kaur A/P Ranjit Singh	(Appointed on 11 March 2024)
Chua Oou Chuan	(Appointed on 11 March 2024)
Seow Jing Hui	(Appointed on 11 March 2024)
Teoh Wei Yee	(Appointed on 11 March 2024)
Wong Tack Heng*	(Appointed on 11 March 2024)
Dato' Seow Gim Shen* [@]	(Appointed on 11 March 2024; Resigned on 11 October 2024)
Chan Chee Yuan	(Resigned on 11 March 2024)
Datuk Chung Hon Cheong* [^]	(Resigned on 11 March 2024)
Dato' Abdul Murad Bin Khalid	(Resigned on 11 March 2024)
Kuah Hun Liang	(Resigned on 11 March 2024)
Si Tho Yoke Meng* [^]	(Resigned on 11 March 2024)
Datuk Ng Kam Chiu	(Resigned on 1 September 2024)

* These Directors are also directors of the Company's subsidiaries.

[^] These Directors resigned from the Company's subsidiaries on 11 March 2024.

[@] This Director resigned from the Company's subsidiaries on 11 October 2024.

The director who served in the subsidiaries during the financial period up to the date of this report is:

Lee Choon Teng	(Appointed on 1 September 2024)
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DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors, or the fixed salary of a full time employee of the Company as disclosed in the financial statements) by reason of a contract made by the Company or its related corporations 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 other than certain Directors who have substantial financial interests other than any deemed benefit which may arise from transactions as disclosed in Note 30.2 to the financial statements.

Neither at the end of the financial period, nor at any time during that financial period, was the Company a party to any arrangements with the object of enabling the Directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

Directors' remuneration paid or receivable by Directors from the Company and subsidiaries of the Company in respect of the financial period is as follows:

	Group RM	Company RM
Directors Remuneration:		
Fees	532,451	395,935
Salaries and other benefits	1,587,034	19,400
Defined contribution plan	150,071	-
Social security contributions	2,643	-
Employment Insurance System	184	-
	2,272,383	415,335

DIRECTORS' INTEREST IN SHARES

None of the Directors in office at the end of the financial period has any interest in the shares of the Company or its related corporations during the financial period.

ISSUE OF SHARES AND DEBENTURES

During the financial period, there were no new issuance of shares or debentures by the Company.

TREASURY SHARES

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 30 October 2008. The shareholders' mandate was subsequently renewed at every annual general meeting with the latest on the 19th Annual General Meeting held on 28 November 2023. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

As at 31 December 2024, the Company held a total of 16,117,500 of its 189,333,333 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM8,194,362. Further details are disclosed in Note 16 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial period.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

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 impairments and satisfied themselves that there are no known bad debts and that impairments need not be made; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

- (i) which would render writing off of bad debts or making of impairments in the financial statements of the Group and of the Company necessary; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
- (iii) not otherwise dealt with in the report or the financial statements of the Group and the Company which would render any amount stated in the financial statements of the Group and of the Company misleading; and
- (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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 liability of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial period.

In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due, except as disclosed in the financial statements.
- (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.

DIRECTORS' REPORT

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Directors and Officers of the Group and of the Company are covered under the Directors and Officer liability insurance up to an aggregate limit of RM5,000,000 against any legal liability, if incurred by the Directors and Officers of the Company and its subsidiaries in the discharge of their duties for and on behalf of the Company pursuant to Section 289 of the Act. The amount of insurance premium paid during the financial period is RM8,748. Other than as disclosed, no other indemnity has been given to or insurance effected for the Directors or Officers of the Company during the financial period.

To the extent permitted by the Act, the Company has agreed to indemnify its auditors as part of the terms of their engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify the auditors during the financial period and up to the date of this report.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

SIGNIFICANT AND SUBSEQUENT EVENTS

Details of significant and subsequent events are disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, Nexia SSY PLT, have expressed their willingness to continue in office.

The auditors' remuneration is disclosed in Note 24 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 16 April 2025.

Chua Oou Chuan
Director

Wong Tack Heng
Director

Petaling Jaya

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	Group		Company	
		31.12.2024 RM	Restated 30.6.2023 RM	31.12.2024 RM	30.6.2023 RM
Non-current assets					
Property, plant and equipment	5	11,500,098	4,814,047	-	-
Right-of-use assets	6	8,047,726	167,057	-	-
Intangible assets	7	336,250	336,250	-	-
Investment in subsidiaries	8	-	-	13,841,000	13,841,000
Other investments	9	11,103,247	16,565,016	-	-
Deferred tax assets	10	124,504	129,445	-	-
		31,111,825	22,011,815	13,841,000	13,841,000
Current assets					
Trade receivables	11	3,716,161	3,316,617	-	-
Contract assets	12	-	165,835	-	-
Other receivables, deposits and prepayments	13	2,029,741	707,388	-	-
Tax recoverable		1,696,361	1,160,509	2,161	6,571
Investment in money market fund	14	18,752,937	23,461,830	711,390	1,257,109
Fixed deposits with licensed banks	15	10,901,365	-	-	-
Cash and bank balances	27	4,311,518	4,021,096	31,893	126,254
		41,408,083	32,833,275	745,444	1,389,934
Total assets		72,519,908	54,845,090	14,586,444	15,230,934

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

STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31.12.2024 RM	Restated 30.6.2023 RM	31.12.2024 RM	30.6.2023 RM
Equity					
Share capital	16	18,933,333	18,933,333	18,933,333	18,933,333
Treasury shares	16	(8,194,362)	(8,194,362)	(8,194,362)	(8,194,362)
Reserves	17	46,328,890	38,842,908	3,756,217	4,445,544
Total equity		57,067,861	49,581,879	14,495,188	15,184,515
Non-current liabilities					
Provision for restoration costs	18	138,248	-	-	-
Lease liabilities	19	6,595,356	-	-	-
		6,733,604	-	-	-
Current liabilities					
Trade payables	20	5,181	12,936	-	-
Other payables and accruals	21	3,578,486	2,048,442	91,256	46,419
Lease liabilities	19	1,167,607	171,863	-	-
Contract liabilities	12	3,583,885	2,904,929	-	-
Tax payable		383,284	125,041	-	-
		8,718,443	5,263,211	91,256	46,419
Total liabilities		15,452,047	5,263,211	91,256	46,419
Total equity and liabilities		72,519,908	54,845,090	14,586,444	15,230,934

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

**STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
For the Financial Period Ended 31 December 2024

	Note	Group		Company	
		Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Revenue	22	48,286,977	27,295,268	9,012,071	7,504,202
Cost of sales		(14,094,271)	(7,184,579)	-	-
Gross profit		34,192,706	20,110,689	9,012,071	7,504,202
Other income		1,462,386	622,575	43,070	29,856
Administrative expenses		(14,265,235)	(6,236,494)	(1,083,405)	(334,537)
Profit from operations		21,389,857	14,496,770	7,971,736	7,199,521
Finance costs	23	(152,912)	(9,161)	-	-
Profit before taxation	24	21,236,945	14,487,609	7,971,736	7,199,521
Tax expenses	25	(4,610,967)	(3,479,209)	(272)	(4)
Profit for the financial period/year		16,625,978	11,008,400	7,971,464	7,199,517
<u>Other comprehensive income</u>					
- Net change in fair value of other investments designated at fair value through other comprehensive income		(438,783)	876,559	-	-
- Exchange differences on translation of foreign operations		(40,422)	(17,888)	-	-
Total comprehensive income for the financial period/year		16,146,773	11,867,071	7,971,464	7,199,517
Profit attributable to: Owners of the Company		16,625,978	11,008,400	7,971,464	7,199,517
Total comprehensive income attributable to: Owners of the Company		16,146,773	11,867,071	7,971,464	7,199,517
Basic earnings per ordinary share (sen)	26	9.60	6.36		

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Period Ended 31 December 2024

Group	Note	Attributable to owners of the Company					Total RM
		Share capital RM	Treasury shares RM	Non-distributable	Distributable		
				Exchange translation reserve RM	Fair value reserve RM	Retained earnings RM	
At 1 July 2022		18,933,333	(8,194,362)	(228,764)	(243,042)	34,376,276	44,643,441
Total comprehensive income for the year		-	-	(17,888)	876,559	11,008,400	11,867,071
Dividends	28	-	-	-	-	(6,928,633)	(6,928,633)
At 30 June 2023/1 July 2023		18,933,333	(8,194,362)	(246,652)	633,517	38,456,043	49,581,879
Total comprehensive income for the period		-	-	(40,422)	(438,783)	16,625,978	16,146,773
Dividends	28	-	-	-	-	(8,660,791)	(8,660,791)
At 31 December 2024		18,933,333	(8,194,362)	(287,074)	194,734	46,421,230	57,067,861

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

STATEMENTS OF CHANGES IN EQUITY

Company	Note	← Attributable to owners of the Company →			Total RM
		Share capital RM	Non- distributable Treasury shares RM	Distributable Retained earnings RM	
At 1 July 2022		18,933,333	(8,194,362)	4,174,660	14,913,631
Total comprehensive income for the year		-	-	7,199,517	7,199,517
Dividends	28	-	-	(6,928,633)	(6,928,633)
At 30 June 2023/1 July 2023		18,933,333	(8,194,362)	4,445,544	15,184,515
Total comprehensive income for the period		-	-	7,971,464	7,971,464
Dividends	28	-	-	(8,660,791)	(8,660,791)
At 31 December 2024		18,933,333	(8,194,362)	3,756,217	14,495,188

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

STATEMENTS OF CASH FLOWS

For the Financial Period Ended 31 December 2024

	Group		Company	
	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Cash flows from operating activities				
Profit before taxation	21,236,945	14,487,609	7,971,736	7,199,521
Adjustments for:				
Allowance for impairment losses	36,570	-	-	-
Depreciation of right-of-use assets	563,527	167,057	-	-
Depreciation of property, plant and equipment	1,445,035	949,906	-	-
Distribution income from investment in money market fund	(346,071)	(251,179)	(11,211)	(2,968)
Dividend received from:				
- other investments	(805,200)	(320,460)	-	-
- subsidiaries	-	-	(9,000,000)	(7,500,000)
Fair value gain on investment in money market fund	(567,186)	(253,513)	(43,070)	(29,856)
Finance costs	152,912	9,161	-	-
Gain on disposal of property, plant and equipment	(90,000)	-	-	-
Loss from disposal of/(income from) other investments	832,039	(58,252)	-	-
Interest income	(987,844)	(242,378)	(860)	(1,234)
Property, plant and equipment written off	17,163	65	-	-
Unrealised loss/(gain) on foreign exchange	231,033	(48,603)	-	-
Operating profit/(loss) before working capital changes	21,718,923	14,439,413	(1,083,405)	(334,537)
Changes in working capital:				
Receivables	(1,726,146)	202,354	-	-
Payables	1,483,045	372,184	44,837	11,000
Contract liabilities	844,791	-	-	-
Cash flow generated from/ (used in) operations	22,320,613	15,013,951	(1,038,568)	(323,537)
Interest received	987,844	242,378	860	1,234
Tax paid	(5,003,145)	(3,041,462)	(2,381)	(1,937)
Tax refunded	119,510	-	6,519	-
Net cash generated from/(used in) operating activities	18,424,822	12,214,867	(1,033,570)	(324,240)

