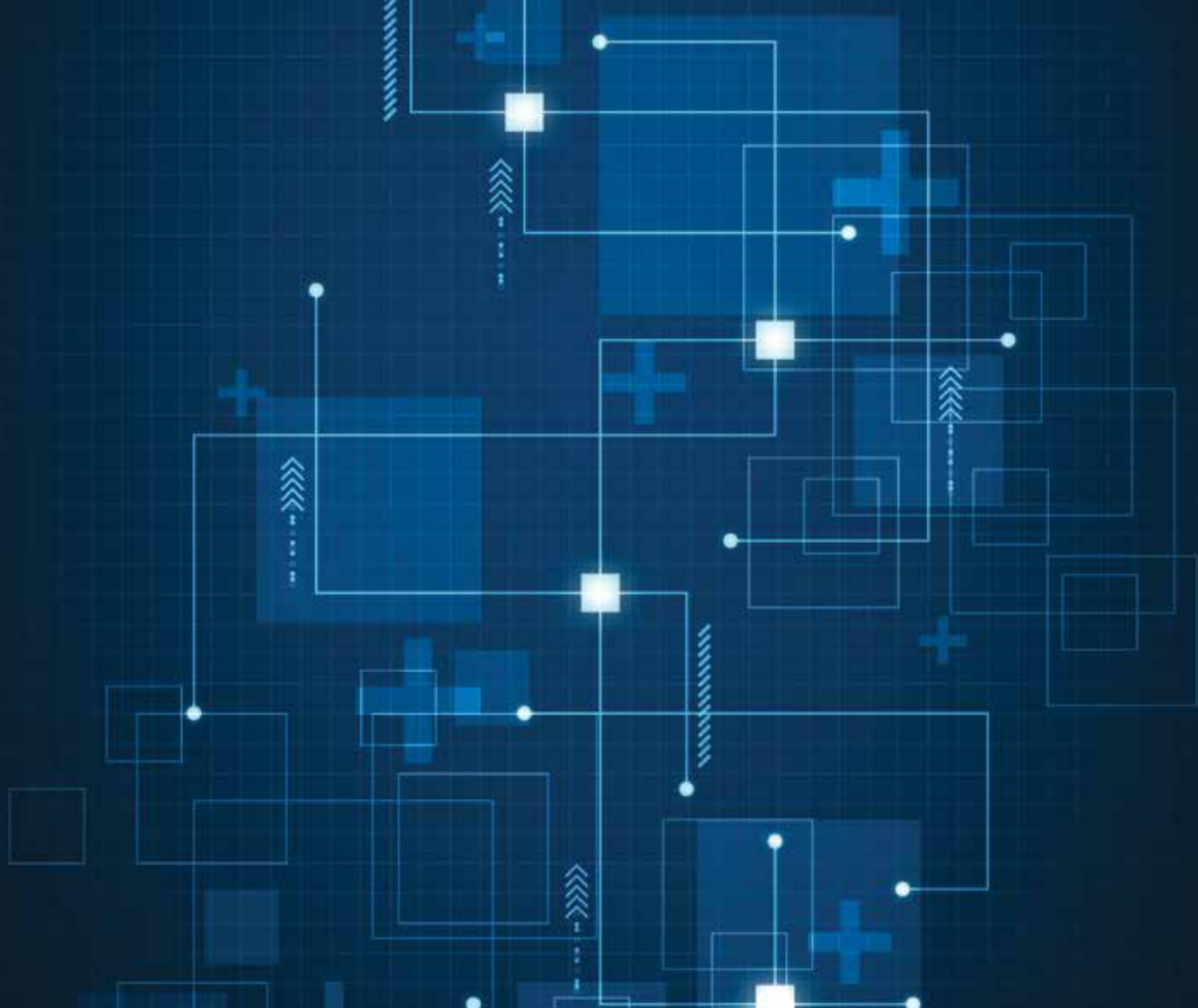




HEXTAR TECHNOLOGIES SOLUTIONS BERHAD
(Registration No.: 200501034100 (716241-X))

ANNUAL REPORT 2024





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19th ANNUAL GENERAL MEETING

DATE : Wednesday, 28 August 2024

TIME : 10.30 a.m.

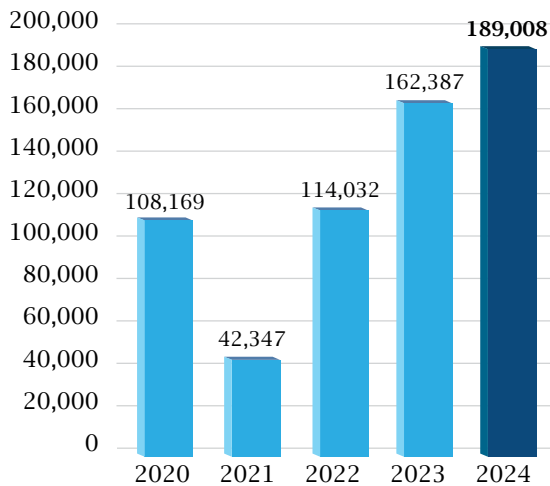
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5 YEARS FINANCIAL HIGHLIGHTS

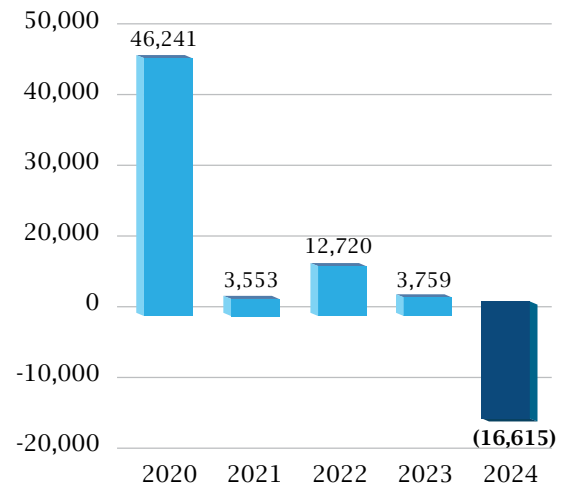
	Financial Year Ended 31 March				
	2020	2021	2022	2023	2024
Revenue (RM'000)	108,169	42,347	114,032	162,387	189,008
Profit/(Loss) After Tax (RM'000)	46,241	3,553	12,720	3,759	(16,615)
Shareholders' Equity (RM'000)	178,430	163,049	171,884	123,647	108,803
Net Assets Per Ordinary Share (Sen)*	8.7	7.9	8.4	6.0	5.3
Basic Earnings/(Loss) Per Ordinary Share (Sen)*	2.3	0.2	0.6	0.2	(0.8)
Dividend Per Ordinary Share (Sen)*	1.0	1.0	-	2.5	-

* Restated to reflect the bonus issue of 15 bonus shares for every 1 existing ordinary share which was completed on 18 January 2024.

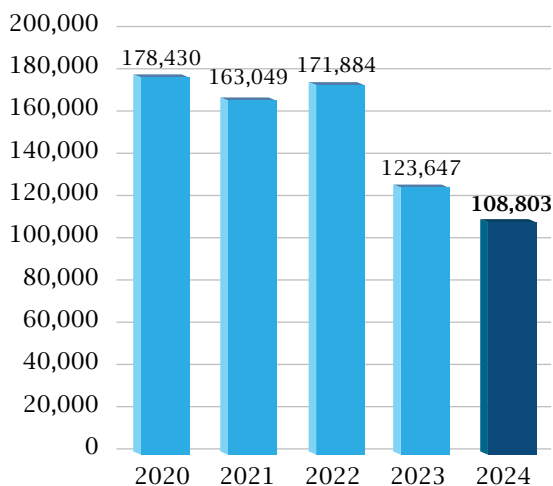
Revenue
(RM'000)



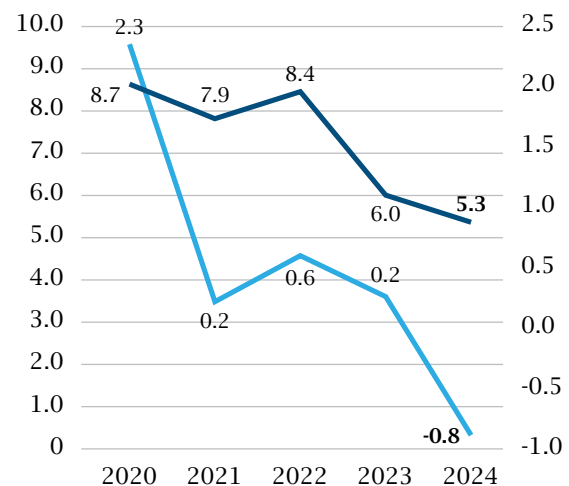
Profit/(Loss) After Tax
(RM'000)



Shareholders' Equity
(RM'000)



— Net Assets Per Ordinary Share (Sen)
— Basic Earnings/(Loss) Per Ordinary Share (Sen)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Muhammad Bin Ibrahim
Independent Non-Executive Chairman

Dato' Ong Choo Meng
Group Chief Executive Officer and
Executive Director

Choo Joon Keong
Group Deputy Chief Executive Officer and
Executive Director

Ronald Khoo Boo Soon
Executive Director



Dato' Ong Chong Yi
Independent Non-Executive Director

Yeoh Chin Hoe
Independent Non-Executive Director

Sujatha Sekhar A/P Tan Sri B.C.Sekhar
Independent Non-Executive Director

BOARD COMMITTEES

Audit Committee

Chairman
Yeoh Chin Hoe

Members
Dato' Ong Chong Yi
Sujatha Sekhar A/P Tan Sri B.C.Sekhar

Nomination and Remuneration Committee

Chairman
Dato' Ong Chong Yi

Members
Yeoh Chin Hoe
Sujatha Sekhar A/P Tan Sri B.C.Sekhar

Risk Management Committee

Chairman
Ronald Khoo Boo Soon

Members
Dato' Ong Chong Yi
Sujatha Sekhar A/P Tan Sri B.C.Sekhar

REGISTERED OFFICE

Level 5, Tower 8, Avenue 5,
Horizon 2, Bangsar South City,
59200 Kuala Lumpur, Malaysia.
Tel No. : +603 2280 6388
Fax No. : +603 2280 6399

HEAD OFFICE

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Kota Bayuemas,
41200 Klang,
Selangor Darul Ehsan, Malaysia.
Tel No. : +603 3003 3333
Fax No. : +603 3003 3330
Website : www.hextartech.com

COMPANY SECRETARY

Wong Mee Kiat
(MAICSA 7058813)
(SSM PC No. 202008001958)

Ng Heng Hooi
(MAICSA 7048492)
(SSM PC No. 202008002923)

AUDITORS

Crowe Malaysia PLT
201906000005
(LLP0018817-LCA) & AF 1018
Level 16, Tower C,
Megan Avenue II,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur, Malaysia.
Tel No. : +603 2788 9999
Fax No. : +603 2788 9998

SHARE REGISTRAR

**Tricor Investor &
Issuing House Services Sdn. Bhd.**
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia.
Tel No. : +603 2783 9299
Fax No. : +603 2783 9222

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market, Transportation & Logistics

CORPORATE STRUCTURE

AS AT 18 JULY 2024



HEXTAR TECHNOLOGIES SOLUTIONS BERHAD

200501034100 (716241-X)

100%

Channel Legion Sdn. Bhd.
199501025446 (354651-M)

100%

Island Network Sdn. Bhd.
199801010871 (466999-W)

100%

Complete Logistic Specialists
Sdn. Bhd.
199701030089 (445588-V)

100%

Malsuria (M) Sdn. Bhd.
199201002744 (234248-P)

100%

Guper Bonded Warehouse Sdn. Bhd.
201501022073 (1147401-H)

100%

Sin Hiap Hoe Trading & Transport
Sdn. Bhd.
197801002276 (39285-T)

100%

Hextech Vision Sdn. Bhd.
(Formerly known as Hextar Vision Sdn. Bhd.)
202101032720 (1433020-A)

100%

Hextar Marketing Sdn. Bhd.
201001007234 (891855-D)

100%

Pengangkutan Sekata Sdn. Bhd.
198601004876 (154036-K)

100%

Hextech Management Sdn. Bhd.
200301030377 (632797-D)

100%

Hextech Business Sdn. Bhd.
202401024836 (1570685-P)

100%

Dian Pahlawan Sdn. Bhd.
199701016564 (432061-W)

65%

CIBC Technology Sdn. Bhd.
199301011913 (266651-P)

CHAIRMAN'S STATEMENT

Dear Esteemed Shareholders,

On behalf of the Board of Directors (“Board”), I am pleased to present the Annual Report and Audited Financial Statements of Hextar Technologies Solutions Berhad (“HexTech” or “the Company”) and its subsidiaries (“HexTech Group” or “the Group”) for financial year ended 31 March 2024 (“FYE 2024”).



