TECHSTORE BERHAD

(Registration No. 202401003419 (1549269-M))
(Incorporated in Malaysia under the Companies Act 2016)

Unaudited Interim Financial Report

For The Fourth Quarter Ended 31 December 2025

M & A Securities Sdn Bhd ("**M&A**"), being the Sponsor, was responsible for the admission of TechStore Berhad to the ACE Market of Bursa Malaysia Securities Berhad on 18 February 2025. M&A assumes no responsibility for the contents of the unaudited interim financial report for the fourth quarter ended 31 December 2025.

TECHSTORE BERHAD
(Registration No. 202401003419 (1549269-M))
(Incorporated In Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025 (CONT'D)

UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME[1]

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Unaudited	Unaudited	Unaudited	Audited
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	A9	19,734	23,555	73,334	62,281
Cost of sales		(10,119)	(17,961)	(46,561)	(48,190)
Gross profit ("GP")		**9,615**	**5,594**	**26,773**	**14,091**
Other income		(2,040)	1,463	1,180	3,814
Administrative expenses		(2,241)	(2,109)	(9,653)	(7,708)
Other expenses		(343)	(409)	(1,486)	(793)
Operating profit		**4,991**	**4,539**	**16,814**	**9,404**
Finance costs		(580)	(626)	(2,153)	(1,770)
Reversal of impairment losses on financial assets		207	360	207	1,046
Profit before taxation ("PBT")	B5	**4,618**	**4,273**	**14,868**	**8,680**
Income tax expense	B6	(1,569)	(1,509)	(5,015)	(2,392)
Profit after taxation ("PAT")/ Total comprehensive income for the period		**3,049**	**2,764**	**9,853**	**6,288**
PAT/ Total comprehensive income attributable to:					
Owners of the Company		3,049	2,764	9,853	6,288
Earnings per Share ("EPS")	B7				
- Basic/diluted (sen)[2]		0.6	0.7	2.0	1.7

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UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME[1] (CONT'D)

Notes:

(1) The basis of preparation of this unaudited consolidated statements of profit or loss and other comprehensive income are detailed in Note A1 of this report and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 as disclosed in the Annual Report of TechStore Berhad ("**Company**") and its subsidiaries ("**Group**") ("**Annual Report**") and the accompanying explanatory notes attached to this interim financial report.

(2) The basic EPS for the financial year ended 31 December 2025 is calculated based on the PAT attributable to owners of the Company divided by the Company's enlarged share capital of 500,000,000 shares after its initial public offering ("**IPO**") and listing on the ACE Market of Bursa Securities ("**Listing**"). Basic EPS for the financial year ended 31 December 2024 is calculated based on the PAT attributable to owners of the Company divided by the Company's share capital of 375,000,000 shares as at 31 December 2024, which is prior to the Company's IPO involving the issuance of 125,000,000 new ordinary shares in conjunction with its Listing. The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible securities at the end of the current financial quarter and financial year-to-date under review.

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UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025[(1)]

	Unaudited As at 31.12.2025 RM'000	Audited As at 31.12.2024 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	3,590	2,319
Right-of-use assets	2,975	2,190
Intangible assets	1,772	2,279
Finance lease receivables	18,039	30,470
Goodwill	1,322	1,322
Deferred tax assets	834	834
Total non-current assets	**28,532**	**39,414**
Current Assets		
Contract costs assets	842	731
Inventories	1,360	2,330
Trade receivables	8,101	13,878
Finance lease receivables	7,772	2,214
Other receivables, deposits and prepayments	3,682	4,902
Contract assets	19,702	24,023
Short-term investments	12,525	-
Fixed deposits with licensed banks	4,571	3,676
Cash and bank balances	27,140	9,312
Total current assets	**85,695**	**61,066**
TOTAL ASSETS	**114,227**	**100,480**
EQUITY AND LIABILITIES		
Equity		
Share capital	55,413	32,063
Reorganisation deficit	(20,063)	(20,063)
Retained profits	36,213	26,360
Total equity	**71,563**	**38,360**
Non-current Liabilities		
Lease liabilities	41	63
Long-term borrowings	17,299	28,027
Total non-current liabilities	**17,340**	**28,090**