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

STATEMENTS OF CASH FLOWS

	Group		Company	
	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Cash flows from investing activities				
Distribution income received from investment in money market fund	346,071	251,179	11,211	2,968
Dividend received from:				
- other investments	805,200	320,460	-	-
- subsidiaries	-	-	9,000,000	7,500,000
Placement of other investments	-	(4,941,748)	-	-
Proceeds from disposals of other investments	4,167,962	-	-	-
Placement of fixed deposits with tenure more than 3 months	(7,427,631)	-	-	-
Purchase of property, plant and equipment (Note (a))	(8,149,427)	(493,940)	-	-
Proceeds from disposal of property, plant and equipment	90,000	-	-	-
Net cash (used in)/generated from investing activities	(10,167,825)	(4,864,049)	9,011,211	7,502,968
Cash flows from financing activities				
Dividends paid	(8,660,791)	(6,928,633)	(8,660,791)	(6,928,633)
Repayment of lease liabilities, net (Note (c))	(867,760)	(177,168)	-	-
Net cash used in financing activities	(9,528,551)	(7,105,801)	(8,660,791)	(6,928,633)
Net (decrease)/increase in cash and cash equivalents	(1,271,554)	245,017	(683,150)	250,095
Net fair value gain on investment in money market fund	567,186	253,513	43,070	29,856
Changes in expected credit losses ("ECL") for cash and cash equivalents	(13,585)	-	-	-
Currency translation difference	(226,784)	46,756	-	-
Cash and cash equivalents at beginning of financial period/year	27,482,926	26,937,640	1,383,363	1,103,412
Cash and cash equivalents at end of financial period/year (Note 27)	26,538,189	27,482,926	743,283	1,383,363

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

STATEMENTS OF CASH FLOWS

Note:

- (a) Acquisition of property, plant and equipment

The Group made the following cash payment to purchase property, plant and equipment:

	31.12.2024 RM	30.6.2023 RM
Additions during the period/year (Note 5)	8,149,427	493,940
Financed by lease arrangement	-	-
	8,149,427	493,940

- (b) The cash disbursed for the additions of right-of-use assets is at follows:

	31.12.2024 RM	30.6.2023 RM
Cash payments	-	-
Additions of new lease liabilities	8,305,948	-
Provision for restoration costs capitalised	138,248	-
	8,444,196	-

- (c) Movement in liabilities arising from financing activities:

	At 1 July RM	Net cash flows RM	Non-cash movement		At 31 December/ 30 June RM
			New leases RM	Interest expense RM	
Group					
31.12.2024					
Lease liabilities	171,863	(867,760)	8,305,948	152,912	7,762,963
30.6.2023					
Lease liabilities	339,870	(177,168)	-	9,161	171,863

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Period Ended 31 December 2024

1. CORPORATE INFORMATION

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

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur. The principal place of business of the Company is located at Units 3-01 to 3-07, Level 3, Menara UAC, 12, Jalan PJU 7/5, Mutiara Damansara, 47800 Petaling Jaya, Selangor, Malaysia.

The Company is principally engaged in investment holding whilst those of its subsidiaries are disclosed in Note 8. There have been no significant changes in the nature of these principal activities during the financial period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 16 April 2025.

2. 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 ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. The financial statements of the Group and of the Company have been prepared on the historical cost basis, unless otherwise indicated in the material accounting policy information (Note 3).

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company, except for a subsidiary's financial statements which was presented in Renminbi ("RMB").

The preparation of financial statements in conformity with MFRSs and IFRSs requires the Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and contingent liabilities, if any. The actual results could differ from these estimates. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONT'D)

2.1 Amendments to MFRS that are effective and have been adopted in the current financial period

The following are amendments to MFRS that are effective and have been adopted by the Group and by the Company:

Title	Effective Date
MFRS 17: Insurance Contracts	1 July 2023
Amendments to MFRS 17: Insurance Contracts	1 July 2023
Amendments to MFRS 101: Presentation of Financial Statements	1 July 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 July 2023
Amendments to MFRS 112: Income Taxes	1 July 2023

The adoption of the above amendments to MFRS did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group and to the Company's existing accounting policies.

2.2 MFRS and amendments to MFRS that have been issued, but yet to be adopted

The following new and revised MFRSs issued by MASB, have not been adopted, and the adoptions are not expected to have any or significant impact to the financial statements:

Title	Effective Date
Amendments to MFRS 7: Financial Instruments: Disclosures	1 January 2024
Amendments to MFRS 16: Leases	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107: Statement of Cash Flows	1 January 2024
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
Amendments to MFRS 7: Financial Instruments: Disclosures	1 January 2026
Amendments to MFRS 9: Financial Instruments	1 January 2026
Amendments to MFRS 10: Consolidated Financial Statements	1 January 2026
Amendments to MFRS 107: Statement of Cash Flows	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10: Consolidated Financial Statements	Deferred
Amendments to MFRS 128: Investments in Associates and Joint Ventures	Deferred

The Group and the Company are expected to apply the abovementioned MFRS and amendments to MFRS, where applicable to the Group and to the Company, from the beginning of the financial period where they become effective.

The initial application of above MFRS and amendments to MFRS are not expected to have any material financial impacts to the current and prior period financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale (accounted for in accordance with MFRS 5: Non-Current Assets Held for Sale and Discontinued Operations) or distribution. The cost of investment includes transaction costs.

(b) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

(c) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against the Group reserves.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.1 Basis of consolidation (cont'd)

(d) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(e) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non- controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(f) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Foreign currency

(a) Functional currency

The financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currencies") except for a subsidiary which has presented its financial statements in Renminbi ("RMB").

(b) Foreign currency transactions and translations

Transactions in currencies other than the Company's and its subsidiaries' functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.2 Foreign currency (cont'd)

(b) Foreign currency transactions and translations (cont'd)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

(c) Foreign operations

Financial statements of foreign operations are translated at year end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to profit or loss. All resulting translation differences are recognised as a separate component in equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of acquired entity and translated at the exchange rate ruling at the reporting date.

3.3 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred, and it is probable that future economic benefits associated with the asset will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred. The carrying amount of the replaced part is derecognised.

Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Freehold land is not depreciated as it has an indefinite useful life.

No depreciation is provided for capital work-in-progress until the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Property, plant and equipment (cont'd)

Depreciation for the other assets are calculated on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates are:

Building	2%
Motor vehicles	20%
Computers	10% - 25%
Office equipment	10% - 20%
Furniture and fittings	10% - 33%
Renovation	20%

At each reporting date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying value is recognised in profit or loss.

3.4 Intangible assets

Intangible assets are recognised only when the identifiability, control and future economic benefit probability criteria are met.

Intangible assets are initially measured at cost. After the initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and are assessed for any indication that the asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial period/year. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the direct costs.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.4 Intangible assets (cont'd)

An intangible asset has an indefinite useful life when based on the analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the Group. Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that the carrying amount may be impaired. Such intangible assets are not amortised. Their useful lives are reviewed each period to determine whether events and circumstances continue to support the indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate in accordance with MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors.

Expenditure on an intangible item that is initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

(a) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of profit or loss and other comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent period.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.4 Intangible assets (cont'd)

(b) Research and development

Expenditure on development activities of internally developed products is recognised as an intangible asset when it relates to the production of new or substantively improved products and processes and when the Group can demonstrate that it is technically feasible to develop the product or processes, adequate resources are available to complete the development and that there is an intention to complete and sell the product or processes to generate future economic benefits.

Capitalised development costs are amortised on a straight-line basis over a period of five years. Development expenditure not satisfying the criteria mentioned and expenditure arising from research or from the research phase of internal projects are recognised in profit or loss as incurred.

(c) Other intangible assets

System, application and computer software that do not form an integral part of the related hardware are treated as intangible assets with finite lives and are amortised over their estimated useful lives. The principal amortisation period of software is 4 years.

3.5 Impairment of non-financial assets

The carrying amounts of other assets (except for deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

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. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or group of cash-generating units that are expected to benefit from the synergies of the combination.

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

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.5 Impairment of non-financial assets (cont'd)

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 the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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 does not exceed the 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 year in which the reversals are recognised.

3.6 Other investments

Other investments are initially recognised as cost. Subsequently, investment in non-financial instruments is measured at cost less impairment losses, if any, and investment in other financial instruments is measured at fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"), as disclosed in with Note 3.7.

Where an indication of impairment exists, the carrying amount of the other investment is assessed and written down immediately to its recoverable amount, in line with the accounting policy set out in Note 3.5 on non-financial instruments and Note 3.8 on financial instruments.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to profit or loss.

3.7 Financial assets

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

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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVTOCI and FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.7 Financial assets (cont'd)

(i) Financial assets measured at amortised cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured subsequently at amortised cost ("AC"). Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables (excluding prepayments), other investments, contract assets, fixed deposits with licensed banks and cash and bank balances.

(ii) Financial assets measured at fair value

Financial assets at fair value through other comprehensive income comprises investment in equity that is not held for trading, and the Group irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery part of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statements of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.7 Financial assets (cont'd)

(iii) Derecognition

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group and the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset at fair value through other comprehensive income, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(iv) Offsetting

Financial assets are offset and net amount presented in the statement of financial position when, only when the Group and the Company currently has a legally enforceable right to set off the amounts and it intends to settle them on a net basis or to realise the asset and liabilities simultaneously.

3.8 Impairment of financial assets

The Group and the Company assess on a forward-looking basis the expected credit loss ('ECL') associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The assessment of whether credit risk has increased significantly is based on quantitative and qualitative information that includes financial evaluation of the creditworthiness of the debtors or issuers of the instruments, ageing of receivables, defaults and past due amounts, past experiences with the debtors, current conditions and reasonable forecast of future economic conditions. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Impairment of financial assets (cont'd)

The following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.
- significant increases in credit risk on other financial instruments of the same debtor.
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

ECL represents 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. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, discounted for the time value of money and applying reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL approach can be classified into the categories below:

Contract assets, trade and other receivables

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for contract assets, trade and other receivables.

For measurement of ECL, contract assets, trade and other receivables arising from the Group's and the Company's principal activities have been grouped based on shared credit risk characteristics, for example type of customers and the days past due. Trade receivables which are in default or credit-impaired are assessed individually.

Financial assets other than contract assets, trade and other receivables

The Group and the Company apply a two-step approach to measure the ECL on financial assets other than contract assets, trade and other receivables:

- 12-months ECL

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company shall measure the allowance for impairment for the financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Impairment of financial assets (cont'd)

The ECL approach can be classified into the categories below: (cont'd)

Financial assets other than contract assets, trade and other receivables (cont'd)

The Group and the Company apply a two-step approach to measure the ECL on financial assets other than contract assets, trade and other receivables: (cont'd)

- Lifetime ECL

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as an allowance for impairment by the Group and the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company shall revert the loss allowance measurement from lifetime ECL to 12-months ECL.

At each financial period / year end, the Group and the Company assess whether there is a significant increase in credit risk for financial assets other than contract assets, trade and other receivables since initial recognition by comparing the risk of default on these financial assets as at the financial year end with the risk of default as at the date of initial recognition. The Group and the Company consider external credit rating, historical experience on similar assets and other supportive information to assess deterioration in credit quality of these financial assets.

3.9 Contract assets/(liabilities)

Contract assets relate to the Group's right to consideration for completed performance under the contract but not billed at the reporting date. The contract assets are transferred to receivables when the right to consideration becomes unconditional.

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

3.10 Financial liabilities

(i) Initial recognition and subsequent measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are measured initially at fair value plus directly attributable costs, except in the case of financial liabilities at fair value through profit or loss.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.10 Financial liabilities (cont'd)

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group or the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company do not have any financial liabilities at fair value through profit or loss in the current financial year and previous financial year.

(iii) Other financial liabilities

The Group's and the Company's other financial liabilities consist of trade and other payables, contract liabilities and lease liabilities.

Payables, contract liabilities and lease liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group or the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(iv) Derecognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) Offsetting

Financial liabilities are offset and net amount presented in the statement of financial position when, only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.11 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks and on hand, fixed deposits with licensed banks and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term funding requirements.

3.12 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Ordinary shares are equity instruments.

(a) Share capital and share issuance expenses

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

Dividends to shareholders are recognised in equity in the period in which they are declared.

(b) Treasury shares

When shares of the Company that have not been cancelled and recognised as equity are re-acquired, the amount of consideration paid, including directly attributable costs, net of tax deductions, is recognised directly in equity. Re-acquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

3.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sales are interrupted or completed.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.14 Provisions

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for restoration costs

This provision is recognised in respect of the obligation of the Group and of the Company to restore leased office to an acceptable condition consistent with the lease agreements upon its expiry.