ECONOMIC AND BUSINESS LANDSCAPE

In line of the recovery from the Covid-19 pandemic, the overall construction industry in Malaysia experienced an upswing in 2023. According to the Department of Statistics Malaysia, the value of total construction work done reached RM132.1 billion in 2023, marking an 8.4% increase from RM121.9 billion in 2022.

Against this backdrop of economic improvement and heightened construction activities, our Group's financial performance strengthened in FYE 2024, underpinned by the increase in demand for our building materials and logistics services. Additionally, the successful launch of our digital trading platform, eBuild, during the financial year ended 2023 (“FYE 2023”) has also bolstered the financial performance of our trading segment.

We achieved a significant milestone in FYE 2024 with the launch of our own financial super-app, MoneyX. MoneyX is a one-stop fintech mobile application designed to enhance users' financial management capabilities. Equipped with various features such as a financial analysis tool, personal credit profile checks, asset valuation as well as comparison of investment options, this financial super-app aims to improve financial literacy and empower Malaysians to make well-informed financial decisions.

The development of MoneyX has been a challenging yet rewarding journey. We are collaborating with close to 50 partners across various sectors, including banking, insurance, financial services, property developers, asset management companies and legal firms to offer a wide range of products and services to our users.

Since its soft launch in October 2023, MoneyX has garnered more than 100,000 downloads, underscoring its growing popularity and user acceptance among Malaysians. Looking ahead, we remain committed in expanding the Group's footprint in the technology sector.

FINANCIAL PERFORMANCE

Aligned with the economic recovery and introduction of eBuild in FYE 2023, our Group's revenue increased by RM26.62 million or 16.4%, from RM162.39 million in FYE 2023 to RM189.01 million in FYE 2024, mainly due to the higher revenue generated from our trading segment.

While our Group has incurred various expenses to develop and promote MoneyX, our technology segment is still in its inception stage and hence, has yet to contribute positively to the overall financial performance of our Group during the financial year. Along with the reduction in revenue from our warehousing segment and the overall increase in operating, administrative and marketing expenses, our Group reported a loss before tax (“LBT”) of RM15.02 million.

CHAIRMAN'S STATEMENT

(CONTINUED)

Moving ahead, our Group's financial performance is expected to improve albeit overall operating landscape remains challenging. While our trading business will continue to grow and the new trucks are expected to contribute positively to the financial performance of the Group, ongoing spending on the marketing and development of MoneyX will surpass earnings from the non-technology segment. Nonetheless, we believe the investment in the technology business shall yield desired results in the near future underpinned by the upward trend in downloads and registered users of MoneyX.

For further insights into our financial performance, please refer to Management Discussion & Analysis of this Annual Report.

UPHOLDING CORPORATE GOVERNANCE

Sound corporate governance is essential in building the confidence of our stakeholders and supporting our business efficiency and sustainability. We prioritise compliance with regulatory requirements, promote ethical business practices and strive to ensure transparency and integrity in our decision-making process. Through these efforts, we aim to create sustainable value for our various stakeholders.

On 24 August 2023, our Group published Diversity Policy to strengthen our corporate governance structure. This policy serves as a framework for applying the principles of diversity when recruiting, developing and appointing Board members and Senior Management executives.

For further insights into our measures in upholding corporate governance, please refer to the Corporate Governance Overview Statement ("CG Statement") in this Annual Report and the Corporate Governance Report ("CG Report").

CULTIVATING SUSTAINABILITY

At HexTech, we are committed to embed sustainability at the core of our operations. We recognise that sustainable practices are essential to our long-term business success and for creating stakeholders' value.

Our commitment extends to the well-being of our employees by offering benefits such as personal accident insurance coverage, petrol allowance and medical card. We also participated in various corporate social responsibility initiatives such as providing school uniforms and shoes to children.

For further insights into our sustainability initiatives and strategies, please refer to the Sustainability Statement in this Annual Report.

FUTURE PROSPECTS

The global economic landscape is expected to remain affected by various global events such as ongoing geopolitical tensions, inflation and supply chain disruptions.

Despite the uncertainties, Malaysia's gross domestic product ("GDP") is projected to grow between 4.0% to 5.0%, as forecasted by the Ministry of Finance ("MOF"). In the first quarter of 2024, Malaysia's economy surged by 4.2%, driven by export performance and revitalised domestic demand. Driven by these positive indicators, we remain optimistic that our trading and logistics segments will continue to grow in tandem with the increase in customer demand.

Looking ahead, our strategic focus remains steadfast on our technology segment. Our Group has unlocked the value of certain properties during the financial year, of which the proceeds will be utilised to fund the expansion of our technology business segment.

As part of our strategic initiatives, we plan to enhance our financial super-app by introducing additional features such as stock portfolio management, cash flow forecasting, a customer loyalty program, and many more.

CHAIRMAN'S STATEMENT

(CONTINUED)

Moreover, we are also committed in expanding our partnership ecosystems in order to offer a broader spectrum of financial-related products and services to our users. We also seek to establish partnerships with regional and international partners to broaden the reach of our financial super-app into new geographical market segments.

Our Group is dedicated to pursue viable opportunities as well as effectively addressing challenges in order to bolster shareholders' value in the long term.

APPRECIATION

On behalf of the Board, I would like to express my appreciation to our shareholders, customers, business partners and dedicated employees for your unwavering support and commitment to our shared vision over the years.

Your unwavering support has been the cornerstone of our achievements and we remain committed to upholding your trust and delivering exceptional value in the years to come. We will remain resolutely focused on delivering long-term value and sustainable growth for all our stakeholders.

Thank you.

Tan Sri Muhammad Bin Ibrahim
Independent Non-Executive Chairman
18 July 2024

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS AND OPERATIONS OVERVIEW

HexTech Group is principally involved in the provision of logistics services, warehousing services, trading of building materials and other services. HexTech Group has since diversified its business to include the provision of information and communication technology (“ICT”) solutions and services wherein during FYE 2023, we introduced a digital trading platform, eBuild to complement our trading of building materials segment. The eBuild platform offers an end-to-end integrated supply chain solution to the construction industry by simplifying the sourcing and procurement process in Malaysia.

During FYE 2024, our Group ventured into fintech with the launch of a one-stop fintech mobile super-app, MoneyX. MoneyX is a personal financial information management application powered by artificial intelligence (“AI”) and machine-learning (“ML”) tools which aims to democratise and promote financial literacy and management among its users by making information pertaining to available financial products and services accessible and easily understandable. This marks an essential step towards our digital transformation into the technology business segment.

Overall, the Group is mainly engaged in the following business segments: -

Segment	Principal Business Activities
Logistics	Total logistic services provider including lorry transportation services (tanker, bulk cargo, side curtain), project logistics and door to door delivery services
Warehousing	Provision of warehouse for renting
Trading	Trading of building materials
Technology	Fintech application
Others	Insurance agency, investment holding and others

FINANCIAL REVIEW

Review of Financial Performance

	FYE 2024 RM'000	FYE 2023 RM'000	Variance	
			RM'000	%
Financial Indicators				
Revenue	189,008	162,387	26,621	16.4
Gross Profit (“GP”)	6,673	11,556	(4,883)	(42.3)
(LBT)/Profit before tax (“PBT”)	(15,022)	5,487	(20,509)	(373.8)
(Loss)/Profit after tax (“LAT”/“PAT”)	(16,615)	3,759	(20,374)	(542.0)
Financial Ratios				
GP margin (%)	3.5	7.1	-	(3.6)
(LBT)/PBT margin (%)	(7.9)	3.4	-	(11.3)
(LAT)/PAT margin (%)	(8.8)	2.3	-	(11.1)

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

FINANCIAL REVIEW (CONT'D)

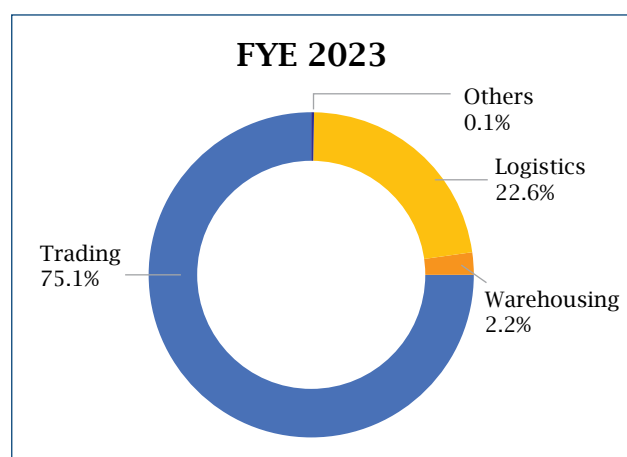
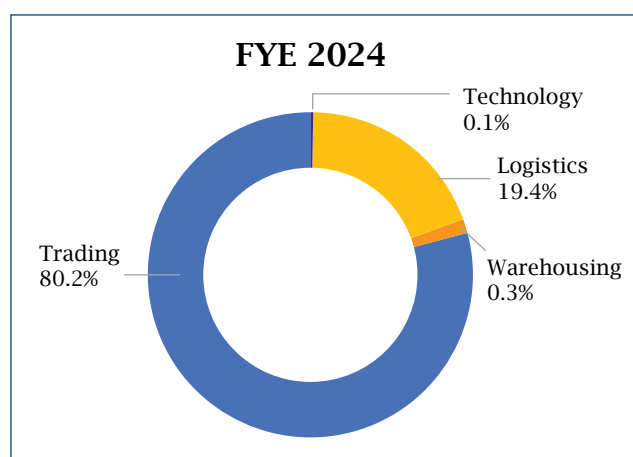
Review of Financial Performance (Cont'd)

Revenue

Our revenue has increased by RM26.62 million or 16.4%, from RM162.39 million in FYE 2023 to RM189.01 million in FYE 2024. The increase was mainly due to higher revenue generated from our trading segment, driven by an uptick in activities in the construction sector.