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025[1] (CONT'D)

	Unaudited	Audited
	As at 31.12.2025	**As at 31.12.2024**
	RM'000	**RM'000**
Current Liabilities		
Trade payables	11,620	19,878
Other payables and accruals	1,655	2,476
Contract liabilities	677	1,107
Amount owing to a related party	807	907
Lease liabilities	140	142
Short-term borrowings	8,310	8,767
Current tax liabilities	2,115	753
Total current liabilities	**25,324**	**34,030**
TOTAL LIABILITIES	**42,664**	**62,120**
TOTAL EQUITY AND LIABILITIES	**114,227**	**100,480**
Net assets per ordinary share[2] (sen)	14.3	10.2

Notes:

(1) The basis of preparation of this unaudited consolidated statements of financial position are detailed in Note A1 of this report and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

(2) Net assets per ordinary share as at 31 December 2024 is computed based on the Company's share capital of 375,000,000 shares as at 31 December 2024, which is prior to the Company's IPO involving the issuance of 125,000,000 new ordinary shares in conjunction with its Listing. Net assets per ordinary share as at 31 December 2025 is computed based on the Company's share capital of 500,000,000 shares as at 31 December 2025 after the Company's IPO.

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY[1]

	Share capital RM'000	Invested equity RM'000	Reorganisation deficit RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2024	-	12,000	-	20,072	32,072
PAT/Total comprehensive income for the financial year	-	-	-	6,288	6,288
Contributions by owners of the Company:-					
Issuance of shares:					
- Upon incorporation of the Company	[2]*	-	-	-	[2]*
- Upon acquisition of a subsidiary	32,063	(12,000)	(20,063)	-	-
	32,063	(12,000)	(20,063)	-	-
At 31 December 2024/1 January 2025 (audited)	**32,063**	**-**	**(20,063)**	**26,360**	**38,360**
PAT/Total comprehensive income for the financial period	-	-	-	9,853	9,853
Issuance of shares pursuant to Initial Public Offering	25,000	-	-	-	25,000
Share issuance expenses	(1,650)	-	-	-	(1,650)
	23,350	-	-	9,853	33,203
At 31 December 2025 (unaudited)	**55,413**	**-**	**(20,063)**	**36,213**	**71,563**

Notes:

(1) The basis of preparation of this unaudited consolidated statements of changes in equity are detailed in Note A1 of this report and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

(2) Represents less than RM1,000.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS[1]

	Unaudited Current Year-to-date 31.12.2025 RM'000	Audited Preceding Year Corresponding Year-to-date 31.12.2024 RM'000
Cash flows from operating activities		
Profit before taxation	14,868	8,680
Adjustments for:		
Amortisation of intangible assets	507	212
Depreciation of property, plant and equipment	471	366
Depreciation of right-of-use assets	168	177
Impairment losses on contract assets	-	62
Impairment losses on trade receivables	-	329
Interest expenses	2,138	1,754
Interest expenses on lease liabilities	15	17
Property, plant and equipment written off	2	-
Unrealised gain on foreign exchange	-	(37)
Gain on reassessment of leases	(4)	(4)
Gain on derecognition of leases	-	(2)
Gain on disposal of property, plant and equipment	(35)	-
Interest income	(843)	(230)
Interest income on finance lease receivables	(3,345)	(2,955)
Reversal of impairment losses on trade receivables	(207)	(1,438)
Operating profit before working capital changes	**13,735**	**6,931**
Changes in working capital:		
Increase in contract costs asset	(112)	(731)
Decrease/(Increase) in contract assets	4,321	(1,334)
(Decrease)/Increase in contract liabilities	(429)	1,107
Decrease/(Increase) in inventories	970	(601)
Decrease/(Increase) in trade and other receivables	7,204	(1,372)
Decrease in finance lease receivables	10,218	5,271
Decrease in trade and other payables	(9,080)	(273)
(Decrease)/Increase in amount owing to a related party	(100)	915
Cash generated from operations	26,727	9,913
Interest paid	(412)	(274)
Income tax paid	(3,676)	(3,085)
Tax refunded	24	-
Net cash from operating activities	**22,663**	**6,554**