Provision for restoration costs comprised estimates of reinstatement cost for office upon termination of tenancy.

3.15 Leases

As lessee

The Group and the Company recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The right-of-use assets are initially recorded at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- any initial direct costs incurred by the Group and by the Company; and
- an estimate of costs to be incurred by the Group and by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

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

Depreciation is computed on a straight-line basis over the estimated useful lives of the right-of-use assets or lease term whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.15 Leases (cont'd)

As lessee (cont'd)

If the lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group and the Company depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

In determining the enforceable period of the lease, the Group and the Company consider the following:

- the broader economics of the contract, and not only contractual termination payments. If either party has an economic incentive not to terminate the lease such that it would incur a penalty on termination that is more than insignificant, the contract is deemed enforceable beyond the date on which the contract can be terminated; and
- whether each of the parties has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. A lease is no longer enforceable only when both parties have such a right. Consequently, if only one party has the right to terminate the lease without permission from the other party with no more than an insignificant penalty, the contract is deemed enforceable beyond the date on which the contract can be terminated by that party.

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and of the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

The right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, as follows:

Furniture and fittings	Over the lease period of 36 months
Office	Over the lease period of 110 months

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.15 Leases (cont'd)

As lessee (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's and the Company's incremental borrowing rate. Subsequent to the initial recognition, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Group and the Company also apply the recognition exemption to its short-term leases of property (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and lease of low-value assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

3.16 Revenue recognition

The Group and the Company recognise revenue from contracts with customers based on five-step model as set out in MFRS 15:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.
- (v) Recognise revenue when (or as) the Group and the Company satisfy a performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.16 Revenue recognition (cont'd)

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

- (i) Do not create an asset with an alternative use to the Group and to the Company and have an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group and as the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

The Group's and the Company's revenue from contracts with customers are further described below:

(a) Software based activities

The Group owns a number of intellectual properties ("IP") and licenses the IP to customers based on sales or usage-based fee and annual subscription fee basis.

The Group assesses whether ongoing contractual obligations represent a performance obligation that is distinct from the license, if not distinct the combined performance obligation is recognised over time. If the license is distinct, it is recognised separately from the other performance obligations at the time of the delivery of the licensed software.

In determining the most appropriate method of recognising revenue over time, the Group has concluded that for majority of its licensed IP, there is a continuing requirement to provide enhancements and maintenance to optimise functionality, performance and ensure regulatory compliance and consequently the subscription fee received from customers will be recognised on a straight-line basis in the period cover by the invoice; for sales or usage-based fee, the Group recognises the revenue when the sales or usage occur and the performance obligation allocated has been satisfied.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.16 Revenue recognition (cont'd)

(a) Software based activities (cont'd)

For right to use license, the revenue was recognised when the control was transferred to the user.

Where the Group provides professional services incidental to the IP, e.g. customisation and other services, to customers, revenue from these service is recognised as the service is performed.

Software maintenance fees are recognised in the period the services are provided, using a straight-line basis over the term of the maintenance agreement.

(b) Hardware sales

Revenue from hardware sales is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

(c) Interest and distribution income

Interest and distribution income are recognised as it accrues using the effective interest method in profit or loss.

(d) Dividend income

Dividend income is included in the income statement when the right to receive payment is established and no significant uncertainty exists as regards to its receipt. Interim dividends from subsidiaries are recognised when they are declared and final dividends when they are approved by shareholders in general meetings.

3.17 Employee benefits

Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as an expense in the period which the employees have rendered the associated services.

Short-term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating absences such as sick leave are recognised when absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

The Group and the Company make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.18 Income tax

Income tax expense comprises current and deferred tax.

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for the year. Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates that have been enacted or substantively enacted by the reporting date.

Current tax is recognised in profit or loss except to the extent that the tax relates to the items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax liabilities and assets are provided for, using the liability method, in respect of all temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base including unabsorbed tax losses and capital allowances unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reduction will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items recognised outside the profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly to equity and deferred tax arising from a business combination is adjusted against goodwill on consolidation.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.19 Contingencies

A contingent liability or asset is a possible obligation or benefit that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

3.20 Earnings per share

The Group presents basic and diluted (where applicable) earnings per share ("EPS") for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares. No adjustment is made for anti-dilutive potential ordinary shares.

3.21 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.22 Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.22 Fair value measurements (cont'd)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.23 Related parties

Parties are considered to be related to the Group and to the Company if the Group and 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 Group and the Company and the party are subject to common control or common significant influence. Related parties may be individual or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the accounting policies of the Group and of the Company, the Management is required to make judgements, estimates and assumptions about the carrying amounts of revenues, expenses, assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only for that period; or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Depreciation and amortisation

Property, plant and equipment and intangible assets are depreciated/amortised on a straight-line basis over their estimated useful lives. Management estimated the useful lives of these property, plant and equipment to be within 3 to 50 years. The carrying amount of the Group's property, plant and equipment and intangible assets at 31 December 2024 are disclosed in Notes 5 and 7, respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation/amortisation charges could be revised.

(b) Impairment of property, plant and equipment and intangible assets

The Group and the Company carry out the impairment test based on a variety of estimation including the value-in-use of the cash-generating unit ("CGU") to which the property, plant and equipment and intangible assets are allocated. Estimating the value-in-use requires the Group and the Company to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Lease terms

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

(d) Usage of discounting rate/factor in lease computation

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

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(e) Taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the estimation of the provision for income taxes is made and which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

Deferred tax assets are recognised for all deductible temporary differences only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unabsorbed tax losses and unrecognised temporary differences.

(f) Revenue recognition

The key areas of judgement in respect of recognising revenue are the timing of recognition and how the different elements of bundled contracts are identified for revenue from software-based activities.

(g) Impairment of investment in subsidiaries

Investment in subsidiaries are assessed for impairment losses whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Such assessment required the directors to make estimates of the recoverable amount. Impairment loss is recognised for the amount by which the carrying amount of the assets exceed its recoverable amount, which is the higher of an asset's fair value less cost to sell and its value-in-use. The carrying amounts of the investment in subsidiaries are disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Building RM	Motor vehicles RM	Computers RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Capital work-in-progress RM	Total RM
Cost									
At 1 July 2023	1,561,386	709,720	672,773	18,707,132	707,771	231,066	854,506	-	23,444,354
Additions	-	-	600,000	3,474,136	-	5,680	-	4,069,611	8,149,427
Disposals	-	-	(305,706)	-	-	-	-	-	(305,706)
Write offs	-	-	-	(10,163,277)	(13,210)	-	-	-	(10,176,487)
Translation adjustments	-	-	-	(12,813)	(583)	-	(3,580)	-	(16,976)
At 31 December 2024	1,561,386	709,720	967,067	12,005,178	693,978	236,746	850,926	4,069,611	21,094,612
Accumulated depreciation									
At 1 July 2023	-	306,462	661,541	15,901,801	677,500	228,497	854,506	-	18,630,307
Charge for the period	-	21,291	141,230	1,263,499	14,812	4,203	-	-	1,445,035
Disposals	-	-	(305,706)	-	-	-	-	-	(305,706)
Write offs	-	-	-	(10,146,114)	(13,210)	-	-	-	(10,159,324)
Translation adjustments	-	-	-	(11,662)	(556)	-	(3,580)	-	(15,798)
At 31 December 2024	-	327,753	497,065	7,007,524	678,546	232,700	850,926	-	9,594,514
Net carrying amounts									
At 31 December 2024	1,561,386	381,967	470,002	4,997,654	15,432	4,046	-	4,069,611	11,500,098

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

NOTES TO THE FINANCIAL STATEMENTS

Group	Freehold land RM	Building RM	Motor vehicles RM	Computers RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Capital work-in-progress RM	Total RM
Cost (Restated)									
At 1 July 2022	1,561,386	709,720	672,773	18,348,214	707,319	231,066	856,550	-	23,087,028
Additions	-	-	-	491,840	2,100	-	-	-	493,940
Write offs	-	-	-	(126,001)	(1,298)	-	-	-	(127,299)
Translation adjustments	-	-	-	(6,921)	(350)	-	(2,044)	-	(9,315)
At 30 June 2023	1,561,386	709,720	672,773	18,707,132	707,771	231,066	854,506	-	23,444,354
Accumulated depreciation (Restated)									
At 1 July 2022	-	292,267	526,987	15,256,578	665,882	222,617	852,257	-	17,816,588
Charge for the year	-	14,195	134,554	777,799	13,185	5,880	4,293	-	949,906
Write offs	-	-	-	(126,001)	(1,233)	-	-	-	(127,234)
Translation adjustments	-	-	-	(6,575)	(334)	-	(2,044)	-	(8,953)
At 30 June 2023	-	306,462	661,541	15,901,801	677,500	228,497	854,506	-	18,630,307
Net carrying amounts (Restated)									
At 30 June 2023	1,561,386	403,258	11,232	2,805,331	30,271	2,569	-	-	4,814,047

NOTES TO THE FINANCIAL STATEMENTS

6. RIGHT-OF-USE ASSETS

	Furniture and fittings RM	Office RM	Total RM
Group			
31.12.2024			
Cost			
At 1 July 2023	501,171	-	501,171
Additions	1,585,877	6,858,319	8,444,196
Matured leases	(501,171)	-	(501,171)
At 31 December 2024	1,585,877	6,858,319	8,444,196
Accumulated depreciation			
At 1 July 2023	334,114	-	334,114
Charge for the period	563,527	-	563,527
Matured leases	(501,171)	-	(501,171)
At 31 December 2024	396,470	-	396,470
Net carrying amounts			
At 31 December 2024	1,189,407	6,858,319	8,047,726
30.6.2023			
Cost (Restated)			
At 1 July 2022/30 June 2023	501,171	-	501,171
Accumulated depreciation (Restated)			
At 1 July 2022	167,057	-	167,057
Charge for the year	167,057	-	167,057
At 30 June 2023	334,114	-	334,114
Net carrying amounts (Restated)			
At 30 June 2023	167,057	-	167,057

- (a) With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the Group's statement of financial position as right-of-use assets and lease liabilities.

The Group leases three (30.6.2023: five) rack colocations, communication lines and office for a period between 3 and 9 (30.6.2023: 3) years including options for extension of two additional terms of 3 (30.6.2023: Nil) years each.

- (b) The carrying amount of the right-of-use assets of the Group are acquired under lease arrangement as disclosed in Note 19.

NOTES TO THE FINANCIAL STATEMENTS

7. INTANGIBLE ASSETS

	Goodwill on consolidation RM	Development expenditure RM	License RM	Software RM	Total RM
Group					
Cost					
At 1 July 2022/ 30 June 2023/ 31 December 2024	336,250	2,495,728	63,679	101,713	2,997,370
Accumulated depreciation					
At 1 July 2022/ 30 June 2023/ 31 December 2024	-	2,495,728	63,679	101,713	2,661,120
Net carrying amounts					
At 30 June 2023/ 31 December 2024	336,250	-	-	-	336,250

Impairment testing for CGU containing goodwill

The Group considers each subsidiary company as a single CGU and the carrying amount of goodwill is allocated to a subsidiary of the Company, Reward-Link.com Sdn. Bhd..

The recoverable amount of the CGU was based on value-in-use ("VIU") calculations. The recoverable amount for the CGU was higher than the aggregate carrying amount of the identifiable net assets and goodwill allocated and hence, no impairment loss was recognised during the financial period.