Our revenue breakdown by business segmentation is as follows: -

Segments	FYE 2024	FYE 2023	Variance	
	RM'000	RM'000	RM'000	%
Trading	151,660	122,027	29,633	24.3
Logistics	36,670	36,649	21	0.1
Warehousing	677	3,674	(2,997)	(81.6)
Technology	1	-	1	-
Others	-	37	(37)	(100.0)
Total Revenue	189,008	162,387	26,621	16.4



In FYE 2024, our trading segment remains as the largest revenue contributor, accounted for 80.2% of our total revenue. Revenue from this segment increased by RM29.63 million or 24.3%, from RM122.03 million in FYE 2023 to RM151.66 million in FYE 2024. The increase was mainly driven by strong demand for building materials from our customers within the construction industry. In addition, the introduction of our eBuild platform has positively contributed to the overall revenue growth in our trading segment during FYE 2024 as the ease of using our procurement platform has provided our Group with a competitive advantage over the traditional sourcing and procurement processes in Malaysia.

The logistics segment was our second largest revenue contributor in FYE 2024, contributed RM36.67 million, which accounted for 19.4% of our total revenue. As the industry is highly competitive, revenue from this segment has only increased marginally by RM0.02 million or 0.1%, from RM36.65 million in FYE 2023 to RM36.67 million in FYE 2024.

The revenue contributed from our warehousing segment decreased significantly by RM2.99 million or 81.6%, from RM3.67 million in FYE 2023 to RM0.68 million in FYE 2024. Subsequent to the expiry of the tenancy agreement with the previous tenant, our warehouse located in Port Klang Free Zone was vacant from February 2023 to December 2023. Nevertheless, our Group has successfully secured a new tenancy agreement in January 2024, the financial performance of our warehousing segment is therefore expected to turn around in the next financial year.

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

FINANCIAL REVIEW (CONT'D)

Review of Financial Performance (Cont'd)

Revenue (Cont'd)

Our venture into the technology segment is still at its inception stage, thus has yet to contribute significantly to our Group's revenue during the financial year under review.

GP and GP Margin

Despite the higher revenue reported in FYE 2024, our GP decreased by RM4.88 million or 42.3% from RM11.56 million in FYE 2023 to RM6.67 million in FYE 2024, while our GP margin dropped from 7.1% in FYE 2023 to 3.5% in FYE 2024.

The decrease in both GP and GP margin was mainly attributable to the absence of rental income from our warehousing segment for a considerably substantial period of 9 months, compressed margin due to stiff competition faced by our trading and logistics segments, as well as operating expenses incurred in relation to our financial super-app, MoneyX.

LBT and LBT Margin

In FYE 2024, our Group reported a LBT of RM15.02 million with a LBT margin of 7.9%, as compared to a PBT of RM5.49 million and a PBT margin of 3.4% in FYE 2023. The decrease in our profitability was mainly due to: -

- (i) lower GP generated during FYE 2024;
- (ii) decreased in other income due to the absence of a one-off gain from the disposal of a quoted investment amounting to RM3.74 million in FYE 2023;
- (iii) increased in other expenses due to impairment loss on trade receivables of RM4.14 million and impairment loss on ageing trucks of RM0.84 million; and
- (iv) increased in marketing expenses incurred by RM4.84 million mainly to promote and launch our new financial super-app, MoneyX.

Statement of Financial Position

	FYE 2024 RM'000	FYE 2023 RM'000	Variance RM'000	%
Financial Indicators				
Non-current assets	59,263	63,624	(4,361)	(6.9)
Current assets	98,198	92,726	5,472	5.9
Total assets	157,461	156,350	1,111	0.7
Non-current liabilities	17,923	18,141	(218)	(1.2)
Current liabilities	33,202	15,257	17,945	117.6
Total liabilities	51,125	33,398	17,727	53.1
Equity attributable to owners of the Company	108,803	123,647	(14,844)	(12.0)
Financial Ratios				
Current ratio (times)	3.0	6.1	-	(3.1)
Gearing ratio (times)	0.3	0.2	-	0.1

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

FINANCIAL REVIEW (CONT'D)

Statement of Financial Position (Cont'd)

Assets

The Group's total assets increased by RM1.11 million or 0.7%, from RM156.35 million as at 31 March 2023 to RM157.46 million as at 31 March 2024. The increase was primarily due to the higher trade receivables resulting from higher revenue achieved in FYE 2024.

Liabilities

The Group's total liabilities increased by RM17.73 million or 53.1%, from RM33.40 million as at 31 March 2023 to RM51.13 million as at 31 March 2024. The increase in total liabilities was mainly due to the drawdown of additional borrowings amounted to RM12.14 million, primarily used as working capital requirements including the development of our financial super-app, MoneyX. In addition, the trade payables increased by RM5.03 million, in line with the increase in overall costs in FYE 2024.

Liquidity and Gearing

Due to the increase in borrowings, our gearing ratio increased to 0.3 times as at 31 March 2024. Nevertheless, our Group's financial position remains healthy with a relatively low gearing level, substantial cash and cash equivalent amounting to RM20.59 million and a positive current ratio of 3.0 times.

Review of Cash Flows

	FYE 2024 RM'000	FYE 2023 RM'000
Net cash used in operating activities	(3,315)	(8,360)
Net cash (used in) / generated from investing activities	(7,163)	53,968
Net cash generated from/(used in) financing activities	9,531	(51,361)
Net change in cash and cash equivalents	(947)	(5,753)
Changes in exchange differences	20	36
Cash and cash equivalents at the beginning of the financial year	21,516	27,233
Cash and cash equivalents at the end of the financial year	20,589	21,516

In FYE 2024, the Group reported net cash used in operating activities of RM3.32 million, compared to a net cash used of RM8.36 million in FYE 2023. The improvement was primarily due to better working capital management.

The Group recorded net cash used in investing activities amounting to RM7.16 million in FYE 2024, mainly attributable to the acquisition of intangible assets and purchases of property, plant and equipment amounting to RM6.67 million and RM0.95 million, respectively.

As at 31 March 2024, the Group recorded net cash generated from financing activities of RM9.53 million, primarily contributed by the drawdown of net bills payable of RM11.97 million. The cash inflow was partially offset by the interest expenses of RM1.24 million, the repayment of lease liabilities of RM1.04 million and the repayment of hire purchase of RM0.16 million.

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

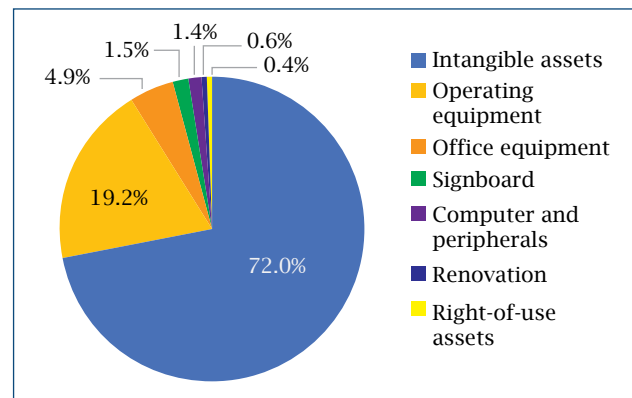
CAPITAL STRUCTURE, RESERVES AND EXPENDITURE

As at 31 March 2024, the Company's share capital amounted to RM72.40 million, consisted of 2,058,384,000 number of shares.

The Group finances its operations with internally generated funds, credit extended by trade creditors and/or financial institutions as well as cash and bank balances. Our facilities with financial institutions comprise bills payable and finance leases.

Throughout FYE 2024, the Group incurred capital expenditures ("CAPEX") totalling RM9.26 million, categorised as follows: -

Capital Expenditure	Amount (RM'000)
Intangible assets	6,668
Operating equipment	1,776
Office equipment	454
Signboard	136
Computer and peripherals	132
Renovation	52
Right-of-use assets	45
Total	9,263



As at 31 March 2024, there were no material capital commitments.

ANTICIPATED OR KNOWN RISK

The Group is exposed to certain anticipated or known risks that may affect our business operations, financial performance, financial position and liquidity. To manage these potential risks, we have in place a risk management framework that includes processes and policies aimed at addressing and mitigating risks whilst simultaneously sustaining the growth of our Group.

Cybersecurity Risk

Due to the nature of our business, we are exposed to cybersecurity risks, including malicious activities and vulnerabilities that can compromise the confidentiality, integrity, or availability of our digital assets. These risks include data breaches, malware, phishing and other cyberattacks. Unauthorised access data or data breaches can result in the exposure of sensitive information, regulatory non-compliance, financial losses and eventually damage to our reputation.

To address these risks, we regularly assess our security measures by implementing strong access control measures, including user authentication, role-based access and least privilege principles. Additionally, we deploy firewalls and intrusion detection systems to monitor network traffic and detect suspicious activities. We also implement regular data backups and test disaster recovery plans to ensure business continuity in the event of data loss.

Operational Risk

The development of our financial super-app, MoneyX exposed us to intellectual property ("IP") and trademark issues. Failure to safeguard our IP can result in a loss of competitive advantage, disrupt business operations and lead to potential legal issues.

To mitigate this risk, we have implemented comprehensive protection measures such as applying for trademarks and patents and registering copyrights. We also engage IP and legal experts to keep us informed about industry best practices and emerging IP trends, and to provide guidance in IP protection and enforcement.

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

ANTICIPATED OR KNOWN RISK (CONT'D)

Competition Risk

The Group faces stiff competitions in all our business segments from both new and existing players who may be more aggressive in expanding their businesses.

However, our established track record, in-depth industry knowledge and experience, skilled manpower, established process management, close business relationships with customers and ability to consistently deliver high-quality services have collectively enabled us to stay competitive.

Dependence on the Construction and Property Development Industries

Our Group's revenue from trading of building materials is dependent on the construction and property development industries. Any uncertainties within these industries such as political and economic stability, inflation, labour shortages and fluctuation in raw materials prices will have a direct impact on our business operation and financial performance.

In this regard, we proactively stay updated with the latest developments within these industries and constantly review our business strategies to ensure that we can respond effectively to any potential challenges. Additionally, in FYE 2024, we expanded into the technology industry to moderate dependency on the construction and property development industries.

Fluctuation in Fuel Costs

Fuel costs represent a substantial portion of our operating costs in the logistics business and hence, any unfavourable fluctuation in fuel costs will impact our profitability.

To manage this risk, we will pass on the increased costs to our customers via a fuel surcharge, if they have agreed to a confirmed fixed rate. We will regularly review and negotiate new rates with shorter tenures with customers should the fuel price increase beyond our cost limit.

Credit Risks

We are exposed to credit risk, or the risk of counterparties defaulting, in relation to our trade and other receivables. In the event of a significant delay or default in payment by our major customers, it may adversely affect our operating cash flows and financial position.

To mitigate this risk, we have in place a credit control system such as credit approvals, setting credit limits and conducting background check for new customers. We will continuously assess the credit standing of our customers to identify any potential risks and react promptly.

FUTURE PROSPECT AND OUTLOOK

The global economic landscape is expected to remain affected by various events such as ongoing geopolitical tensions, inflation and supply chain disruptions for the upcoming financial year.

Despite the uncertain macroenvironment, we remain optimistic that our trading segment will continue to grow in line with the construction activities in Malaysia. According to the Construction Industry Development Board ("CIDB"), Malaysia's construction industry is anticipated to grow at a compounded annual growth rate ("CAGR") of 8.55% in 2024, supported by the Government's allocation of RM90.0 billion in expenditure aimed at expanding the construction industry. In addition, our Group will continue to leverage on our digital trading platform, eBuild, to enhance revenue, expand market reach and broaden our customer base.