	Unaudited Current Year-to-date	Audited Preceding Year Corresponding Year-to-date
	31.12.2025	**31.12.2024**
	RM'000	**RM'000**
Cash flows for investing activities		
Purchase of intangible assets	-	(2,487)
Purchase of property, plant and equipment	(1,105)	(828)
Net cash outflows from acquisition of a subsidiary	-	(163)
(Additions to)/Withdrawal of pledged fixed deposits with licensed bank	(895)	764
Interest income received	843	230
Net cash for investing activities	**(1,157)**	**(2,484)**
Cash flows from financing activities		
Drawdown of bankers' acceptances	-	2,873
Drawdown of hire purchase payables	457	3,063
Interest paid	(1,741)	(1,498)
Net proceeds from issuance of shares	23,350	(2)*
Repayment of bankers' acceptances	(415)	(3,181)
Repayment of hire purchase payables	(879)	(80)
Repayment of invoice financing	-	(3,050)
Repayment of lease liabilities	(137)	(145)
Repayment of term loans	(11,788)	(6,431)
Net cash from / (for) financing activities	**8,847**	**(8,449)**
Net increase/(decrease) in cash and cash equivalents	30,353	(4,379)
Effect of foreign exchange translation	-	37
Cash and cash equivalents at beginning of financial year	9,312	13,654
Cash and cash equivalents at end of financial year	**39,665**	**9,312**
Represented by:		
Short-term investments	12,525	-
Fixed deposits with licensed banks	4,571	3,675
Cash and bank balances	27,140	9,312
	44,236	**12,987**
Less: Fixed deposits pledged to licensed banks	(4,571)	(3,675)
	39,665	**9,312**

Notes:

(1) The basis of preparation of this unaudited consolidated statements of cash flows are detailed in Note A1 of this report and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

(2) Represents less than RM1,000.

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

This interim financial report of the Group is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("**MFRS**") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("**MASB**") and Rule 9.22 and Appendix 9B of the Listing Requirements.

This interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 as disclosed in the Annual Report. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2024.

A2. Significant Accounting Policies

The accounting policies and the methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2024.

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The initial application of the above Standards is not expected to have any material impact to the consolidated financial statements of the Group upon adoption.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical trend during the current financial quarter and financial year-to-date under review.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial year-to-date under review.

A6. Material Changes in Accounting Estimates

There were no changes in accounting estimates that have a material effect to the Group in the current financial quarter and financial year-to-date under review.

A7. Debt and Equity Securities

In conjunction with the Company's Listing, the Company issued 125,000,000 new shares at an issue price of RM0.20 per share via public issue ("**IPO Shares**") that were allocated in the following manner:

(i) 25,000,000 IPO Shares were issued to the Malaysian public;
(ii) 25,000,000 IPO Shares were issued to our eligible directors and employees, and other persons who have contributed to the success of the Group;
(iii) 62,500,000 IPO Shares were issued by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry; and
(iv) 12,500,000 IPO Shares were issued by way of private placement to selected investors.

Pursuant thereto, the Company was admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital of 500,000,000 shares were listed and quoted on the ACE Market of Bursa Securities on 18 February 2025.

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter and financial year-to-date under review.

A8. Dividend Paid

There was no dividend paid by the Company during the current financial quarter and financial year-to-date under review.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental Reporting

The Group's revenue is segmented as follows:

	Individual Quarter		Cumulative Quarters	
	Unaudited	**Unaudited**	**Unaudited**	**Audited**
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Business segment				
Design and implementation services	8,427	12,257	24,752	43,535
Maintenance and support services	11,307	11,298	48,582	18,746
Total	**19,734**	**23,555**	**73,334**	**62,281**

A10. Changes in Composition of the Group

Save as disclosed in Note A7 above, there were no changes in the composition of the Group during the current financial quarter and financial year-to-date under review.

A11. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment in the current financial quarter and financial year-to-date under review.

A12. Contingent Assets and Contingent Liabilities

There were no contingent assets and contingent liabilities in the Group as at the date of this interim financial report.

A13. Capital Commitments

There were no other material capital commitments incurred or known to be incurred as at the date of this interim financial report.