VIU of the CGU was determined by discounting the future cash flows forecasted to be generated from the continuing use of the CGU based on past performance and management's expectation of market development. The key assumptions used for the CGU are as follows:

- (i) There will be no material change in structure and principal activities of CGU;
- (ii) Sales are expected to grow at 4.70% (30.6.2023: 0.01%) per annum over the five years projection period;
- (iii) Gross profit margin will be at 90.00% (30.6.2023: 90.00%);
- (iv) General and administrative expenses are expected to increase at 3.00% to 4.00% (30.6.2023: 3.00% to 4.00%) per annum taking into account inflationary pressure on prices;
- (v) Terminal growth rate is expected to be Nil% (30.6.2023: Nil%); and
- (vi) A pre-tax discount rate of 8.50% (30.6.2023: 9.90%) was applied in determining the recoverable amount of CGU.

The Directors believe that any reasonable change in the key assumptions would not cause the carrying amount of the CGU to exceed their recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN SUBSIDIARIES

	Company	
	31.12.2024 RM	30.6.2023 RM
Unquoted shares		
At cost	26,686,724	26,686,724
Less: Accumulated impairment losses	(12,845,724)	(12,845,724)
	13,841,000	13,841,000

Name of company	Principal place of business	Effective equity interest		Principal activities
		31.12. 2024 %	30.6.2023 %	
Direct subsidiaries				
Rexit Solutions Sdn. Bhd.	Malaysia	100	100	Sales of application software solutions and related products and services.
Rexit (M) Sdn. Bhd.	Malaysia	100	100	Provision of software technical and consultancy services.
Rexit Software Sdn. Bhd.	Malaysia	100	100	Research and development of application software solutions and provisions of related services.
Rexit Software (Guangzhou) Co. Ltd. ¹	People's Republic of China	100	100	Design, development and production of software, sale of its developed products and provision of consultancy services.
Rexit International Sdn. Bhd.	Malaysia	100	100	Provision of shared and outsourcing services to insurance companies outside Malaysia.
Reward-Link.com Sdn. Bhd.	Malaysia	100	100	The Government authorised Road Transport Department ("JPJ") eINSURANS gateway provider between the insurance companies in Malaysia and the JPJ.

¹ Audited by a firm of auditors other than Nexia SSY PLT.

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER INVESTMENTS

	Group	
	31.12.2024 RM	30.6.2023 RM
Club membership, at cost		
At 1 July/31 December/30 June	45,000	45,000
Quoted fund investments and sukuk perpetual subordinated bond in Malaysia, at fair value		
At 1 July	15,886,499	10,886,499
Additions	-	5,000,000
Disposals	(5,000,001)	-
At 31 December/30 June	10,886,498	15,886,499
Fair value adjustments		
At 1 July	633,517	(243,042)
Fair value adjustments	(438,783)	876,559
At 31 December/30 June	194,734	633,517
Less: Allowance for impairment losses	11,081,232 (22,985)	16,520,016 -
	11,058,247	16,520,016
Total other investments	11,103,247	16,565,016

The Group designated the fund investment and sukuk perpetual subordinated bond as fair value through other comprehensive income because these investments represent investments that the Group intends to hold for long-term strategic purposes or until its maturity. The fair value hierarchy of these investments is at level 1, in reference to their published market value as at the reporting date.

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	31.12.2024 RM	30.6.2023 RM
At 1 July	129,445	72,851
Recognised in statements of profit or loss and other comprehensive income (Note 25)	(4,941)	56,594
At 31 December/30 June	124,504	129,445
Represented by:		
Deferred tax assets	131,666	586,610
Deferred tax liabilities	(7,162)	(457,165)
	124,504	129,445

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The deferred tax assets/(liabilities) recognised is in respect of the followings:

	Group	
	31.12.2024 RM	30.6.2023 RM
Other temporary differences	131,666	586,610
Temporary difference between depreciation and capital allowance	(7,162)	(457,165)
	124,504	129,445

Subject to the agreement by Inland Revenue Board, the amount of temporary differences as at the end of the reporting period are as follows:

	Group	
	31.12.2024 RM	30.6.2023 RM
Depreciation in excess of capital allowances	(1,779,409)	(674,101)
Unutilised capital allowances	1,633,757	2,338,921
Unabsorbed tax losses	11,258,453	11,260,796
Other deductible temporary differences	2,313,677	2,190,367
	13,426,478	15,115,983
Deferred tax assets not recognised in respect of the above temporary differences due to uncertainties of realisation of profits	3,222,355	3,627,836

The unabsorbed tax losses are allowed to be utilised for 10 (30.6.2023: 10) consecutive years of assessment while the unutilised capital allowance are allowed to be carried forward indefinitely.

The Group's unabsorbed tax losses of RM10,807,728, RM290,056 and RM160,669 can be carried forward up to YA2028, YA2029 and YA2030 respectively (30.6.2023: RM10,810,071, RM290,056 and RM160,669 can be carried forward up to YA2028, YA2029 and YA2030 respectively).

11. TRADE RECEIVABLES

Trade receivables are interest-free and the normal credit terms granted by the Group range from 30 to 60 (30.6.2023: 30 to 60) days. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Information on financial risks of trade receivables is disclosed in Note 32.3(d).

NOTES TO THE FINANCIAL STATEMENTS

12. CONTRACT ASSETS/(LIABILITIES)

	Note	Group	
		31.12.2024 RM	30.6.2023 RM
At 1 July		(2,739,094)	(2,325,976)
Net revenue recognised during the period/year	22	46,953,062	26,743,459
Net billings during the period/year		(47,797,853)	(27,156,577)
<hr/>			
At 31 December/30 June		(3,583,885)	(2,739,094)
<hr/>			
Represented by:			
Contract assets	(a)	-	165,835
Contract liabilities	(b)	(3,583,885)	(2,904,929)
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		(3,583,885)	(2,739,094)
<hr/>			

(a) Contract assets

The contract assets primarily relate to the Group's right to consideration for work performed but not yet billed at the reporting date for its software-based activities. The contract assets will be transferred to trade receivables when the rights become unconditional.

(b) Contract liabilities

Contract liabilities are the obligation to transfer services to customers for which the Group has received consideration from the customers. Contract liabilities include the advance received from customers where the Group received the payment before the services are provided to customers, which is expected to be recognised as revenue within the next 12 months.

(c) Unsatisfied obligations

As at the end of the reporting period, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long-term contracts for the Group is RM5,567,444 (30.6.2023: RM4,975,930). The remaining performance obligations are expected to be recognised as below:

	Group	
	31.12.2024 RM	30.6.2023 RM
Within 1 year	5,567,444	4,975,930
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NOTES TO THE FINANCIAL STATEMENTS

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group	
	31.12.2024 RM	30.06.2023 RM
Other receivables	27,740	-
Deposits	364,657	56,087
Prepayments	1,637,344	651,301
	2,029,741	707,388

14. INVESTMENT IN MONEY MARKET FUND

	Group		Company	
	31.12.2024 RM	30.6.2023 RM	31.12.2024 RM	30.6.2023 RM
At fair value through profit or loss				
At 1 July	23,461,830	21,955,264	1,257,109	624,285
Additions	-	1,253,053	-	602,968
Disposals	(5,276,079)	-	(588,789)	-
Fair value adjustments	567,186	253,513	43,070	29,856
At 31 December/30 June	18,752,937	23,461,830	711,390	1,257,109

Investment in money market fund represent investment in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

15. FIXED DEPOSITS WITH LICENSED BANKS

	Group	
	31.12.2024 RM	30.6.2023 RM
Fixed deposits with licensed banks	10,911,526	-
Less: Allowance for impairment losses	(10,161)	-
Fixed deposits with licensed banks	10,901,365	-

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.84% to 4.20% (30.6.2023: Nil%) per annum. The fixed deposits have maturity periods ranging from 60 to 365 (30.6.2023: Nil) days.

NOTES TO THE FINANCIAL STATEMENTS

16. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount (RM)	
	31.12.2024	30.6.2023	31.12.2024	30.6.2023
Issued and fully paid up: At 1 July/ 31 December/ 30 June	189,333,333	189,333,333	189,333,333	189,333,333

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

At the reporting date, the number of outstanding ordinary shares in issue after setting off the treasury shares of 16,117,500 (30.6.2023: 16,117,500) against its equity of 189,333,333 is 173,215,833 (30.6.2023: 173,215,833).

Details of treasury shares are as follows:

	Group and Company			
	Number of shares		Amount (RM)	
	31.12.2024	30.6.2023	31.12.2024	30.6.2023
At 1 July/ 31 December/ 30 June	16,117,500	8,194,362	16,117,500	8,194,362

17. RESERVES

	Group		Company	
	31.12.2024 RM	30.06.2023 RM	31.12.2024 RM	30.06.2023 RM
Non-distributable				
Exchange translation reserve	(287,074)	(246,652)	-	-
Fair value reserve	194,734	633,517	-	-
Distributable				
Retained earnings	46,421,230	38,456,043	3,756,217	4,445,544
	46,328,890	38,842,908	3,756,217	4,445,544

The exchange translation reserve represents exchange differences arising from the translation of the financial statements of foreign operation whose functional currency is different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

17. RESERVES (CONT'D)

Fair value reserve movement is as follow:

	Group	
	31.12.2024 RM	30.06.2023 RM
At 1 July	633,517	(243,042)
Net changes in fair value	(438,783)	876,559
At 31 December/30 June	194,734	633,517

The retained earnings of the Group and of the Company are available for distributions by way of cash dividends or dividends in species. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences to the Group and to the Company that would result from the payment of dividends to shareholders.

18. PROVISION FOR RESTORATION COSTS

	Group	
	31.12.2024 RM	30.6.2023 RM
At 1 July	-	-
Additions	138,248	-
At 31 December/30 June	138,248	-

Provision for restoration costs comprises estimates of reinstatement costs for office upon termination of tenancy. The provision is estimated using the assumption that restoration will only take place upon expiry of the lease terms.

The Group estimates provision for restoration costs based on a recent quotation from a contractor. The estimated provision for restoration costs is reviewed periodically and is updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs of the Group.

NOTES TO THE FINANCIAL STATEMENTS

19. LEASE LIABILITIES

	Group	
	31.12.2024 RM	30.6.2023 RM
At 1 July	171,863	339,870
Additions during the period/year	8,305,948	-
Lease interest (Note 23)	152,912	9,161
Less: lease payments	(867,760)	(177,168)
At 31 December/30 June	7,762,963	171,863
Future lease payments payables		
- Not later than one year	1,454,480	177,168
- More than one year but less than five years	5,177,515	-
- More than five years	2,388,918	-
Total future minimum lease payments	9,020,913	177,168
Less: Future finance charges	(1,257,950)	(5,305)
Present value of minimum lease payments	7,762,963	171,863
Payments due within 12 months, presented as current	(1,167,607)	(171,863)
Payment due after 12 months, presented as non-current	6,595,356	-
Repayment of future present value of minimum lease payments		
- Not later than one year	1,167,607	171,863
- More than one year but less than five years	4,327,328	-
- More than five years	2,268,028	-
	7,762,963	171,863

- (a) The net carrying amount of right-of-use assets of the Group under lease arrangements at the end of reporting period are as disclosed in Note 6.
- (b) The lease liabilities of the Group bear weighted average effective interest rates between 3.83% and 4.08% (30.6.2023: 4.08%) per annum.