According to the MOF, Malaysia's economy grew by 4.2% in the first quarter of 2024, driven by export performance and revitalised domestic demand. Malaysia's GDP is projected to grow between 4.0% and 5.0% in 2024. With this positive economic outlook, our logistics segment is expected to perform in tandem with the overall economic recovery in Malaysia.

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

FUTURE PROSPECT AND OUTLOOK (CONT'D)

Looking ahead, our strategic focus remains steadfast on our technology segment. Our wholly owned subsidiary, Sin Hiap Hoe Trading & Transport Sdn Bhd, had on 12 March 2024 entered into a Sales and Purchase Agreement with Dataran Ehsan Sdn Bhd to dispose of a leasehold land located at Klang for a cash consideration of RM8.78 million. The proceeds from this disposal will be utilised to fund the expansion of our technology business.

As part of our strategic initiatives, we plan to introduce additional features within our financial super-app, MoneyX, to include stock portfolio management, cash flow forecasting, a customer loyalty program and many more, aimed at fostering a culture of informed financial decision-making among Malaysians. We will continue to deploy digital advertising such as tutorial videos, out-of-home advertising campaigns as well as host webinars featuring industry experts to discuss financial trends and the benefits of using our financial super-app, MoneyX, in order to improve our brand visibility and foster a deeper connection with our users.

Moving forward, our Group will continue to seek new business opportunities and streamline the existing business to meet our sustainable business goals.

DIVIDEND

The Company does not have a formal dividend policy in place. Any recommendation or declaration of dividends is at the discretion of the Board and subject to various factors, including financial performance, capital expenditure requirements, cash flow management and other factors considered relevant by the Board.

No dividend was declared or paid in FYE 2024 as the Company is currently prioritising on strengthening its business and operations to promote long-term growth.

PROFILE OF DIRECTORS



TAN SRI MUHAMMAD BIN IBRAHIM
INDEPENDENT NON-EXECUTIVE
CHAIRMAN



MALAYSIAN



MALE



64

Tan Sri Muhammad Bin Ibrahim was appointed to the Board on 3 January 2023.

He graduated with a Bachelor of Accounting degree from the University of Malaya. He then pursued a Master's Degree on Public Administration from Harvard Kennedy School, USA and Master's Degree on Islamic Finance from the International Islamic University Malaysia. He has also attended the Advanced Management Programme from Harvard Business School, USA. Additionally, he is a member of the Malaysian Institute of Accountants ("MIA") and a Fellow Chartered Banker with the Asia Institute of Chartered Bankers.

Tan Sri Muhammad commenced his career at Bank Negara Malaysia ("BNM") in 1984 and held various senior positions there. He served as Assistant Governor in 2004, Deputy Governor in 2010, and subsequently, in 2016, he assumed the role of the 8th Governor of BNM until 2018. Throughout his tenure at BNM, he prioritised strengthening the resilience of Malaysia's financial system, enhancing financial consumer protection, and promoting financial inclusion.

Apart from his role at BNM, Tan Sri Muhammad also actively participated as a chairman and member of numerous international, regional and local committees, agencies, councils and corporations overseeing central banking, economics, and finance-related matters.

He is also an Independent Non-Executive Chairman in GDEX Berhad.

He has attended all seven (7) Board meetings held during FYE 2024.

PROFILE OF DIRECTORS

(CONTINUED)



DATO' ONG CHOO MENG
*GROUP CHIEF EXECUTIVE OFFICER
 AND EXECUTIVE DIRECTOR*



MALAYSIAN



MALE



46

Dato' Ong Choo Meng was appointed to the Board on 3 January 2023. He holds a Bachelor of Business (Economics and Finance) from the Royal Melbourne Institute of Technology, Australia.

Dato' Ong is a visionary leader who has been providing direction to the Hextar group of companies over the past twenty (20) years as the Group Chief Executive Officer. To this end, he led and directed Hextar group's growth, business expansion strategies, overall finance and corporate development. Under his stewardship, the Hextar group is now operating across a diverse spectrum of industries ranging from manufacturing and distribution of chemicals, fertilisers, rubber gloves, medical test kits and wooden picture frame mouldings, to providing ICT solutions and services, telecommunication solutions and services, renewable energy, logistics, and real estate investment trust.

Prior to his appointment to the Board, Dato' Ong held the position of Executive Director at Hextar Global Berhad. He also served as the Non-Independent Non-Executive Director of Hextar Industries Berhad and Hextar Healthcare Berhad.

Currently, he does not hold directorships in any other public companies and listed issuers. Nevertheless, he is currently the director of Hextar Tech Sdn Bhd, which is a major shareholder of the Company.

He has attended all seven (7) Board meetings held during FYE 2024.

PROFILE OF DIRECTORS

(CONTINUED)



CHOO JOON KEONG
 GROUP DEPUTY CHIEF EXECUTIVE OFFICER
 AND EXECUTIVE DIRECTOR



MALAYSIAN



MALE



54

Mr Choo Joon Keong was appointed to the Board on 3 January 2023. He holds a Bachelor Degree in Accounting from RMIT University, Australia.

Mr Choo began his career in banking as a Management Trainee in 1993 with an international bank. In 2000, he moved to a Singapore-based regional bank where he was initially based in Malaysia before taking a senior position in their China subsidiary from 2004 until 2008. Subsequently, Mr Choo returned to Malaysia and joined a local bank, where he served as the Head of Wholesale Banking until 2012. He then joined the leadership team of a Thailand-based regional bank as the Head of Business Banking and was later appointed as the Chief Executive Officer of its Malaysian subsidiary in 2018. He assumed the role of an advisor from November 2021 to April 2022 to facilitate a leadership transition.

Mr Choo has vast knowledge and expertise across various industries and has built an established business network during his banking career. During his tenure in various leadership roles, he was responsible for championing performance excellence, strategic planning, developing bench strength for organisational growth and robust succession planning, as well as harnessing and galvanizing synergies for sustainable growth.

Mr Choo does not hold directorships in any other public companies and listed issuers.

He has attended all seven (7) Board meetings held during FYE 2024.

PROFILE OF DIRECTORS

(CONTINUED)



RONALD KHOO BOO SOON
EXECUTIVE DIRECTOR



MALAYSIAN



MALE



53

Mr Ronald was appointed to the Board on 15 June 2021. He is the Chairman of the Risk Management Committee (“RMC”). Mr Ronald is a fellow member of The Association of Chartered Certified Accountants (UK) (“FCCA”).

Upon his graduation in 1994, he started his career at one of the Big 4 accounting firms before moving on to join the Corporate Advisory department of Malaysian International Merchant Bankers Berhad in 1996. In 2001, Mr Ronald briefly worked at Deloitte & Touche Corporate Advisory Services Sdn Bhd before joining AmInvestment Bank Berhad in 2002. He initially worked in the Corporate Finance department and later transitioned to the Equity Capital Markets team.

In 2012, Mr Ronald left AmInvestment Bank Berhad and took on the role of Director in the Equity Capital Markets department at Maybank Investment Bank Berhad. In 2021, he assumed the position of Group Chief Corporate Officer of the Hextar Group of Companies.

He does not hold directorships in any other public companies and listed issuers.

Mr Ronald has attended all seven (7) Board meetings held during FYE 2024.

PROFILE OF DIRECTORS

(CONTINUED)



DATO' ONG CHONG YI
INDEPENDENT NON-EXECUTIVE DIRECTOR



MALAYSIAN



MALE



45

Dato' Ong Chong Yi was appointed to the Board on 16 November 2020. He is the Chairman of the Nomination and Remuneration Committee (“NRC”) and a member of the Audit Committee (“AC”) and RMC. Dato' Ong holds a Master of Business Administration and a Bachelor of Arts (Hons) in International and Strategic Studies from the University of Malaya.

With leadership roles in the public and private sectors, he has served in various positions, including Assistant Director of JPJ Pahang, Senior Assistant Director of JPJ Selangor, and Principal Assistant Director (China) at the Ministry of International Trade and Industry, Malaysia (“MITI”). He also served as Minister Counsellor (Economic Affairs) at the Malaysian Embassy in Beijing, President of China-Malaysia Qinzhou Industrial Park and Chief Executive Officer (“CEO”) of Port Klang Free Zone.

Dato' Ong is also a member of the Asia-Europe Institute's Board of Studies at the University of Malaya. He also serves as the Council Member of the United Nations Association Malaysia (UNAM), the Executive Director of the Belt and Road Initiative Caucus for Asia Pacific (BRICAP), the Advisor of Malaysia-China Chamber of Commerce and the Vice President of Malaysia-Macao Chamber of Commerce.

He possesses extensive experience managing large-scale government projects and handling high-level government interactions, demonstrating a deep understanding of governmental structures, business markets, and industries in Malaysia and China.

Dato' Ong does not hold directorships in any other public companies and listed issuers.

He has attended all seven (7) Board meetings held during FYE 2024.

PROFILE OF DIRECTORS

(CONTINUED)



YEOH CHIN HOE

INDEPENDENT NON-EXECUTIVE DIRECTOR



MALAYSIAN



MALE



73

Mr Yeoh Chin Hoe was appointed to the Board on 16 March 2021. He is the Chairman of the AC, and a member of the NRC.

Mr Yeoh holds a Master's degree in Business Administration (General Management) from University Putra Malaysia and is a Chartered Accountant of MIA, a FCCA, a fellow member of the Institute of Chartered Secretaries and Administrators (UK), and a member of the Malaysian Institute of Certified Public Accountants.

He started his accountancy and audit career in London with Spicer & Pegler, Chartered Accountants (now merged with Deloitte) from 1973 to 1978. He later joined Coopers & Lybrand in Kuala Lumpur as the Assistant Manager in 1978 and then joined Harrisons Trading (Peninsular) Sdn Bhd in 1980 as the Group Internal Auditor, and was appointed as Finance Director in 1990 and subsequently as Managing Director in 1997 until his retirement in 2006. After retirement, he founded BPI Corptall Consulting Sdn Bhd, a business management consulting firm, specialising in business process improvements and general business management services.

Mr Yeoh is also an Independent Non-Executive Director in both Chin Hin Group Berhad and Hextar Global Berhad.

He has attended all seven (7) Board meetings held during FYE 2024.

PROFILE OF DIRECTORS

(CONTINUED)



**SUJATHA SEKHAR A/P
TAN SRI B.C. SEKHAR**
INDEPENDENT NON-EXECUTIVE DIRECTOR



MALAYSIAN



FEMALE



61

Madam Sujatha was appointed to the Board on 23 May 2023. She is a member of the AC, NRC and RMC.

Madam Sujatha holds an LLB (Hons) from the University of London and was called to the Bar of England and Wales in 1989, re-qualified with the Law Society of England and Wales as a Solicitor in 1990. She was called to the Malaysian Bar in 1998 and is a qualified mediator and trainer accredited by the Bar Council's Malaysian International Mediation Centre.

Madam Sujatha is a senior governance and capital markets professional with over 30 years of experience in policy development, strategy, governance, and compliance. She is currently the Chairman of the Malaysian Institute of Corporate Governance (MICG) and operates SSN Consult Plt, her consultancy firm. Previously, as Chief Governance Officer & Group General Counsel of a glove manufacturing company, she guided the company's ESG and sustainability initiatives.