A14. Related Party Transactions

Save as disclosed below, there are no other significant related party transactions during the current financial quarter and cumulative quarters ended 31 December 2025:

	Individual Quarter		Cumulative Quarter	
	Unaudited	**Unaudited**	**Unaudited**	**Audited**
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Lease payment	31	31	125	125

A15. Material Events Subsequent to the End of the Quarter

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Group Performance

The Group's performance for the current financial quarter and cumulative quarters ended 31 December 2025 are tabled below:

	Individual Quarter		Cumulative Quarters	
	Unaudited	Unaudited	Unaudited	Audited
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Revenue	19,734	23,555	73,334	62,281
GP	9,615	5,594	26,773	14,091
PBT	4,618	4,273	14,868	8,680
GP margin (%)	48.7	23.7	36.5	22.6
PBT margin (%)	23.4	18.1	20.3	13.9

For the current quarter ended 31 December 2025

The Group recorded revenue of RM19.7 million for the current financial quarter ended 31 December 2025, representing a decrease of RM3.8 million or 16.2% compared to the corresponding quarter ended 31 December 2024 ("**FY2024**"). The decrease was mainly attributable to lower revenue from the design and implementation services segment, as the progressive completion of the Light Rail Transit 3 ("**LRT3**") Automatic Fare Collection ("**AFC**") Project was higher in FY2024.

Despite the decrease in revenue, the Group registered a PBT of RM4.6 million for the current financial quarter ended 31 December 2025, representing an increase of RM0.3 million or 8.1% compared to RM4.3 million in the corresponding quarter of FY2024. The improvement was primarily attributable to stronger gross profit margins from trading activities under maintenance and support services segment.

For the current year-to-date ended 31 December 2025

The Group recorded revenue of RM73.3 million for the current year-to-date ended 31 December 2025, representing an increase of RM11.1 million or 17.7% compared to the corresponding period in FY2024. The increase was mainly derived from the maintenance and support services segment, which contributed 66.2% of total revenue. This revenue was largely generated from the supply of hardware and software, provision of professional services and preventive maintenance. In addition, the Group has expanded its business activities to include renting and leasing. As a result, finance income from finance lease receivables of RM3.3 million has been reclassified as revenue instead of being recognised under other income as in FY2024 of RM3.0 million.

The Group recorded a PBT of RM14.9 million for the financial year-to-date ended 31 December 2025, representing an increase of RM6.2 million or 71.3% compared to RM8.7 million in the corresponding period of FY2024. The increase in profitability was mainly driven by the stronger contribution from the Group's recurring services segment, particularly maintenance and support services, IT rental, equipment supply, and service level agreement/software maintenance agreement, which generally carry higher margins and stable income visibility.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B2. Comparison with the Immediate Preceding Quarter's Result

	Individual Quarter		***Variance***	
	Unaudited Current Quarter	**Unaudited Immediate Preceding Quarter**		
	31.12.2025	**30.09.2025**		
	RM'000	**RM'000**	**RM'000**	**%**
Revenue	19,734	18,808	926	4.9
PBT	4,618	4,406	212	4.8

The Group's revenue for the current quarter ended 31 December 2025 increased by RM0.9 million or 4.9% compared to the immediate preceding quarter ended 30 September 2025. This was primarily due to an increase in revenue of RM1.8 million from the design and implementation services segment. The increase was attributed to the progressive completion of the Variation Order for Light Rail Transit 3 ("**LRT3**") Electronic Access Control ("**EAC**") Project.

The Group recorded an increase in PBT of RM0.2 million or 4.8% for the current quarter ended 31 December 2025 compared to the immediate preceding quarter ended 30 September 2025. The increase was mainly due to higher revenue and the reversal of impairment losses on financial assets during the quarter.

B3. Prospects of the Group

The outlook for Malaysia's enterprise Information Technology ("**IT**") services industry remains positive, driven by the government's sustained push for digital transformation. Upcoming national infrastructure developments, including MRT3, Klang Valley Double Track Phase 2, LRT Mutiara Line, as well as large-scale transportation projects in Johor and Penang, are expected to support continued demand for rail digital systems. In parallel, Malaysia's Digital Government initiatives and investments in national digital infrastructure further reinforce enterprise IT requirements across the public sector.