20. TRADE PAYABLES

The Group's normal trade credit term ranges from 60 to 90 (30.6.2023: 60 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS

21. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	31.12.2024 RM	30.6.2023 RM	31.12.2024 RM	30.6.2023 RM
Other payables	652,252	423,908	536	419
Accruals	2,926,234	1,624,534	90,720	46,000
	3,578,486	2,048,442	91,256	46,419

22. REVENUE

Disaggregation of revenue from contracts with customers

The Group and the Company derive revenue from the following major lines:

	Group	
	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Software based activities	48,221,844	27,699,027
Hardware sales	42,661	-
Total contract revenue before elimination	48,264,505	27,699,027
Less: Intercompany revenue	(1,311,443)	(955,568)
Total contract revenue after elimination (Note 12)	46,953,062	26,743,459
Interest income	987,844	242,378
Distribution income from investment in money market fund	346,071	251,179
Income from other investments	-	58,252
Revenue from external customers	48,286,977	27,295,268
Timing of revenue recognition:		
- At a point in time	42,661	-
- Over time	48,244,316	27,295,268
	48,286,977	27,295,268

NOTES TO THE FINANCIAL STATEMENTS

22. REVENUE (CONT'D)

Disaggregation of revenue from contracts with customers (cont'd)

The Group and the Company derive revenue from the following major lines (cont'd):

	Company	
	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Distribution income from investment in money market fund	11,211	2,968
Dividends from subsidiaries	9,000,000	7,500,000
Interest income	860	1,234
Segment revenue	9,012,071	7,504,202
Timing of revenue recognition:		
- At a point in time	9,000,000	7,500,000
- Over time	12,071	4,202
	9,012,071	7,504,202

23. FINANCE COSTS

	Group	
	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Lease liabilities interest (Note 19)	152,912	9,161

NOTES TO THE FINANCIAL STATEMENTS

24. PROFIT BEFORE TAXATION

	Group		Company	
	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Profit before taxation is arrived at after charging/(crediting):				
Auditors' remuneration				
(a) Auditor's of the Company				
(i) Statutory audit				
- Current period/year	320,000	132,000	152,000	46,000
- Underprovision in prior years	-	8,000	-	3,000
(b) Other auditors				
(i) Statutory audit				
- Current period/year	168,376	11,827	56,000	-
Advisor fees	1,242,556	-	-	-
Allowance for impairment losses:				
- Cash and bank balances	3,424	-	-	-
- Fixed deposits with licensed banks	10,161	-	-	-
- Other investments	22,985	-	-	-
Depreciation of right-of-use assets	563,527	167,057	-	-
Depreciation of property, plant and equipment	1,445,035	949,906	-	-
Directors' remuneration	2,272,383	1,863,197	415,335	144,000
Distribution income from investment in money market fund	(346,071)	(251,179)	(11,211)	(2,968)
Dividend income from:				
- other investments	(805,200)	(320,640)	-	-
- subsidiaries	-	-	(9,000,000)	(7,500,000)
Fair value gain on investment in money market fund	(567,186)	(253,513)	(43,070)	(29,856)

NOTES TO THE FINANCIAL STATEMENTS

24. PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Profit before taxation is arrived at after charging/ (crediting) (Cont'd):				
Gain on disposal of property, plant and equipment	(90,000)	-	-	-
Interest income	(987,844)	(242,378)	(860)	(1,234)
Lease expenses on low value assets	280,146	132,062	-	-
Lease liabilities interest	152,912	9,161	-	-
Loss/(gain) on foreign exchange:				
- Realised	1,939	23,927	-	-
- Unrealised	231,033	(48,603)	-	-
Loss from disposal of/(income from) other investments	832,039	(58,252)	-	-
Property, plant and equipment written off	17,163	65	-	-
Staff costs:				
- Salaries and other benefits	4,414,083	2,080,329	-	-
- Defined contribution plan	316,687	136,731	-	-
- Social security contributions ("SOCSCO")	16,441	8,128	-	-
- Employment Insurance System ("EIS")	1,538	725	-	-
Staff costs recognised in cost of sales:				
- Salaries and other benefits	9,390,145	5,709,278	-	-
- Defined contribution plan	746,526	426,194	-	-
- SOCSCO	63,611	37,813	-	-
- EIS	7,136	4,239	-	-

Included is advisor fees of RM1,242,556 (30.6.2023: RMNil) which was paid to former Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

25. TAX EXPENSES

	Group		Company	
	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Income tax				
- Current period/year	4,699,166	3,538,566	-	-
- Foreign income tax	91,302	140,578	-	-
- (Over)/underprovision in prior years	(184,442)	(143,341)	272	4
	4,606,026	3,535,803	272	4
Deferred tax (Note 10)				
- Relating to origination and reversal of temporary differences	(27,454)	(56,594)	-	-
- (Over)/underprovision in prior years	32,395	-	-	-
	4,941	(56,594)	-	-
	4,610,967	3,479,209	272	4

Malaysian income tax is calculated at the statutory rate of 24% (30.6.2023: 24%) on the chargeable income of the estimated taxable profit for the period.

Tax expense for other taxation authority is calculated at the rate prevailing in the respective jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS

25. TAX EXPENSES (CONT'D)

A reconciliation of income tax expense applicable to profit 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 are as follows:

	Group		Company	
	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Profit before taxation	21,236,945	14,487,609	7,971,736	7,199,521
Malaysian statutory tax rate at 24%	5,096,867	3,477,026	1,913,217	1,727,885
Tax effects of:				
- Expenses not deductible	565,590	230,941	246,783	80,289
- Income not taxable	(585,264)	(225,995)	(2,160,000)	(1,808,174)
- Deferred tax assets not recognised during the financial period/year	163,882	-	-	-
- Utilisation of deferred tax assets not recognised previously	(569,363)	-	-	-
(Over)/underprovision in prior years				
- income tax	(184,442)	(143,341)	272	4
- deferred tax	32,395	-	-	-
Foreign income tax	91,302	140,578	-	-
Tax expenses for the period/year	4,610,967	3,479,209	272	4

NOTES TO THE FINANCIAL STATEMENTS

26. EARNINGS PER SHARE

	Group	
	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Basic earnings per share		
Profit for the financial period/year	16,625,978	11,008,400
	Number of shares	
	31.12.2024	30.6.2023
Weighted average number of ordinary shares in issue	173,215,833	173,215,833
Basic earnings per ordinary share (sen)	9.60	6.36

No diluted earnings per share is disclosed in the financial statements as there are no dilutive potential ordinary shares.

27. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.12.2024 RM	30.6.2023 RM	31.12.2024 RM	30.6.2023 RM
Cash in hand	1,004	1,213	2	2
Cash at banks	4,313,938	4,019,883	31,891	126,252
	4,314,942	4,021,096	31,893	126,254
Less: Allowance for impairment losses	(3,424)	-	-	-
Total cash and bank balances, net	4,311,518	4,021,096	31,893	126,254
Fixed deposits with licensed banks, net (Note 15)	10,901,365	-	-	-
Investment in money market fund (Note 14)	18,752,937	23,461,830	711,390	1,257,109
	33,965,820	27,482,926	743,283	1,383,363
Less: Fixed deposits with tenure more than 3 months	(7,427,631)	-	-	-
	26,538,189	27,482,926	743,283	1,383,363

NOTES TO THE FINANCIAL STATEMENTS

28. DIVIDENDS

	Group and Company Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Single-tier interim dividend of 5 sen per ordinary share declared on 28 November 2023 and paid on 27 December 2023, in respect of the financial period ended 31 December 2024	8,660,791	-
Single-tier interim dividend of 4 sen per ordinary share declared on 21 November 2022 paid on 23 December 2022, in respect of the financial year ended 30 June 2023	-	6,928,633
	8,660,791	6,928,633

29. CAPITAL COMMITMENTS

	Group 31.12.2024 RM	30.06.2023 RM
Approved and contracted for: - Capital work-in-progress	631,526	-

NOTES TO THE FINANCIAL STATEMENTS

30. SIGNIFICANT RELATED PARTY DISCLOSURES

30.1 Identities of related parties

Parties are considered to be related to the Group or to the Company if the Group or if 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 combining entities and party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have related party relationship with entities in which the Director has substantial financial interests and key management personnel of the Group and of the Company.

Key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly, or indirectly. The key management personnel include all the Directors of the Group and of the Company, and certain members of senior management of the Group and of the Company.

30.2 Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial period:

	Group		Company	
	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Purchase of motor vehicle from a Director	600,000	-	-	-
Dividend income from subsidiaries	-	-	9,000,000	7,500,000

The related party transactions described above were entered into the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

NOTES TO THE FINANCIAL STATEMENTS

30. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

30.3 Compensation of key management personnel

Compensation of key management personnel (including Directors) for the financial period ended 31 December 2024 and the prior year comparative are as follows:

	Group		Company	
	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM	Financial period from 1.7.2023 to 31.12.2024 RM	Financial year from 1.7.2022 to 30.6.2023 RM
Directors' remuneration:				
Fees	532,451	144,000	395,935	144,000
Salaries and other benefits	1,587,034	1,602,916	19,400	-
Defined contribution plan	150,071	114,845	-	-
SOCSO	2,643	1,436	-	-
EIS	184	-	-	-
	2,272,383	1,863,197	415,335	144,000
Key management personnel:				
Salaries and other benefits	1,273,540	610,329	-	-
Defined contribution plan	123,665	56,463	-	-
SOCSO	3,509	1,030	-	-
EIS	270	897	-	-
	1,400,984	668,719	-	-

Benefits-in-kind paid for Directors amounting to RM71,784 (30.6.2023: RM84,080).

NOTES TO THE FINANCIAL STATEMENTS

31. OPERATING SEGMENTS

(a) Business segments

Segmental information is not presented as the Group is primarily engaged in only one business segment which is to provide information technology ("IT") solutions and related services which includes software-based activities and hardware sales. Besides, management monitors the operating results of the Group as a whole for the purpose of making decisions about resources allocation and performance assessment.

The other segment consists of interest and distribution income from cash and cash equivalents, contributing less than 10% of the Group's total revenue and therefore not meeting the quantitative thresholds set out in MFRS 8: Operating Segments. Although cash and cash equivalents as at the end of the reporting period are more than 10% of the Group's total assets, these balances are maintained for working capital purposes. A portion is invested in low-risk instruments to optimise returns on idle funds.

(b) Geographical segments

The Group operates principally in Malaysia and Hong Kong, China.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	Group and Company	
	31.12.2024	30.6.2023
	RM	RM
Malaysia	40,384,126	22,405,979
Hong Kong, China	7,013,453	4,395,025
Other countries	889,398	494,264
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	48,286,977	27,295,268

Revenue from 3 (30.6.2023: 3) major customers with revenue equal or more than 10% of the Group's total revenue amounted to RM20,346,407 (30.6.2023: RM11,119,338).

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS

32.1 Classification of financial instruments

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

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

Classes of financial instruments	Total RM	AC RM	FVTPL RM	FVTOCI RM
Group				
31.12.2024				
Financial assets				
Other investments	11,103,247	45,000	-	11,058,247
Trade receivables	3,716,161	3,716,161	-	-
Other receivables and deposits	392,397	392,397	-	-
Investment in money market fund	18,752,937	-	18,752,937	-
Fixed deposits with licensed banks	10,901,365	10,901,365	-	-
Cash and bank balances	4,311,518	4,311,518	-	-
	49,177,625	19,366,441	18,752,937	11,058,247
Financial liabilities				
Trade payables	5,181	5,181	-	-
Other payables and accruals (*)	3,055,374	3,055,374	-	-
Lease liabilities	7,762,963	7,762,963	-	-
	10,823,518	10,823,518	-	-

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Classification of financial instruments (cont'd)

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

Classes of financial instruments	Total RM	AC RM	FVTPL RM	FVTOCI RM
Group (cont'd)				
30.6.2023				
Financial assets				
Other investments	16,565,016	45,000	-	16,520,016
Trade receivables	3,316,617	3,316,617	-	-
Other receivables and deposits	56,087	56,087	-	-
Investment in money market fund	23,461,830	-	23,461,830	-
Cash and bank balances	4,021,096	4,021,096	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	47,420,646	7,438,800	23,461,830	16,520,016
Financial liabilities				
Trade payables	12,936	12,936	-	-
Other payables and accruals (*)	1,643,159	1,643,159	-	-
Lease liabilities	171,863	171,863	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,827,958	1,827,958	-	-

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Classification of financial instruments (cont'd)

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

Classes of financial instruments	Total RM	AC RM	FVTPL RM	FVTOCI RM
Company				
31.12.2024				
Financial assets				
Investment in money market fund	711,390	-	711,390	-
Cash and bank balances	31,893	31,893	-	-
	743,283	31,893	711,390	-
Financial liabilities				
Other payables and accruals (*)	91,256	91,256	-	-
30.6.2023				
Financial assets				
Investment in money market fund	1,257,109	-	1,257,109	-
Cash and bank balances	126,254	126,254	1,257,109	-
	1,383,363	126,254	1,257,109	-
Financial liabilities				
Other payables and accruals (*)	46,419	46,419	-	-

(*) Excluding SST/GST payable.