As a former regulator at the Securities Commission Malaysia (SC), she contributed to major policy and reform work and led investor education strategies. She remains active in policy development as a member of the SC's Corporate Governance Council and MSME Governance Working Group.

Madam Sujatha was CEO of Securities Industry Dispute Resolution Center (SIDREC) from 2013 to 2019, enhancing its dispute resolution services aligned with global standards. She continues to influence this sector as an independent director of the Ombudsman for Financial Services, and contributes to the Steering Committee for a single integrated dispute resolution body for financial and capital markets. She also serves as an Independent Non-Executive Director on the board of Metrod Holdings Berhad.

She has attended six (6) out of six (6) Board meetings held during FYE 2024 upon her appointment to the Board.

ADDITIONAL INFORMATION ON BOARD OF DIRECTORS

- Family Relationship with Directors and/or Substantial Shareholders**
Save as disclosed above, none of the Directors of the Company have any family relationship with the other Directors and/ or substantial shareholders of the Company.
- Conflict of Interest**
None of the Directors of the Company have any conflict of interest with the Company.
- Convictions for Offences**
None of the Directors of the Company have been convicted of any offences in the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year, other than traffic offences, if any.

PROFILE OF KEY SENIOR MANAGEMENT

TAN ENG KIONG FINANCIAL CONTROLLER



MALAYSIAN



MALE



49

Mr Tan Eng Kiong is our Financial Controller appointed on 1 September 2021. He is responsible for managing the Group's overall finance and accounting matters.

He graduated from the University of Malaya with a Bachelor's Degree in Accounting and is currently a Chartered Accountant of MIA.

Mr Tan began his career with a public listed company and later held senior finance positions in various private companies before joining the Group. Over the years, he has gained more than 20 years of experience in accounting and finance field.

Mr Tan does not hold directorships in any public companies and listed issuers. He has no family relationship with any Directors and/or substantial shareholders of the Company and has no conflict of interest with the Company. He has not convicted any offences in the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year, other than traffic offences, if any.

SUSTAINABILITY STATEMENT

Dear Valued Stakeholders,

From our origins in logistics and warehousing to our ventures into e-commerce and fintech application, Hextar Technologies Solutions Berhad (“HexTech” or “the Company”) and its subsidiaries (“HexTech Group” or “the Group”) have always been driven by evolution and innovation. Amidst our diversification, our unwavering commitment to sustainability remains constant as we recognise sustainability as our guiding beacon, shaping every step of our journey.

Our commitment to sustainable practices is deeply ingrained in our corporate strategy. By integrating sustainability into every aspect of our operations, we strive to minimise our environmental footprint, uphold regulatory compliance and drive long-term value creation through innovation. This approach not only enhances our market competitiveness and operational efficiency but also aligns with our stakeholders’ expectations. It also fosters a culture of sustainability within our Group, paving the way for future growth and resilience.

The Board of Directors (“Board”) is pleased to present this Sustainability Statement (“Statement”) for the financial year ended 31 March (“FYE”) 2024. This Statement shall demonstrate an overview of our sustainability strategies and performance with a focus on addressing our material sustainability risks and opportunities within the context of Economic, Environment, Social and Governance (“EESG”).



REPORTING SCOPE AND PERIOD

This Statement covers the Group’s sustainability initiatives, strategies and performances within the 4 major business segments, namely logistics, warehousing, trading and technology, for the period from 1 April 2023 to 31 March 2024, unless otherwise specified.



REPORTING GUIDELINES

This Statement was prepared based on all available internal information and in accordance to Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Sustainability Reporting Guide 3rd Edition and the Main Market Listing Requirement (“MMLR”) relating to sustainability statement.

Additionally, we have referred to the United Nations’ (“UN”) Sustainable Development Goals (“SDGs”) as a guideline in mapping our material sustainability matters and formulating the Group’s sustainability strategies.



STATEMENT OF ASSURANCE

In strengthening the credibility of this Statement, it has been subjected to an internal review by the Company’s Internal Auditors and has been approved by the Company’s Audit Committee. The review determined that the disclosures of “Energy Conservation and Emission Management”, “Workforce Diversity and Equal Opportunity” and “Corporate Social Responsibility” presented in this Statement are fairly stated, appropriately prepared and well-supported.



FEEDBACK

HexTech welcomes all stakeholders’ feedback on this Statement and any relevant sustainability matters for our continuous improvement on sustainability measures and reporting standards.

Relevant feedback or comments can be directed to info@hextartech.com.

SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY GOVERNANCE

At HexTech, sustainability is not only a commitment but an integral part of our governance and operational framework. We believe that a robust sustainability governance structure is essential for driving meaningful change and ensuring the Group's long-term success.

Central to our sustainability governance structure is the leadership of our Board. Our Board plays a critical oversight role, setting strategic directions for our sustainability goals and strategies in alignment with our core business objectives and stakeholders' expectations.

However, vision alone is insufficient without effective execution. The responsibility for translating this vision into actionable practices lies with our operational management. Led by the Executive Directors, our Management team serves as the driving force behind the implementation of our sustainability strategies. In this aspect, our Heads of Departments ("HODs") are responsible to implement sustainability initiatives within their respective operational areas. Our Board then reviews our sustainability performance and provides guidance and advice to our Management on sustainability matters.

This decentralised approach ensures that sustainability is a shared responsibility across all organisational levels and is integrated into every aspect of our business operations. This shall foster a culture of accountability and continuous improvement that propels us towards a more sustainable and resilient future.



SUSTAINABILITY STATEMENT

(CONTINUED)

STAKEHOLDERS ENGAGEMENT

We acknowledge that the success of our sustainability management relies on meaningful engagement with our various stakeholders. We believe that understanding the needs and expectations of our diverse stakeholder groups is essential for developing effective sustainability strategies to drive our long-term growth. During FYE 2024, we have identified 7 key stakeholder groups and have engaged with them through the following approaches and channels: -

Stakeholder Groups	Areas of Concern	Engagement Approaches
Shareholders / Investors	<ul style="list-style-type: none"> Investment risks and returns Financial and operational performance Corporate governance Regulatory compliance Business strategies and management 	<ul style="list-style-type: none"> General meetings Annual report Quarterly financial results Announcements made on Bursa Securities' website Press release Company's website
Vendors	<ul style="list-style-type: none"> Sustainable business relationship Credit terms and timely payments Fair and transparent procurement practices 	<ul style="list-style-type: none"> Business meetings Phone and email communication
Customers	<ul style="list-style-type: none"> Products and services quality Competitive pricing and on-time delivery 	<ul style="list-style-type: none"> Business meetings Phone and email communication Company's website and social media platforms
Employees	<ul style="list-style-type: none"> Career progression Competitive remuneration and benefits packages Occupational safety and health Training and development Employee welfare and engagement 	<ul style="list-style-type: none"> Performance appraisals Operational discussions and meetings Training and development programmes
Regulators / Government Authorities	<ul style="list-style-type: none"> Regulatory compliance Licences and permits Corporate governance Occupational safety and health Accurate and transparent disclosures 	<ul style="list-style-type: none"> Periodic visits and inspections Licences and permits renewal Announcements made on Bursa Securities' website Ad-hoc information disclosure
Financiers / Bankers	<ul style="list-style-type: none"> Financial performance Repayment capabilities 	<ul style="list-style-type: none"> Quarterly financial results Announcements made on Bursa Securities' website Annual review
Local Community	<ul style="list-style-type: none"> Local job creation and economic support Environmental impacts from business operations Community wellbeing 	<ul style="list-style-type: none"> Annual report Company's website Community outreach programmes

SUSTAINABILITY STATEMENT

(CONTINUED)

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS

Materiality Assessment Process

In today's rapidly evolving business landscape, identifying and addressing material EESG issues is crucial for a company's long-term success and sustainability. To this end, the materiality assessment process is a strategic approach that enables us to identify, prioritise and manage the EESG matters that are most impactful to our stakeholders and business operations. This process not only helps in aligning business strategies with stakeholder expectations but also mitigates risks and drives our Group's sustainable value creation.

Led by our Executive Directors, we conducted an annual materiality assessment during FYE 2024 to revisit our existing sustainability matters while identifying any emerging sustainability risks and opportunities with the EESG aspects.

This year, we have adopted a similar four-step approach to perform the materiality assessment, illustrated as follows: -



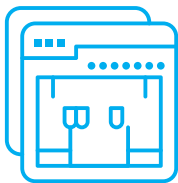
1. Stakeholder Identification and Engagement

- To identify the key stakeholders of the Group.
- To engage with the identified key stakeholders to understand their concerns, needs and expectations.



2. Sustainability Matters Identification

- After identifying the needs and expectations from various stakeholders, identify the material sustainability matters from both the Group's and stakeholders' perspectives.



3. Categorisation & Prioritisation

- To assess, evaluate and categorise the identified sustainability matters in accordance with our EESG pillars.
- To rank and prioritise the identified material sustainability matters based on their respective impacts and importance level towards the Group and stakeholders.
- To develop sustainability strategies and report the same to the Board.



4. Process Review

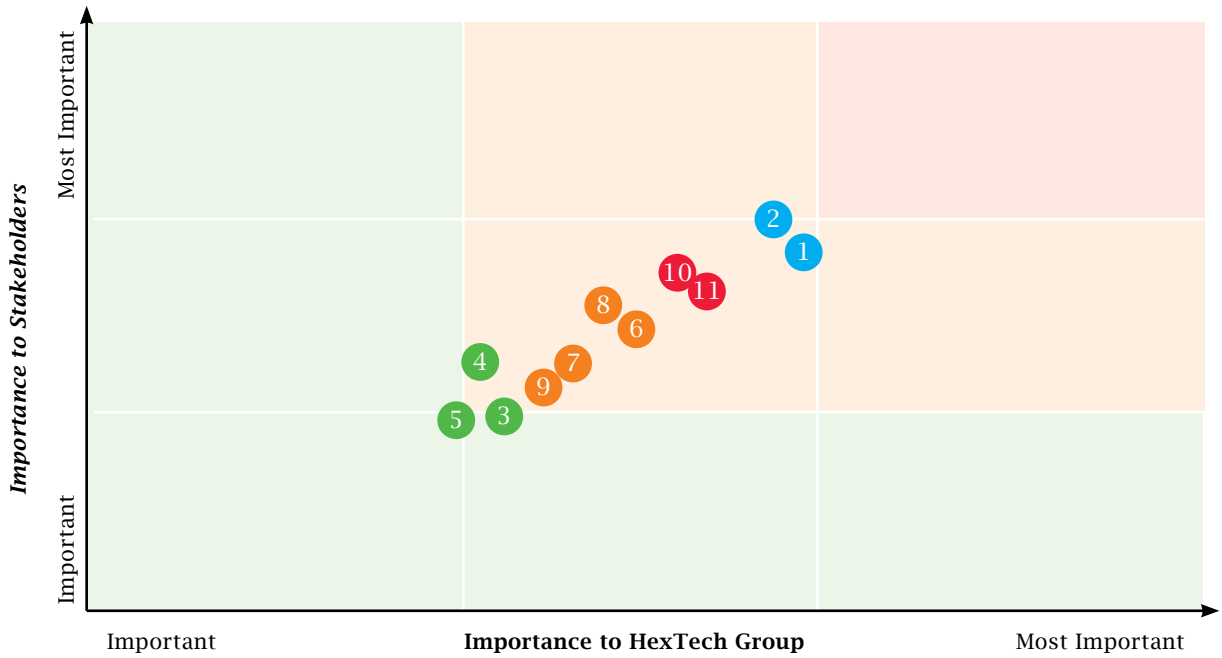
- To conduct periodical review and improve the materiality assessment process.