In tandem with this evolving landscape, TechStore as a digital rail and government technology ("**GovTech**") specialist, remains agile in adapting to industry developments. In the rail sector, this includes the design, integration and upgrading of mission-critical systems such as digital radio communication, integrated control platforms and other operational technologies for rail networks. Within the public sector, GovTech solutions involve the modernisation and upgrading of government systems to enhance service delivery, system reliability and data management. The Group, supported by the expansion of its technical workforce including engineers and subject matter experts, is well-positioned to capitalise on industry developments in a more scalable manner and undertake larger, more complex projects.

Beyond greenfield projects, TechStore's proven expertise in brownfield upgrades within operating rail and public infrastructure systems has yielded consistent repeat project opportunities arising from system enhancements, lifecycle upgrades and maintenance works post initial deployment. The RM89.7 million digital radio contract for the Kelana Jaya LRT Line secured in December 2025, together with the RM54.8 million Perkhidmatan Naik Taraf Sistem Rekod Jabatan Pendaftaran Negara Putrajaya awarded by the Ministry of Home Affairs in

February 2026, reflect this technical depth and brownfield execution capability.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3. Prospects of the Group (Cont'd)

Moving forward, the Group continues to advance its research and development and system localisation efforts to reduce reliance on foreign technology vendors and better align its solutions with national infrastructure requirements. In this regard, the Group is honoured to contribute its technical input to Malaysia Rail Industry Corporation as a technology provider in the preparation of a concept paper on the development of sensor placement technology, reinforcing its role in advancing Malaysia's rail digitalisation agenda.

As at 31 December 2025, TechStore's unbilled order book increased to RM183.6 million from RM106.6 million as at 30 September 2025, providing healthy earnings visibility for the Group. Backed by TechStore's proven capabilities, a strong project pipeline and a positive industry landscape, the Group is cautiously confident of delivering improved financial performance in the new financial year.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit estimate, forecast, projection or internal targets in any public document for the current financial quarter and financial year-to-date under review.

B5. Profit Before Taxation

	Individual Quarter		**Cumulative Quarters**	
	Unaudited	**Unaudited**	**Unaudited**	**Audited**
	31.12.2025	**31.12.2024[1]**	**31.12.2025**	**31.12.2024[1]**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before taxation is arrived at after charging/(crediting):				
Auditors' remuneration	21	77	145	141
Amortisation of intangible assets	127	212	507	212
Depreciation:				
- property, plant and equipment	130	113	471	366
- right-of-use assets	43	42	168	177
Impairment on slow moving stocks	16	-	276	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bankers' acceptances	-	9	6	42
- bank overdraft	-	-	3	17
- bank guarantee	205	140	409	256
- hire purchase payables	35	19	193	19
- invoice financing	-	-	-	43
- term loans	336	469	1,527	1,377

	Individual Quarter		Cumulative Quarters	
	Unaudited	Unaudited	Unaudited	Audited
	31.12.2025	31.12.2024[1]	31.12.2025	31.12.2024[1]
	RM'000	RM'000	RM'000	RM'000
Interest expenses on lease liabilities	4	3	15	17
Lease expenses:				
- low value assets	1	2	6	5
- short-term	1	(5)	10	14
Property, plant and equipment written off	-	-	2	-
Staff costs:				
- salaries, bonuses, incentives and allowances	632	1,370	8,992	6,053
- defined contribution benefits	132	157	1,004	694
- other benefits	202	119	280	183
Fair value gain on financial assets measured at fair value through profit or loss mandatorily on short term investments	(246)	(42)	(684)	(117)
Finance income from finance lease receivable	(763)	(1,229)	(3,345)	(2,955)
Gain on derecognition of lease	-	-	-	(3)
Gain on reassessment of lease liabilities	-	-	(4)	(4)
Interest income on financial assets	(46)	(28)	(159)	(113)
Lease income	(2)	(6)	(20)	(26)
Net (gain)/loss in foreign exchange:				
- realised	(5)	(65)	12	(106)
- unrealised	-	(37)	-	(37)

B6. Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	Unaudited	Unaudited	Unaudited	Audited
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
Current tax expenses[1]	1,569	1,509	5,015	2,700
Deferred tax expenses	-	-	-	(308)
Total	**1,569**	**1,509**	**5,015**	**2,392**
Effective tax rate (%)[2]	**34.0**	**35.3**	**33.7**	**27.6**

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B6. Income Tax Expense (Cont'd)

Notes:

(1) Income tax is recognised based on management's best estimate.