The carrying amounts of cash and bank balances, receivables and payables approximate their fair values on the statements of financial positions of the Group and of the Company do not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled in a relatively short-term period except for investment in equity instrument and investment in money market fund which is carried at fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") respectively as disclosed in Note 32.2.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.2 Fair value hierarchy

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.12.2024				
FVTPL				
- Investment in money market fund	18,752,937	-	-	18,752,937
FVTOCI				
- Other investments	11,058,247	-	-	11,058,247
	29,811,184	-	-	29,811,184
30.6.2023				
FVTPL				
- Investment in money market fund	23,461,830	-	-	23,461,830
FVTOCI				
- Other investments	16,520,016	-	-	16,520,016
	39,981,846	-	-	39,981,846
Company				
31.12.2024				
FVTPL				
- Investment in money market fund	711,390	-	-	711,390
30.6.2023				
FVTPL				
- Investment in money market fund	1,257,109	-	-	1,257,109

There were no transfers between Level 1, Level 2 and Level 3 during the current and previous financial period/year.

The Group and the Company do not have any financial liabilities carried at fair value classified as above as at 31 December 2024 and 30 June 2023.

Fair value for investments is determined by reference to their published net asset values as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Financial risk management objectives and policies

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their interest rate risk, other price risk, liquidity risk, credit risk and foreign exchange risk. The Group and the Company operate within clearly defined guidelines that are approved by the directors and the Group's and the Company's policies are not to engage in speculative transactions. There has been no change to the Group's and to the Company's exposure to these financial risks or the manner in which they manage and measure the risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the financial year would not affect profit or loss.

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

	Group	
	31.12.2024 RM	30.6.2023 RM
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposits with licensed banks	10,901,365	-
	<hr/>	
<u>Financial liabilities</u>		
Lease liabilities	7,762,963	171,863

Sensitivity analysis for interest rate risk

Sensitivity analysis for fixed rate instruments is not presented as fixed rate instruments are not affected by changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Financial risk management objectives and policies (cont'd)

(b) Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market prices (other than interest rate).

The Group and the Company are exposed to market price risks arising from money market fund, which is quoted. This instrument is classified as financial asset designated at fair value through profit or loss. The fund investments of the Group and of the Company are managed by a reputable asset management company. All investment and redemption decisions are approved by Directors of the Group and of the Company.

Sensitivity analysis for other price risk

The following table details the sensitivity analysis to a reasonably possible change in the market prices of money market fund at the end of the reporting period, with all other variables held constant:

	Group		Company	
	31.12.2024 RM	30.6.2023 RM	31.12.2024 RM	30.6.2023 RM
Financial assets				
Investment in money market fund	18,752,937	23,461,830	711,390	1,257,109
Effects on Profit After Taxation and Equity				
Increase of 1%	142,522	178,310	5,407	9,554
Decrease of 1%	(142,522)	(178,310)	(5,407)	(9,554)

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. In the management of liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the Management to finance the Group's and the Company's operations and where required, and mitigate the effects of fluctuation in cash flows.

The Company's financial liabilities at the end of the reporting period either mature one year or are repayable on demand.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

The following table sets out the maturity profile of the Group's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows:

	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM	More than five years RM
Group						
31.12.2024						
Trade payables	-	5,181	5,181	5,181	-	-
Other payables and accruals	-	3,055,374	3,055,374	3,055,374	-	-
Lease liabilities	3.83 - 4.08	7,762,963	9,020,913	1,454,480	5,177,515	2,388,918
		10,823,518	12,081,468	4,515,035	5,177,515	2,388,918
30.6.2023						
Trade payables	-	12,936	12,936	12,936	-	-
Other payables and accruals	-	1,643,159	1,643,159	1,643,159	-	-
Lease liabilities	4.08	171,863	177,168	177,168	-	-
		1,827,958	1,833,263	1,833,263	-	-

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Financial risk management objectives and policies (cont'd)

(c) Liquidity risk (cont'd)

The following table sets out the maturity profile of the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows:

	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM	More than five years RM
Company						
31.12.2024						
Other payables and accruals	-	91,256	91,256	91,256	-	-
30.6.2023						
Other payables and accruals	-	46,419	46,419	46,419	-	-

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Financial risk management objectives and policies (cont'd)

(d) Credit risk

Credit risk arises when sales and services are made or provided on deferred credit terms. The Group and the Company seek to invest cash assets safely and profitably. They also seek to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. The Group and the Company consider the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of the related financial assets recognised on the statements of financial position.

Other financial assets of the Group and of the Company with exposure to credit risk include cash and cash equivalents which are placed with financial institutions with good standing. At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts recognised in the statements of financial position.

The exposure of credit risk for trade receivables as at the reporting period by geographic region was:

	Group	
	31.12.2024 RM	30.6.2023 RM
Malaysia	2,447,061	2,414,668
Hong Kong, China	1,021,746	810,413
Other countries	247,354	91,536
	<hr/>	<hr/>
	3,716,161	3,316,617

Significant concentration of credit risk

Trade receivables

The Group has significant exposure to several customers. At the reporting date, approximately 50% (30.6.2023: 75%) of the Group's trade receivables were due from 3 (30.6.2023: 7) major customers.

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Financial risk management objectives and policies (cont'd)

(d) Credit risk (cont'd)

Significant concentration of credit risk (cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	31.12.2024 RM	30.6.2023 RM
Neither past due nor impaired	3,313,221	1,514,303
1 to 30 days past due not impaired	230,773	1,028,145
31 to 60 days past due not impaired	149,170	477,748
61 to 90 days past due not impaired	22,291	296,421
More than 91 days past due not impaired	706	-
	402,940	1,802,314
	3,716,161	3,316,617

Receivables that are neither past due nor impaired

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

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM402,940 (30.6.2023: RM1,802,314) that are past due at the reporting date but not impaired. These are unsecured in nature.

(e) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal operating activities, where the currency denomination differs from the local currency, Ringgit Malaysia ("RM"). The Group's policies are to keep the foreign exchange exposure to an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Financial risk management objectives and policies (cont'd)

(e) Foreign currency risk (cont'd)

The net unhedged financial assets and financial liabilities of the Group that are not denominated in the functional currency is as follows:

Group	HKD RM	USD RM	AUD RM	SGD RM	CNY RM
31.12.2024					
Other investments	-	3,163,471	2,770,756	-	-
Trade and other receivables	1,021,746	-	-	247,354	15,782
Cash and cash equivalents	4,767,459	1,252,034	28	-	10,000
Total financial assets	5,789,205	4,415,505	2,770,784	247,354	25,782
Trade and other payables	(552,199)	-	-	-	(56,221)
Total financial liabilities	(552,199)	-	-	-	(56,221)
Net financial assets/(liabilities)	5,237,006	4,415,505	2,770,784	247,354	(30,439)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Financial risk management objectives and policies (cont'd)

(e) Foreign currency risk (cont'd)

The net unhedged financial assets and financial liabilities of the Group that are not denominated in the functional currency is as follows:

	HKD RM	USD RM	AUD RM	SGD RM	CNY RM
Group (cont'd)					
30.6.2023					
Other investments	-	3,961,643	3,088,592	-	-
Trade and other receivables	810,413	-	-	91,536	16,527
Cash and cash equivalents	825,948	11,921	272,239	-	53,042
Total financial assets	1,636,361	3,973,564	3,360,831	91,536	69,569
Trade and other payables	(718,148)	-	-	-	(3,666)
Total financial liabilities	(718,148)	-	-	-	(3,666)
Net financial assets	918,213	3,973,564	3,360,831	91,536	65,903

NOTES TO THE FINANCIAL STATEMENTS

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 Financial risk management objectives and policies (cont'd)

(e) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrated the sensitivity of the Group's profit after taxation to a reasonably possible change in Hong Kong Dollar, United States Dollar, Australian Dollar, Singapore Dollar and Chinese Renminbi and exchange rates against the functional currency of the Group, with all other variables held constant. The Group's profit after taxation would increase/(decrease), as applicable, by the amounts stated below if the individual foreign currency had strengthened/weakened by the following percentage:

	Change in currency rate %	31.12.2024 RM	Group 30.6.2023 RM
Hong Kong Dollar	10	398,012	69,784
United States Dollar	10	335,578	301,991
Australian Dollar	10	210,580	255,423
Singapore Dollar	10	18,799	6,957
Chinese Renminbi	10	(2,313)	5,009

33. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's abilities to continue as going concerns and to maintain optimal capital structures so as to maximise shareholder value. The Group's and the Company's policies are to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future business developments. The Group and the Company fund their operations and growth through internally generated funds.

The Management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

There were no change in the Group's and in the Company's approaches to capital management during the financial period/year ended 31 December 2024 and 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

33. CAPITAL MANAGEMENT (CONT'D)

The Group and the Company monitor capital using debt to equity ratio. The debt to equity ratio is calculated as total debts divided by total equity. The debt to equity ratio at 31 December 2024 and 30 June 2023 are as follows:

	Note	Group		Company	
		31.12.2024 RM	30.6.2023 RM	31.12.2024 RM	30.6.2023 RM
Lease liabilities	19	7,762,963	171,863	-	-
Total debts		7,762,963	171,863	-	-
Total equity		57,067,861	49,581,879	14,495,188	15,184,515
Debt to equity ratio		13.60%	0.35%	Not applicable	Not applicable

34. SIGNIFICANT AND SUBSEQUENT EVENTS

34.1 Take over and mergers

On 17 January 2024, the Company received unconditional mandatory take-over offer by Dato' Seow Gim Shen, Metaco Asset Holdings Sdn. Bhd. and Bemas Holdings Sdn. Bhd. (collectively, the "Joint Offeror(s)") through UOB Kay Hian Securities (M) Sdn. Bhd. ("UOBKH") ("Offer") to acquire an aggregate of 92,274,561 ordinary shares of the Company, representing 53.27% of the total issued shares in the Company (excluding treasury shares) from 3 existing shareholders of the Company, for a total cash consideration of RM78,433,377 or RM0.85 per share (excluding brokerage and other incidental costs).

Pursuant to subsection 218(2) of the Capital Markets and Services Act 2007 ("CMSA") and Paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia ("Rules"), the Joint Offerors are obliged to extend an unconditional mandatory take-over offer to acquire all the remaining 80,941,272 ordinary shares, representing approximately 46.73% of the total issued shares of the Company (excluding treasury shares) not already held by the Joint Offerors and persons acting in concert with them for a total cash consideration of RM68,800,081 or RM0.85 per share ("Offer").

The Offer was extended on 7 February 2024 and closed on 28 February 2024. The Joint Offerors had further acquired 7,734 ordinary shares of the Company, representing 0.01% of the total issued shares in the Company under the Offer.

On 19 January 2024, in accordance with paragraph 3.06 of the Rules, the Board had appointed MainStreet Advisers Sdn. Bhd. as the Independent Adviser to provide comments, opinion, information and recommendation on the Offer to the non-interested Directors of the Company and the holders of the Offer Shares.

NOTES TO THE FINANCIAL STATEMENTS

34. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

34.2 Cybersecurity audit

On 1 November 2024, the Company has appointed LE Global Services Sdn. Bhd, a subsidiary of LGMS Berhad, an independent cybersecurity audit firm to reaffirm the Group's data has been secured from any breaches as a pre-emptive measure to further strengthen data security, reaffirming the Company's commitment to safeguarding confidential information and future-proofing its security protocols.

The independent cybersecurity audit was completed on 6 January 2025, which found no breaches in the Group's data security.