SUSTAINABILITY STATEMENT (CONTINUED)

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS (CONT'D)

Materiality Matrix

Based on the materiality assessment conducted, additional material matters have been identified in accordance with Bursa Securities’ Sustainability Reporting Guide 3rd Edition. As a result, a total of 11 material matters have been identified in FYE 2024, ranging from “Important” to “Most Important”, as depicted in the following Materiality Matrix: -



ECONOMIC		ENVIRONMENT		SOCIAL		GOVERNANCE	
1.	Economic Performance	3.	Energy Conservation and Emission Management	6.	Occupational Safety and Health	10.	Regulatory Compliance
2.	Cybersecurity and Data Protection	4.	Waste Management and Environmental Compliance	7.	Workforce Diversity and Equal Opportunity	11.	Corporate Governance
		5.	Water Management	8.	Employee Welfare and Management		
				9.	Corporate Social Responsibility		

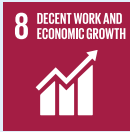

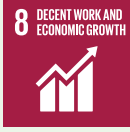





SUSTAINABILITY STATEMENT

(CONTINUED)

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS (CONT'D)

Sustainability Strategies and Mapping of UNSDG

As the world increasingly embraces the transition towards sustainability, we are aligning our initiatives with the SDGs to drive positive environmental and social impacts in line with the global sustainable development agenda. In this regard, we have mapped 6 SDGs to our material matters and developed the corresponding sustainability strategies to address each material matter accordingly, summarised as follows: -

	Material Matters	Stakeholder Groups	Sustainability Strategies	SDGs
ECONOMIC	<ul style="list-style-type: none"> Economic Performance Cybersecurity and Data Protection 	<ul style="list-style-type: none"> Shareholders/ Investors Vendors Customers Employees Financiers/ Banks 	<ul style="list-style-type: none"> Driving long-term value creation through technological innovation while upholding the highest standards of cybersecurity and data protection via appropriate security measures. 	 
ENVIRONMENT	<ul style="list-style-type: none"> Energy Conservation and Emission Management Waste Management and Environmental Compliance Water Management 	<ul style="list-style-type: none"> Employees Regulators/ Government Authorities Local Communities 	<ul style="list-style-type: none"> Continuous monitoring and control on diesel consumption to promote resources efficiency and minimise carbon emissions. Implementing proper waste disposal process in compliance with applicable environmental regulations. Adopting efficient use of energy and water resources. 	 
SOCIAL	<ul style="list-style-type: none"> Occupational Safety and Health Workforce Diversity and Equal Opportunity Employee Welfare and Management Corporate Social Responsibility ("CSR") 	<ul style="list-style-type: none"> Employees Regulators/ Government Authorities Local Communities 	<ul style="list-style-type: none"> Fostering a diverse and inclusive workplace to foster employees' motivation and drive organisational success. Safeguarding employees' safety, health and rights to ensure business sustainability. Nurturing local community through charitable donations. 	  
GOVERNANCE	<ul style="list-style-type: none"> Regulatory Compliance Corporate Governance 	<ul style="list-style-type: none"> Shareholders/ Investors Employees Regulators/ Government Authorities 	<ul style="list-style-type: none"> Enforcement of policies and procedures within the Group to promote corporate governance and regulatory compliance. 	

SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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ECONOMIC PERFORMANCE

In the dynamic realm of business, sustainability is no longer only about meeting today’s demands; it is about preparing for tomorrow’s challenges while driving meaningful growth. Here in HexTech, we recognise that sustainability is the fundamental driver of long-term success and are committed to integrating sustainability into our economic performance.

We are pleased to report that our revenue for FYE 2024 has increased by 16.4% as compared to FYE 2023, driven by strong customer demand for building materials during the financial year. However, alongside such revenue growth, we recorded a Loss After Tax (“LAT”) of RM16.62 million which mainly arising from the substantial investments made in developing and marketing our new fintech mobile super-app, MoneyX. With SDG Target 8.1 in mind, we view these expenses not as setbacks but as strategic investments essential for our future growth. Our venture into fintech represents a critical component of our long-term strategy, aimed at diversifying our revenue streams and capitalising on emerging opportunities in the digital economy.



Our MoneyX app is built with the mission of helping individuals to unlock their financial potential by increasing the accessibility to financial management for everyone. It serves as a one-stop personal financial management platform equipped with comprehensive artificial intelligence and machine learning-supported features such as budgeting tools, cash flow management, credit scoring tool as well as bills and loans payment reminders. The app also provides a secure digital vault for document storage, promoting not only convenience and security but also environmental responsibility by reducing physical printing and documentation.

The development of MoneyX aligns with SDG Target 9.5 by leveraging technological research and capabilities to improve financial management for our users. This initiative underscores our commitment to driving technological innovation within the financial services industry, thereby supporting our broader economic development.



Additionally, we have successfully partnered with nearly 50 companies across various industries, including banking, insurance, financial services, property developers, asset management companies and legal firms, to participate in our MoneyX ecosystem. This integration spans a wide range of products and services, enabling our users to access various products and services easily and make informed and appropriate financial decisions at their fingertips.

From 23 to 26 October 2023, we conducted a successful soft launch of MoneyX at Vertical Business Suite, Tower B, Kuala Lumpur, marking the initial phase of its introduction to the market. Subsequently, on 1 March 2024, the grand launch of MoneyX took place at EQ Hotel, Kuala Lumpur, signalling its official entry into the financial services landscape with attendance by industry leaders and stakeholders.

Since then, MoneyX has experienced impressive growth with over 100,000 downloads by end of June 2024. This success is largely attributed to our strategic marketing and promotional efforts, which include a blend of digital marketing, out-of-home and on-ground promotional campaigns as well as extensive press coverage. Looking ahead, we plan to integrate more key features into the app by the end of 2024 and engage more partnership in our MoneyX business ecosystem to further enhance the app’s capabilities as well as our users’ experience.

SUSTAINABILITY STATEMENT (CONTINUED)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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ECONOMIC PERFORMANCE (CONT'D)



Soft Launch of MoneyX at Vertical Business Suite, Tower B, Kuala Lumpur



Grand Launch of MoneyX at EQ Hotel, Kuala Lumpur



On-Ground Promotional Campaigns

SUSTAINABILITY STATEMENT (CONTINUED)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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ECONOMIC PERFORMANCE (CONT'D)



In addition to the successful launch of MoneyX, our subsidiary, CIBC Technology Sdn Bhd (“CIBC”), had on 8 August 2023 entered into a Memorandum of Collaboration (“MOC”) with CIDB IBS Sdn Bhd to develop an innovative digital Industrialised Building System (“IBS”) products e-commerce marketplace platform (“IBSWare”). In line with SDG Target 9.4, IBSWare aims to revolutionise the construction industry by providing a centralised digital marketplace for IBS products, thereby streamlining the procurement process, enhancing efficiency and supporting the adoption of sustainable building practices in the construction industry.

TARGET 9-4

UPGRADE ALL INDUSTRIES AND INFRASTRUCTURES FOR SUSTAINABILITY

According to the MOC, CIBC will also assist in creating an “IBS Mall” which will be hosted on our existing e-Build trading platform. In FYE 2024, our e-Build trading platform experienced an impressive 41.2% increase in transaction volume and contributed significantly to our trading segment, accounting for 36.2% of the segment revenue. This “IBS Mall” initiative is expected to further drive our platform’s growth and overall value proposition.

Both the IBSWare and our e-Build platforms bring positive impact to the environmental and social sustainability on several fronts through their environmentally-friendly feature. In view of their digital nature, the platforms reduce the dependency on physical documents, conserving natural resources and diminishing paper waste. Moreover, the trading platforms facilitate remote transactions, thereby reducing the need for unnecessary travel and contributing to lower carbon emissions.

Building on our robust business growth strategy, our commitment to a sustainable supply chain plays a pivotal role in ensuring smooth and uninterrupted business operations. Thanks to our effective supply chain management, we are pleased to report that we have maintained a stable supply chain without any material supply disruption to our operations during FYE 2024. In addition, being a responsible entity, we attempt to support our local economy by engaging with local suppliers. With SDG Target 8.1 in mind, our Group achieved a noteworthy 99.9% local procurement in FYE 2024. While certain services are required to be sourced internationally due to cross-boundary issue, we will continue to prioritise the sourcing of materials and services locally, whenever possible.

TARGET 8-1

SUSTAINABLE ECONOMIC GROWTH

SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC

ENVIRONMENT

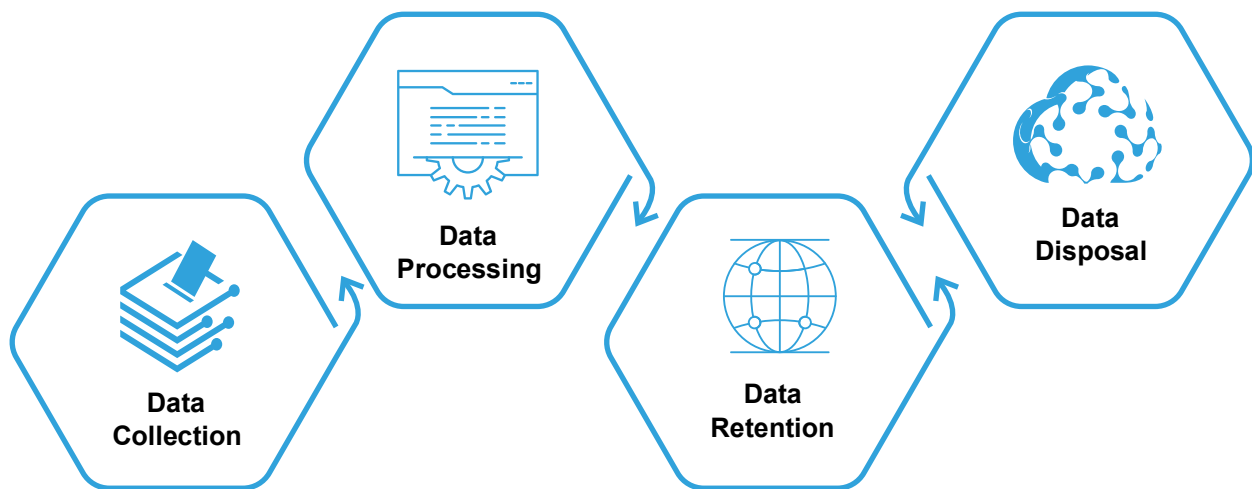
SOCIAL

GOVERNANCE

CYBERSECURITY AND DATA PROTECTION

In conjunction with our diversification into the technology segment this year, we recognise that cybersecurity and data protection have become paramount in today's dynamic fintech landscape. To uphold the trust and integrity among our stakeholders and safeguard our reputation, we are committed to protecting our stakeholders' personal data from any unauthorised access, misuse and breaches.

To this end, we have put in place several Standard Operating Procedures ("SOPs") in relation to customer data protection on MoneyX, covering data collection, processing, retention and disposal as follows: -



Data collection is restricted to only the designated employees who have undergone appropriate training to ensure that they understand the importance and methods of secure data handling. We employ secure methods and tools for data collection and storage in compliance with the Personal Data Protection Act 2010 and General Data Protection Regulation, where relevant.