(2) Calculated based on income tax expenses over PBT for current and cumulative financial quarters under review.

The effective tax rate is higher than the statutory tax rate of 24%, mainly due to high non-deductible expenses which mainly comprise of IPO expenses, depreciation of property, plant and equipment and right-of-use assets, amortisation of development costs and impairment for slow moving stocks.

B7. Basic/Diluted EPS

	Individual Quarter		**Cumulative Quarter**	
	Unaudited	**Unaudited**	**Unaudited**	**Audited**
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit attributable to owners of the Company	3,049	2,764	9,853	6,288
Weighted average number of ordinary shares	500,000	375,000	500,000	375,000
Basic/diluted EPS (sen)	0.6	0.7	2.0	1.7

Notes:

(1) The basic EPS for the financial year ended 31 December 2025 is calculated based on the PAT attributable to owners of the Company divided by the Company's enlarged share capital of 500,000,000 shares after its IPO and Listing. Basic EPS for the financial year ended 31 December 2024 is calculated based on the PAT attributable to owners of the Company divided by the Company's share capital of 375,000,000 shares as at 31 December 2024, which is prior to the Company's IPO involving the issuance of 125,000,000 new ordinary shares in conjunction with its Listing. The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible securities at the end of the current financial quarter and financial year-to-date under review.

B8. Status of Corporate Proposals

There were no corporate proposals announced by the Company but pending completion as at the date of this unaudited interim financial report.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B9. Utilisation of Proceeds from the IPO

The gross proceeds amounting to RM25.0 million raised from the IPO which was completed on 18 February 2025 are to be utilised in the following manner:

Detail of utilisation	Proposed Utilisation	Actual Utilisation	Balance to be Utilised	Estimated timeframe for utilisation from the date of listing
	RM'000	RM'000	RM'000	
Working capital	11,480	978	10,502	Within 24 months
Repayment of bank borrowings	5,000	5,000	-	Within 6 months
Recruitment of business development personnel	2,718	235	2,483	Within 30 months
Capital expenditure	2,302	918	1,384	Within 24 months
Estimated listing expenses	3,500	3,500	-	Within 1 month
Total	**25,000**	**10,631**	**14,369**	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus.

B10. Borrowings

The details of the Group's borrowings are as follows: -

	Unaudited	Audited
	31.12.2025	31.12.2024
	RM'000	RM'000
Current Liabilities		
Secured		
Term loans	7,304	7,480
Hire purchase payables	1,006	872
Bankers' acceptances	-	415
	8,310	**8,767**
Non-current Liabilities		
Secured		
Term loans	15,745	25,916
Hire purchase payables	1,554	2,111
	17,299	**28,027**
Total	**25,609**	**36,794**

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B10. Borrowings (Cont'd)

The currency exposure profile of borrowings are as follows:

	Unaudited	**Audited**
	31.12.2025	**31.12.2024**
	RM'000	**RM'000**
Ringgit Malaysia	25,609	36,379
United States Dollar	-	415
Total	**25,609**	**36,794**

B11. Material Litigation

There was no litigation or arbitration which has a material effect on the financial position and performance of the Group. The Board is not aware of any pending proceedings or of any fact likely to give rise to any proceedings as at the date of this interim financial report.

B12. Dividend Proposed

No dividend was declared or recommended for payment by the Board of Directors of the Company during the current financial quarter and financial year-to-date under review.

B13. Derivative Financial Instruments

The Group did not enter into any derivatives during the current financial quarter and financial year-to-date under review.

B14. Authorisation for Issue

This interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors of the Company on 27 February 2026.

BY ORDER OF THE BOARD
TECHSTORE BERHAD
27 FEBRUARY 2026