34.3 Interim dividend declared on 10 January 2025

The Directors recommended and approved the second interim single tier dividend of 2.5 sen per ordinary share, declared on 10 January 2025 and paid on 18 February 2025 in respect of the financial period ended 31 December 2024 amounting to RM4,330,396.

34.4 Renewal of Outsourcing Services Agreement

Great Eastern Takaful Berhad has renewed the Outsourcing Services Agreement with Rexit Software Sdn. Bhd., a wholly-owned subsidiary of the Company, for 2 years, from 1 January 2025 to 31 December 2026.

35. COMPARATIVE FIGURES

- (a) The comparative figures are derived from financial statements audited by a firm of chartered accountants other than Nexia SSY PLT.
- (b) The comparative figures have been reclassified to conform with the presentation of the current financial period.

Statement of financial position as at 30 June 2023

Group	As previously stated RM	Reclassification RM	As restated RM
Property, plant and equipment	4,981,104	(167,057)	4,814,047
Right-of-use assets	-	167,057	167,057

- (c) During the current financial year, the Company changed its financial year end from 30 June to 31 December. Accordingly, the comparative figures for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and the related notes are for twelve months from 1 July 2022 to 30 June 2023 and are therefore not comparable.

STATEMENT BY DIRECTORS

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

We, **Chua Oou Chuan** and **Wong Tack Heng**, being two of the Directors of **Rexit Berhad**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 57 to 127 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the 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, dated 16 April 2025.

Chua Oou Chuan
Director

Wong Tack Heng
Director

Selangor

STATUTORY DECLARATION

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

I, **Chan Shih Fei**, being the officer primarily responsible for the financial management of **Rexit Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 57 to 127 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed **Chan Shih Fei** at Petaling Jaya in the state of Selangor on 16 April 2025.

Chan Shih Fei

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of Rexit Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rexit Berhad, which comprise the statements of financial position as at 31 December 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 57 to 127.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT

To the Members of Rexit Berhad

Key Audit Matters

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

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

Revenue recognition

The Group's revenue recognised for the financial period ended 31 December 2024 is amounting to RM48,286,977, as disclosed in Note 22 to the financial statements.

Key audit matters	Our response
<p>We determined this to be a key audit matter because of the complexity, judgement and estimates involved relating to the revenue recognition for software-based activities.</p> <p>This includes identifying the multiple-element arrangements, determine the performance obligations of those arrangements, and the timing of revenue recognition.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none">(a) Assessed the effectiveness of internal controls implemented by the management regarding revenue recognition;(b) Obtained and reviewed relevant contracts to gain an understanding of the nature, elements and terms of contracts impacting revenue recognition;(c) Identified, evaluated and assessed the reasonableness of estimates and judgements used in recognising revenue arising from software-based activities;(d) Tested the occurrence and accuracy of revenue transactions to supporting documentary evidence; and(e) Engaged in discussions with the management to identify contractual arrangements that are significantly different from the usual terms and arrangement.

INDEPENDENT AUDITORS' REPORT

To the Members of Rexit Berhad

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information included in the 2024 Annual Report. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control which were obtained prior to the date of this auditors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The other sections of the other information included in the 2024 Annual Report are expected to be made available to us subsequently.

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT

To the Members of Rexit Berhad

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

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of Rexit Berhad

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 the subsidiary of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

- (a) The financial statements of Rexit Berhad for the financial period ended 30 June 2023 were audited by another auditor, who has expressed an unmodified opinion on those statements on 12 October 2023.
- (b) This report is made solely to the Members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Nexia SSY PLT
201906000679 (LLP0019490-LCA) & AF 002009
Chartered Accountants

Yong Yoon Shing
No. 00633/03/2027 J
Chartered Accountant

Shah Alam
16 April 2025

DETAILS OF LANDED PROPERTY

As at 31 December 2024

Proprietor	:	Rexit Solutions Sdn Bhd
Address	:	42, Jalan BM 1/2, Taman Bukit Mayang Emas, 47301 Petaling Jaya, Selangor Darul Ehsan
Description of Property/ Existing Use	:	A 3-storey shop office/ Own use
Total Land Area	:	368.4 sq m
Total Build-up Area	:	923.14 sq m
Tenure/ Expiry of lease (if any)	:	Freehold
Category of Land Use (if any)	:	N/A
Approximate Age of the Building	:	30 years
Net Book Value @ 31.12.2024	:	RM1,943,353
Date of Last Revaluation	:	30 August 2001

ANALYSIS OF SHAREHOLDINGS

As at 10 April 2025

Number of Issued Shares	189,333,333 Ordinary Shares (Inclusive of 16,117,500 Treasury Shares)
Class of Shares	Ordinary shares
Voting Rights	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	68	2.96	2,053	0.00
100 - 1,000	582	25.36	209,937	0.12
1,001 - 10,000	1,028	44.79	5,410,932	3.12
10,001 - 100,000	515	22.44	16,730,249	9.66
100,001 and to less than 5% of issued shares	98	4.27	40,068,567	23.13
5% and above of issued shares	4	0.17	110,794,095	63.96
Total	2,295	100.00	173,215,833	100.00

LIST OF TOP 30 LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
1. DATO' SEOW GIM SHEN	40,413,445	23.33
2. METACO ASSET HOLDINGS SDN. BHD.	31,178,850	18.00
3. BEMAS HOLDINGS SDN. BHD.	20,690,000	11.94
4. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR KUAH HUN LIANG (PB)	18,511,800	10.69
5. CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR SEOW LUN HOO @ SEOW WAH CHONG (PB)	4,621,600	2.67
6. CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOK TUCK CHEONG (MY3781)	2,250,000	1.30
7. MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG MING TAK	2,076,700	1.20
8. CHAY WEEI JYE @ SEH WEI JET	1,628,300	0.94
9. CHOONG CHOON HAU	1,600,000	0.92
10. LOW CHU MOOI	1,592,400	0.92

ANALYSIS OF SHAREHOLDINGS

LIST OF TOP 30 LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
11.	TANG ZHEN SHENG	1,090,000	0.63
12.	GAN KHO @ GAN HONG LEONG	941,800	0.54
13.	STANLEY NG SWEE CHIN	857,000	0.49
14.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG SING ANG	816,200	0.47
15.	KUAH CHIN HOWE	751,700	0.43
16.	TEOH HUEY PIN	685,700	0.40
17.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR NG CHIEN LI (PB)	642,900	0.37
18.	BRYNNER CHIAM ZET HAN	633,900	0.37
19.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR SIM ZHI AN	596,300	0.34
20.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. LOW CHEE YEAP	569,600	0.33
21.	BRYNNER CHIAM ZET HAN	565,000	0.33
22.	TEH KIN HOOI	535,000	0.31
23.	TEH KIN HING	533,000	0.31
24.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE KHANG CHIA	530,700	0.31
25.	TIANG BOON HWA	530,400	0.31
26.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KUAN LOYE MING (7000437)	514,400	0.30
27.	ONG MEI HOON	472,000	0.27
28.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOH CHUN SEAN (8060553)	466,300	0.27
29.	STANLEY NG SWEE CHIN	465,600	0.27
30.	LIM YEE FEI	431,000	0.25

ANALYSIS OF SHAREHOLDINGS

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct Shareholding		Indirect Shareholding	
	No. of Shares	%	No. of Shares	%
Dato' Seow Gim Shen	40,413,445	23.33	0	0.00
Metaco Asset Holdings Sdn. Bhd.	31,178,850	18.00	0	0.00
Kong Chien Hoi	0	0.00	31,178,850 ^(a)	18.00
Leow Kian Yong	0	0.00	31,178,850 ^(a)	18.00
Chan Chau Loong	0	0.00	31,178,850 ^(a)	18.00
Bemas Holdings Sdn. Bhd.	20,690,000	11.94	0	0.00
Chung Ching Chi	0	0.00	20,690,000 ^(b)	11.94
Kuah Hun Liang	18,511,800	10.69	0	0.00

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct Shareholding		Indirect Shareholding	
	No. of Shares	%	No. of Shares	%
Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz	0	0.00	0	0.00
Wong Tack Heng	0	0.00	0	0.00
Chua Oou Chuan	0	0.00	0	0.00
Teoh Wei Yee	0	0.00	0	0.00
Seow Jing Hui	0	0.00	0	0.00
Amarjeet Kaur A/P Ranjit Singh	0	0.00	0	0.00

Notes:

- (a) Deemed interested by virtue of his shareholding in Metaco Asset Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 ("the Act").
- (b) Deemed interested by virtue of her shareholding in Bemas Holdings Sdn. Bhd. pursuant to Section 8(4) of the Act.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth (20th) Annual General Meeting (“AGM”) of the Company will be held at Hall 1, The Bousteador, 10, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 27 May 2025 at 9.00 a.m. for the following purposes: -

AGENDA

AS ORDINARY BUSINESS:

- | | |
|--|---|
| 1. To receive the Audited Financial Statements for the financial period ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. | <i>Please refer to Explanatory Note (1)</i> |
| 2. To re-elect Ms. Amarjeet Kaur A/P Ranjit Singh who retires pursuant to Article 131 of the Company’s Constitution and being eligible, offers herself for re-election. | Resolution 1 |
| 3. To elect the following Directors who retire pursuant to Article 116 of the Company’s Constitution and being eligible, offer themselves for re-election:- | |
| (a) Tengku Tan Sri Dato’ Haji Mohamad Rizam Bin Tengku Abdul Aziz | Resolution 2 |
| (b) Chua Oou Chuan | Resolution 3 |
| (c) Wong Tack Heng | Resolution 4 |
| (d) Teoh Wei Yee | Resolution 5 |
| (e) Seow Jing Hui | Resolution 6 |
| 4. To approve and ratify the additional payment of Directors’ fees of up to RM596,226 and Directors’ benefits of up to RM16,200 respectively which was in excess of the earlier approved amount for the period commencing from 29 November 2023 until the conclusion of 20th AGM of the Company. | Resolution 7 |
| 5. To approve the payment of Directors’ fees of up to RM660,000 and Directors’ benefits of up to RM24,000 from 28 May 2025 until the next AGM of the Company. | Resolution 8 |
| 6. To re-appoint Nexia SSY PLT as Auditors of the Company for the ensuing year and to authorise the Directors to determine their remuneration. | Resolution 9 |

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolutions:-

7. **Ordinary Resolution - Authority to Issue and Allot Shares Pursuant to Section 75 and Section 76 of the Companies Act 2016** Resolution 10

"THAT, subject to the Companies Act 2016 ("the Act"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other governmental/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Section 75 and Section 76 of the Act, to issue shares in the Company, from time to time and upon such terms and conditions and for such purposes the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate of number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND FURTHER THAT pursuant to Section 85 of the Act read together with Article 49 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Act AND THAT the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company"

8. **Ordinary Resolution - Proposed Renewal of Authority for the Purchase by the Company of its own Shares** Resolution 11

"THAT subject to the Act, the Constitution of the Company, the Listing Requirements of Bursa Securities for the ACE Market and the approval of such relevant governmental and/or regulatory authorities where necessary, the Company be and is hereby authorised to purchase its own shares ("Shares") on the ACE Market of Bursa Securities at any time, upon such terms and conditions as the Directors shall in their discretion deem fit and expedient in the best interests of the Company provided that:

- (a) the aggregate number of Shares which may be purchased pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of purchase; and
- (b) the maximum funds to be allocated by the Company for the purchase of Shares shall not exceed the total retained profits of the Company at the time of the said purchase;

NOTICE OF ANNUAL GENERAL MEETING

THAT, upon the purchase by the Company of its own Shares, the Board be and are hereby authorised to:-

- (i) cancel all or part of the Shares so purchased; and/or
- (ii) retain all or part of the Shares so purchased as Treasury Shares; and/or
- (iii) distribute the Treasury Shares as share dividends to the Company's shareholders for the time being and/or resell the Treasury Shares on Bursa Securities.