To ensure data security, we also implement role-based access controls that limit data access to only the authorised personnel based on their job responsibilities. All physical data must be properly stored while digital data must be encrypted and regularly backed up to prevent data loss or unauthorised access. To maintain high standards of cybersecurity and data protection, we conduct regular training and internal audits on our Information Technology ("IT") function.

For data disposal, we utilise paper shredders for physical data destruction and secure data deletion software for digital data deletion. This shall ensure that all information is disposed of in a manner that prevents reconstruction or misuse.

With the abovementioned SOPs in practice, we are pleased to report that there were no substantiated complaints concerning breaches of customer privacy or losses of customer data. Staying ahead, we are committed to maintaining our target of zero cases of data leakage and breaches of customer privacy by continually strengthening our data protection measures and remaining vigilant against emerging threats in the ever-evolving digital landscape.

Additionally, in our pursuit to upholding the highest standard of cybersecurity and data protection in our technology segment, we have taken a further step to apply for the ISO 27001 certification for MoneyX. ISO 27001 is an internationally recognised best practice framework for information security management systems. The said application is still in progress and we expect to share the good news with our shareholders and stakeholders in the near future.

SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC

ENVIRONMENT

SOCIAL

GOVERNANCE

ENERGY CONSERVATION AND EMISSION MANAGEMENT

In an era where climate change and dwindling natural resources are pressing concerns, the way we consume energy has never been more critical. In this regard, energy conservation stands at the forefront of this global challenge, offering us a pathway to reduce our carbon footprint and secure a healthier planet for generations to come.

	FYE 2024 (MW)
Diesel	17,957.62
Electricity	168.26
Total	18,125.88

In FYE 2024, we recorded a total energy consumption of 18,125.88 megawatt from our daily operations, primarily arising from diesel and electricity consumptions which accounted for 99.1% and 0.9% respectively.

As our logistics business continues to grow, we have observed a corresponding increase in our diesel consumption, rising from 1,338,088 litres in FYE 2023 to 1,638,469 litres in FYE 2024. As a result, the estimated Scope 1 emission from our fleet vehicles also increased from 3,561 t CO₂e in FYE 2023 to 4,361 t CO₂e in FYE 2024.

Despite the said business expansion, we remain acutely aware of the associated negative impacts such as higher carbon emissions and pollution. Therefore, we are committed to closely monitoring and minimising the carbon emission arising from our diesel consumption in our logistics segment. With SDG Target 8.4 and 12.2 in mind, we continue to monitor our fuel consumption, fuel level sensor, and skid tank through an adopted "Total Dynamic System" and track our fleet vehicles through a Global Positioning System ("GPS") tracking system and devices. Both systems enable us to ensure efficient fleet management by optimising fleet performance and making efficient use of fuel resources.

In November 2023, we strengthened our sustainability commitment by replacing 5 aging trucks with new and more fuel-efficient trucks. This initiative not only helps to reduce diesel consumption but also enhances our fleet performance and reduces adverse environmental impact.

Our commitment to energy management extends beyond our logistics operations through the adoption of various strategic initiatives aimed at reducing electricity consumption in our daily operations. In FYE 2024, our total electricity consumption of 168.26 MW has resulted in a total estimated Scope 2 emission of 98.43 t CO₂e.

Our initiatives in conserving electricity and reducing carbon emissions in our workplace include: -

- Minimising unnecessary energy use by turning off lights and air conditioning when not in use;
- Utilising virtual communication tools such as WhatsApp and Zoom for meetings and webinars to replace physical travelling;
- Promoting carpooling for essential in-person meetings to reduce the number of vehicles on the road, further cutting down on fuel consumption and emissions; and
- Conducted virtual Annual General Meeting during FYE 2024 to avoid the energy costs associated with large physical gatherings.

Through the adoption of innovative technologies and simple everyday habits, we are making significant strides toward a future where economic growth and environmental stewardship go hand in hand. We believe that every step we take in conserving energy helps pave the way for a more sustainable and prosperous future.



SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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WASTE MANAGEMENT AND ENVIRONMENTAL COMPLIANCE

In addition to our commitment to reducing emissions and conserving energy, we recognise that effective waste management is integral to our sustainability strategy. We are committed to minimising our ecological footprint through effective waste management practices and environmental responsibility.

Within our logistics segment, we ensure that used engine oil from our fleet is properly collected and responsibly disposed of. In this regard, we partner with a certified waste oil collector who adheres to stringent protocols for the safe handling, transportation and disposal of used engine oil. We believe that this initiative shall prevent environmental contamination.

Furthermore, we also manage the disposal of scrap waste such as damaged tyres and spare parts that could bring adverse environmental impact. To this end, we collaborate with licensed scrap metal recyclers to ensure that these materials are appropriately recycled or disposed of in compliance with local environmental regulations. We are pleased to report that there were zero cases of non-compliance with any environmental laws and regulations in FYE 2024. Hence, no environmental-related fines, penalties or settlements were imposed on or made by the Group during FYE 2024.

Beyond our operational efforts, we also integrate the principles of 4Rs (reduce, reuse, recycle and recover) into our daily operations in alignment with SDG Target 12.5. Materials such as paper, plastic and aluminium waste are recycled within our office, while electronic transactions are adopted to reduce our reliance on physical documents. We also reuse wastepaper for drafting purposes before eventual recycling, demonstrating our commitment to minimising waste and maximising resources efficiency.



By implementing responsible waste management practices and embracing the principles of the circular economy, we not only minimise environmental impact but also contribute to conserving valuable resources. Through continuous innovation and collaboration, we believe that every action we take towards waste reduction and recycling supports a cleaner and greener future.

WATER MANAGEMENT

With a growing global emphasis on conserving water resources amid increasing concerns over scarcity and pollution, we have taken a further step to include water management as one of our material sustainability matters from this year onwards.

In FYE 2024, we recorded a total water consumption of 1.47 megalitres, compared with 1.59 megalitres in FYE 2023. The decrease of 7.5% in water consumption is mainly due to the control of water usage at the workshop and fewer trucks running on the road, reducing the amount of water used for truck washing.

Moving forward, despite our business nature which does not rely heavily on water consumption, HexTech remains committed to advancing water management strategies. By continuously monitoring our water usage and exploring innovative conservation methods, we aim to further reduce our environmental footprint and contribute positively to global water sustainability efforts.

SUSTAINABILITY STATEMENT (CONTINUED)



ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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OCCUPATIONAL SAFETY AND HEALTH (“OSH”)

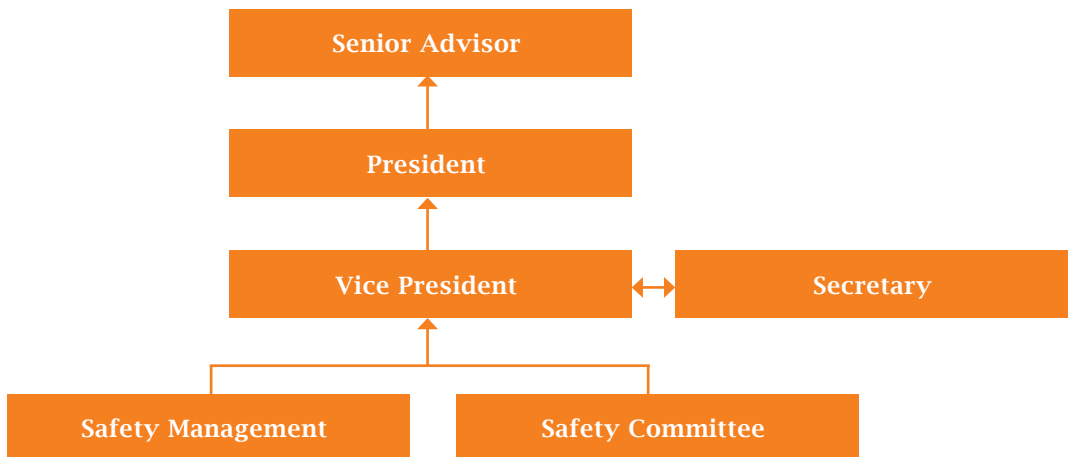
Recognising the inherent risks associated with our daily operations, particularly in the logistics segment, we understand that a secure and healthy workforce is the foundation of operational excellence. In this aspect, we are committed to upholding the highest OSH standards and requirements across the Group, aiming to maintain an accident and injury-free working environment for our employees.

In alignment with SDG Target 3.6 and 8.8, our subsidiary, Pengangkutan Sekata Sdn Bhd, has implemented a Safety, Health and Environment (“SHE”) Policy as a guideline to prevent work-related accidents, injuries and illness at our workplace. All employees are obligated to comply with this SHE Policy and any non-compliance may result in disciplinary actions such as penalties or warnings.

The key objectives set forth by our SHE policy are as follows: -

SHE Policy	TARGET 3-6
<ul style="list-style-type: none"> • To ensure road safety by taking the following safety measures: - <ul style="list-style-type: none"> o Execute operations in a safe manner o Comply with the use of safety seat belts o Comply with the regulated speed limit, driving time and working hours o Prohibit the use of phones while driving o Implement hazard risk analysis o Prohibit drug and alcohol consumption while driving o Comply with Journey Management Plan (“JMP”) • To ensure continuous compliance with the SHE Policy in upholding the highest standard of safety • To cultivate and maintain OSH awareness in workplace • To comply with all applicable laws and regulations • To comply with environmental regulations to preserve the environment 	 <p>REDUCE ROAD INJURIES AND DEATHS</p>
	<p>TARGET 8-8</p>  <p>PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS</p>

To facilitate an effective OSH management across the Group, we have also established an OSH Committee who is responsible for overseeing the Group’s compliance with OSH regulations and addressing all OSH-related matters.



SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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OCCUPATIONAL SAFETY AND HEALTH (“OSH”) (CONT’D)

Our OSH Committee is led by the Senior Advisor, who is the director of our subsidiaries. The Senior Advisor is responsible to advise and manage the Group’s overall OSH-related matters. Supporting the Senior Advisor is the President of the OSH committee, who is our Financial Controller, with additional support from our Operation Manager serving as the Vice President. Safety Management and Safety Committee are represented by employees from different departments respectively. The inclusion of Management and employee representatives from various departments shall ensure that voices and opinions from different levels and departments are fairly heard and considered.



As part of our ongoing efforts to promote safety awareness among our employees, we sent 9 employees to attend the General Occupational Safety and Health Awareness held on 21 September 2023. Reflecting our corporate culture of sharing information and knowledge for collective growth, these employees have subsequently shared their insights and information with their colleagues.

Under our stringent OSH management, we are glad to highlight that we have achieved another year of zero-injury and fatality workplace in FYE 2024. Moving forward, we will continue to strengthen and uphold our OSH practices to foster a workplace where every employee can work safely with peace of mind.



SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC

ENVIRONMENT

SOCIAL

GOVERNANCE

WORKFORCE DIVERSITY AND EQUAL OPPORTUNITY

At HexTech, we believe that building a diverse and inclusive culture is integral to the Group's success. A diverse workforce brings a wealth of perspectives and ideas, driving creativity, innovation and productivity across all levels of our Group. By valuing and respecting individual differences, we create an environment where everyone can thrive and contribute their best.