THAT, such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company at which time the authority shall lapse unless by 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 is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first, but not so as to prejudice the completion of purchase by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any other relevant authority;

AND THAT, authority be and is hereby given to the Directors of the Company and/or any one of them to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company, including executing all such documents as may be required or necessary and with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as the Directors in their discretion deem it and expedient to give effect to the aforesaid purchase contemplated and/or authorised by this Ordinary Resolution."

- 9. To transact any other business for which due notice shall have been given.

By Order of the Board

WONG MEE KIAT (MAICSA 7058813) (PC NO. 202008001958)

LIM LI HEONG (MAICSA 7054716) (PC NO. 202008001981)

LIM YEN TENG (LS 0010182) (PC NO. 201908000028)

Company Secretaries

Dated: 30 April 2025

NOTICE OF ANNUAL GENERAL MEETING

Notes:-

- (i) Only members whose names appear in the Record of Depositors as at 20th May 2025 will be entitled to attend and vote at the Meeting.
- (ii) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two proxies, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- (iii) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 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.
- (iv) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
- (v) The instrument appointing a proxy shall be deposited at the Share Registrar of the Company at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.
- (vi) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to a vote by way of a poll.

Explanatory Notes

1. Agenda 1 - Audited Financial Statements and the Reports of the Directors and Auditors

Agenda item no. 1 is meant for discussion only. The provisions of Section 340(1)(a) of the Act and the Constitution of the Company require that the Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such, this agenda item is not a business which requires a resolution to be put to vote by shareholders.

2. Resolutions 1 to 6 - Re-election of Directors

Article 131 of the Company's Constitution provides that an election of Directors shall take place each year at the AGM of the Company where one third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and be eligible for re-election. Provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Ms. Amarjeet Kaur A/P Ranjit Singh is standing for re-election as Director of the Company by rotation in accordance with Article 131 of the Company's Constitution, and being eligible, has offered herself for re-election.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes (cont'd)

2. Resolutions 1 to 6 - Re-election of Directors (cont'd)

Article 116 of the Company's Constitution provides that any Director appointed as an addition to the existing Board of Directors shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz, Mr. Chua Oou Chuan, Mr. Wong Tack Heng, Mr. Teoh Wei Yee and Ms. Seow Jing Hui were appointed as Directors during the financial period.

The Board through its Nominating Committee had assessed the Directors and agreed that they meet the criteria as prescribed by Rule 2.20A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors.

The profiles of the Directors standing for re-election and their nature and extent of any conflict of interest or potential conflict of interest, including interest in any competing business, that their have with the Company or its subsidiaries are set out in the Annual Report 2024.

The details of their interest in the securities of the Company are set out in the Analysis of Shareholdings which appear on the pages 135 to 137 of this Annual Report

3. Resolution 7 - Additional Payment of Directors' fees and benefits

At the 19th AGM of the Company held on 28 November 2023, the shareholders had approved the payment of Directors' fees of up to RM144,000 and Directors' benefits of up to RM8,000 payable to the Directors of the Company for the period from 29 November 2023 to 20th AGM of the Company.

The revised total Directors' fees and benefits incurred amounted to RM740,226 and RM24,200, respectively. The request for the additional amount of RM612,426 is required due to changes in the Board composition following the completion of the Unconditional Mandatory Take-Over, as well as the need for additional meetings arising from the prolonged financial year end.

4. Resolution 8 - Payment of Directors' fees and benefits

Pursuant to Section 230(1) of the Act, fees and benefits payable to the Directors of the Company will have to be approved by the shareholders at a general meeting. The Company is requesting shareholders' approval for the payment of fees and benefits for the period commencing 28 May 2025 up till the next AGM of the Company in 2026. The benefits comprise of meeting allowances payable to Directors.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes (cont'd)

5. Resolution 9 - Re-appointment of Auditors

Nexia SSY PLT has met the criteria prescribed under the Rule 15.21 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and indicated their willingness to continue their services for the next financial year. The Board and Audit and Risk Management Committee had recommended the re-appointment of Nexia SSY PLT for the financial year ending 31 December 2025.

6. Resolution 10 - Authority to Issue and Allot Shares Pursuant to Section 75 and 76 of the Companies Act 2016 and Waiver of Pre-Emptive Rights under Section 85 of the Companies Act 2016

Pursuant to Section 75 and Section 76 of the Act, the Proposed Resolution 7, if passed, will give the Directors of the Company from the date of the above meeting, authority to issue and allot ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the best interest of the Company provided that the aggregate of number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being. The authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Act shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Act and Article 49 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Act and Article 49 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Act, which will result in a dilution to their shareholding percentage in the Company.

The Company is seeking approval from shareholders on the renewal of the above mandate for the purpose of possible fund-raising exercise including but not limited to further placement of shares for working capital requirements. The Company did not exercise the mandate given by the shareholders at the 19th AGM held on 28 November 2023.

7. Resolution 11 - Proposed Renewal of Authority for Share Buy-Back

The Proposed Resolution 11, if passed, will empower the Company to purchase up to 10% of its total number of issued shares by utilising the funds allocated which shall not exceed the total retained earnings of the Company. Further information on the Proposed Share Buy-Back is set out in the Statement to Shareholders dated 30 April 2025, which can be downloaded from www.rexit.com.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the annual general meeting and/or any adjournment thereof, a member of the Company:

- (a) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the annual general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the annual general meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (b) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the Purposes; and
- (c) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (pursuant to Rule 8.29(2), Appendix 8A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

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

There are no individuals who are standing for election as Directors.

2. General mandate for issue of securities in accordance with Rule 6.04(1) of the Listing Requirements of Bursa Malaysia Securities Berhad

The Company will seek shareholders' approval on the general meeting for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the Proposed Ordinary Resolution 10 as stated in Notice of 20th Annual General Meeting of the Company for details.

ADMINISTRATIVE GUIDE

For the 20th Annual General Meeting ("AGM")

Day & Date : Tuesday, 27 May 2025
Time : 9.00 a.m.
Venue : Hall 1, The Bousteador, 10, Jalan PJU 7/6,
Mutiara Damansara, 47800 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

1. ELIGIBILITY TO ATTEND

Only a shareholder whose name appears on the Record of Depositor as at 20 May 2025 shall be entitled to attend or appoint proxy(ies) to attend and/or vote on his/her behalf.

2. REFRESHMENT, NO DOOR GIFTS OR FOOD VOUCHERS

Light refreshment will be provided. There will be no door gifts or food vouchers provided to shareholders, proxies and invited guests who attend the 20th AGM.

3. REGISTRATION ON THE DAY OF THE 20TH AGM

Registration will start at 8.30 a.m. at Hall 1, The Bousteador, 10, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

Original MyKad or passport is required to be presented during registration for verification. You will not be allowed to register on behalf of another person even with the original MyKad or passport of that person.

Upon verification of your NRIC or passport and signing of attendance list, you will be given an identification wristband to enter the meeting room. There will be no replacement of wristband in the event that it is lost or misplaced.

Please note that you will only be allowed to enter the meeting hall if you are wearing the identification wristband.

4. POLL VOTING

The voting at the 20th AGM will be conducted by poll in accordance with Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

5. APPOINTMENT OF PROXY

The appointment of proxy may be made in hard copy form. The Proxy Form must be deposited with the Company's Share Registrar at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.

ADMINISTRATIVE GUIDE

6. If you have any enquiries on the above, please contact our Share Registrar, GAP Advisory Sdn. Bhd. during office hours (from 9.00 a.m. to 5.30 p.m.) on Mondays to Fridays (except on public holidays). The contact information as follows:

GAP Advisory Sdn. Bhd.

Tel : 603 2181 0516
Email : ir.shareregistry@gapadvisory.my
Contact Person : Ms. Fadhilatun Nur binti Yahaya (fadhilatun@gapadvisory.my)
Mr. Muzaffar bin Abu Bakar (muzaffar@gapadvisory.my)

REXIT BERHAD

Registration No.: 200401029606 (668114-K)
(Incorporated in Malaysia)

FORM OF PROXY

I/We _____ (NRIC No. _____)
(Full name in block letters)

of _____

being a member/members of REXIT BERHAD, hereby appoint _____
(Full name in block letters)

(NRIC No. _____) of _____

or failing him, _____ (NRIC No. _____)
(Full name in block letters)

of _____

or failing him, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the Twentieth (20th) Annual General Meeting of the Company to be held at Hall 1, The Bousteador, 10, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 27 May 2025 at 9.00 a.m. and at any adjournment thereof, in the manner indicated below:-

RESOLUTIONS	FOR	AGAINST
1 To re-elect Ms. Amarjeet Kaur A/P Ranjit Singh who retires in accordance with Article 131 of the Company's Constitution.		
2 To re-elect Tengku Tan Sri Dato' Haji Mohamad Rizam Bin Tengku Abdul Aziz who retires in accordance with Article 116 of the Company's Constitution.		
3 To re-elect Mr. Chua Oou Chuan who retires in accordance with Article 116 of the Company's Constitution.		
4 To re-elect Mr. Wong Tack Heng who retires in accordance with Article 116 of the Company's Constitution.		
5 To re-elect Ms. Seow Jing Hui who retires in accordance with Article 116 of the Company's Constitution.		
6 To re-elect Mr. Teoh Wei Yee who retires in accordance with Article 116 of the Company's Constitution.		
7 To approve and ratify the additional payment of Directors' fees of up to RM596,226 and Directors' benefits of up to RM16,200 respectively for the period from 29 November 2023 to 27 May 2025.		
8 To approve the payment of Directors' fees and Directors' benefits from 28 May 2025 until the next Annual General Meeting of the Company.		
9 To re-appoint Nexia SSY PLT as Auditors of the Company and to authorise the Directors to determine their remuneration.		
10 To approve the authority to issue shares pursuant to Section 75 and Section 76 of the Company Act 2016 and Waiver of Pre-Emptive Rights under Section 85 of the Company Act 2016.		
11 To approve the renewal of authority to purchase its own shares by the Company.		

Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

<p>If appointment of proxy is under hand</p> <p>Signed by *individual member/*officer or attorney of member/*authorised nominee of (beneficial owner)</p>	<p>No. of Shares held : _____</p> <p>Securities Account No: _____</p> <p>(CDS Account No.) (Compulsory)</p> <p>Date : _____</p>	<p>The proportions of my/our holding to be represented by my/our proxies are as follows:-</p> <p>First Proxy</p> <p>No. of Shares : _____</p> <p>Percentage : _____ %</p>
<p>If appointment of proxy is under seal</p> <p>The Common Seal of _____</p> <p>was hereto affixed in accordance with its Articles of Association in the presence of :-</p> <p>Director _____ Director/Secretary _____</p> <p>in its capacity as *member/*attorney of member/*authorised nominee of (beneficial owner)</p>	<p style="text-align: center;">Seal</p> <p>No. of Shares held : _____</p> <p>Securities Account No : _____</p> <p>(CDS Account No.) (Compulsory)</p> <p>Date : _____</p>	<p>Second Proxy</p> <p>No. of Shares : _____</p> <p>Percentage : _____ %</p>

Notes:-

- (i) Only members whose names appear in the Record of Depositors as at 20th May 2025 will be entitled to attend and vote at the Meeting.
- (ii) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two proxies, the appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
- (iii) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 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.
- (iv) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.
- (v) The instrument appointing a proxy shall be deposited at the Share Registrar of the Company at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.
- (vi) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to a vote by way of a poll



* Please strike out whichever inapplicable.

Fold this flap for sealing

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STAMP

The Share Registrar

**REXIT BERHAD
REGISTRATION NO.: 200401029606 (668114-K)
E-10-4, MEGAN AVENUE 1,
189, JALAN TUN RAZAK,
50400 KUALA LUMPUR**

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Rexit Berhad

200401029606 (668114-K)

Subsidiary companies:

Rexit Software Sdn Bhd

Rexit Solutions Sdn Bhd

Rexit (M) Sdn Bhd

Rexit Software (Guangzhou) Co Ltd

Rexit International Sdn Bhd

Reward-Link.com Sdn Bhd

www.rexit.com