As at 31 March 2024, we have 7 Directors serving on the Board and a total workforce of 113 employees coming from diverse backgrounds. It is worth noting that our employee demographics may lean more towards males due to the nature of the logistics industry. However, with SDG Target 10.3 in mind, it is important to emphasise that we do not discriminate based on gender in our recruitment process. On 24 August 2023, we also put in place a Diversity Policy for the Board and Senior Management, aiming for at least 30% and 20% women representation on the Board and Senior Management respectively, further demonstrating our commitment to Board and workforce diversity. Our employee demographics are analysed as follows: -



	Employee Category				
	Board	Senior Management	Management	Executive	Non-Executive
Total	7	12	16	32	53
<u>Gender</u>					
<i>Male</i>	6 (86%)	9 (75%)	10 (63%)	17 (53%)	44 (83%)
<i>Female</i>	1 (14%)	3 (25%)	6 (37%)	15 (47%)	9 (17%)
<u>Age Group</u>					
< 30	-	-	3 (19%)	23 (72%)	4 (8%)
30 - 50	2 (28%)	7 (58%)	13 (81%)	5 (16%)	36 (68%)
> 50	5 (72%)	5 (42%)	-	4 (12%)	13 (24%)
<u>Nationality</u>					
<i>Local</i>	7 (100%)	12 (100%)	16 (100%)	32 (100%)	51 (96%)
<i>Foreign</i>	-	-	-	-	2 (4%)
<u>Ethnicity</u>					
<i>Malay</i>	1 (14%)	-	4 (25%)	12 (38%)	42 (79%)
<i>Chinese</i>	5 (72%)	10 (84%)	11 (69%)	16 (50%)	3 (6%)
<i>Indian</i>	1 (14%)	1 (8%)	1 (6%)	4 (12%)	5 (9%)
<i>Others</i>	-	1 (8%)	-	-	3 (6%)
<u>Division</u>					
<i>Trading</i>	N/A	3 (25%)	3 (19%)	17 (53%)	2 (4%)
<i>Logistics</i>	N/A	1 (9%)	2 (12%)	6 (19%)	50 (94%)
<i>Technology</i>	N/A	4 (33%)	8 (50%)	5 (16%)	-
<i>Corporate Office & Others</i>	N/A	4 (33%)	3 (19%)	4 (12%)	1 (2%)

SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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WORKFORCE DIVERSITY AND EQUAL OPPORTUNITY (CONT'D)

During FYE 2024, we recruited 5 interns for our IT Department. We are glad to share that 2 out of the 5 interns have been successfully converted into our permanent employees.

In line with the increase in our total workforce from 107 employees as at 31 March 2023 to 113 employees as at 31 March 2024, our staff cost also increased by 11.0%, from RM9.1 million in FYE 2023 to RM10.1 million in FYE 2024. Such an increase was largely attributed to the recruitment of experienced IT and marketing talents for the development of our MoneyX app.

While we advocate workforce diversity, we also value employee loyalty and retention as the key aspects in managing talent effectively in the Group. In this regard, we recorded a 29.1% turnover rate for FYE 2024, primarily attributed to our logistics segment consequent to relocation of the workplace.

	Number of Turnover
Senior Management	-
Management	5
Executive	7
Non-Executive	20
Total	32

We are also pleased to highlight that our workforce is solely made up of permanent employees, indicating the stability of our workforce. Moving forward, we are committed to cultivate a supportive and motivating working environment for the Group’s long-term growth and success.

EMPLOYEE WELFARE AND MANAGEMENT

In our effort to foster a sustainable workforce and employee loyalty within the Group, we are committed to promoting employee welfare and prioritising the protection of our employees’ rights. In this regard, we strictly comply with the Malaysian Employment Act 1955 and the Minimum Wages Order 2022 by upholding the following 4 key principles: -



SUSTAINABILITY STATEMENT (CONTINUED)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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EMPLOYEE WELFARE AND MANAGEMENT (CONT'D)

With our continuous effort in maintaining a positive and respectful working environment, we are pleased to report that no incidents of discrimination, human rights violations, child labour, forced labour or restrictions on freedom of association were reported during FYE 2024. This achievement underscores our dedication to creating a safe, inclusive and ethical work environment where all employees are treated with fairness, respect and dignity. We will continue to uphold these principles, striving to maintain a positive and respectful workplace culture that prioritises the well-being and rights of our employees.



In addition to protecting our employees' rights, we also provide various benefits to further promote their welfare. For example, our employees are entitled to a staff discount on Hextar Group's products, petrol allowances as well as long service awards at 5-year intervals. In line with SDG Target 3.8, we also provide personal accident insurance and medical card coverage for all our confirmed employees with over 1 year of service.

While we offer employee benefits, we also recognise that continuous development and enhancement of our employees' knowledge and skills are vital for their long-term growth as well as our Group's business sustainability. In this regard, we are dedicated to providing comprehensive training programmes tailored to the needs of our employees. These programmes are designed to equip our employees with the requisite knowledge and skills required to excel in their roles, thereby enhancing our Group's overall capability and performance.

For the FYE 2024, we have invested a total of RM16,547 in our employees' training and development. As a result, our employees received a total of 337 training hours in FYE 2024.

The list of training and development programmes attended by our employees during FYE 2024 is as follows: -

	Number of Training Hours
Senior Management	82
Management	103
Executive	96
Non-Executive	56
Total	337

Date	Training and Development Programme
04 - 06.04.2023	Mandatory Accreditation Programme
26.07.2023 08.03.2024	Anti-Bribery and Corruption
15.08.2023	Harnessing Data for Personalised Insurance Experiences
16 & 17.08.2023	Mastering the Art and Science of Problem-Solving and Decision-Making
21.09.2023	General Occupational Safety and Health Awareness
12 & 13.10.2023	Effective Communication Skills
17 & 18.10.2023	Kursus Certified Operator in Scheduled Waste Management
24.10.2023	2024 Budget & Tax Conference
27.11.2023	Corporate Liability Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act
30.11.2023	Preparation and Implementation of 'e-Invoice' in Malaysia
02.12.2023	Google Devfest 2023
13 & 14.12.2023 28 & 29.02.2024	Mandatory Accreditation Programme II
14.12.2023	Breaking Ground: Malaysia's Capital Gains Tax and its implications
17.01.2024	Sustainability & ESG Conference
06.02.2024	Community Tea Time Talk: Technology and the Law: Trends in 2024

SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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CORPORATE SOCIAL RESPONSIBILITY (“CSR”)

At Hextech, CSR is more than just a duty; it is our guiding principle and passion. We believe in the transformative power of giving back to society and are committed to creating positive change in the communities where we operate.

To this end, we actively participate in several social programmes and events, aiming to create positive impacts and meaningful connections with the local community. During FYE 2024, we contributed a total of RM30,000 to support the local community, benefitting a total of 1,100 beneficiaries: -

Donation to SJK (C) Kong Hoe

On 9 September 2023, in collaboration with other related Hextar groups, we donated RM25,000 each to SJK (C) Kong Hoe, supporting the upgrade of their facilities and bolstering their building funds. By enhancing their facilities and infrastructure, this donation is expected to benefit 1,050 individuals in total. We see this contribution as an investment in the nation’s education, building a brighter future for these young minds and empowering them with the knowledge and skills they need to succeed.



Back to School Programme 2024

Our Group, together with Hextar Healthcare Berhad and in partnership with Suriana Welfare Society Malaysia, had on 28 February 2024 undertaken a “Back to School” Programme, focusing on enhancing the educational experiences of children residing in Program Perumahan Rakyat (“PPR”) Kampung Muhibbah, Kuala Lumpur. Centered on the provision of school uniforms and shoes, our contribution of RM5,000 has benefitted a total of 50 children from the B40 community.



SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC

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REGULATORY COMPLIANCE

As regulations tighten and societal expectations evolve, staying compliant is not just about following rules; it is about embracing a new era of responsibility. Businesses are increasingly challenged to uphold ethical standards while remaining competitive. In this aspect, our approach to governance entails strict adherence to regulatory frameworks and ethical standards.

In our efforts to ensure regulatory compliance, we have established a set of SOPs that provide the guidelines for all employees to carry out their duties and functions effectively and in compliance with the applicable standards. The key laws, rules and regulations that are applicable to the Group include but are not limited to the following: -

Section	Laws, Rules and Regulations
Labour	<ul style="list-style-type: none"> • Employment Act 1955 • Minimum Wages Order 2022 • Personal Data Protection Act 2010 • Workmen Compensation Act 1952 • Employees' Social Security Act 1969 • Employees Provident Fund Act 1991 • Income Tax Act 1967
Safety, Health and Environment	<ul style="list-style-type: none"> • Occupational Safety & Health Act 1994 • Environmental Quality Act 1974 • Fire Service Act 1988
Transportation	<ul style="list-style-type: none"> • Road Transport Act 1987 ("RTA 1987") • Weight and Measures Act 1972 • Weight Restriction Order (Federal Road)

Particularly for our logistics segment, we acknowledge the critical importance of complying with the RTA 1987 to ensure that our drivers and vehicles operate under safe and permissible conditions. In compliance with the RTA 1987, all our commercial vehicles undergo routine inspections at PUSPAKOM every 6 months or once a year, depending on the vehicle's age. For FYE 2024, we are pleased to report that all our vehicles met the required standards and successfully passed all PUSPAKOM tests, including the measurement tests for emission of smoke and gases within the specified legal limit of 50%.

Regrettably, we received some traffic summons during FYE 2024 due to non-compliance with traffic instruction. Saved for these traffic summons, there were no other fines, penalties or settlements were imposed or made during the financial year. We acknowledged our oversight and will continue to improve moving forward.

CORPORATE GOVERNANCE

Corporate governance, once confined to the boardroom, has emerged as a powerful catalyst for sustainability in today's global economy. Beyond mere oversight, it serves as the compass guiding businesses towards ethical practices, responsible decision-making and long-term value creation. As stakeholders demand greater transparency and accountability, we recognise that effective corporate governance practices not only mitigate risks but also foster a culture of sustainability that resonates from the top down.

SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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CORPORATE GOVERNANCE (CONT'D)

In our commitment to uphold the highest standards of corporate governance across the Group, we have put in place several Company's policies and procedures to ensure transparency, accountability and ethical behaviour in all facets of our operations: -

Code of Ethics and Conduct ("the Code")

The Code serves as a guiding framework for all of our employees to conduct daily activities with due respect to proper corporate governance procedures. Built upon integrity, transparency, responsibility and CSR, the key objectives of the Code include: -

- To establish a standard of ethical behaviour based on trustworthiness, honesty, integrity and values that can be accepted or upheld by any one person; and
- To uphold the spirit of responsibility and social responsibility in line with the regulations and guidelines governing a company.

The Code encompasses 3 key areas across our Group, including corporate governance, relationships management with various stakeholders as well as responsibilities towards society and the environment.

Anti-Bribery and Corruption Policy & Procedures ("ABCPP") and Whistleblowing Policy ("WBP")

In line with SDG Target 16.5, we have put in place an ABCPP to demonstrate our zero-tolerance stance against all forms of bribery and corruption. The ABCPP has outlined the principles and adequate measures to address potential bribery and corruption situations, as well as the consequences for violating the policy.

To support the effective implementation of the ABCPP, we have also adopted a WBP which provides a confidential avenue for employees and stakeholders to raise concerns or report any suspected or known misconduct, abuse or corruption. All whistleblowers who make reports in good faith will be protected against reprisals or retaliation in accordance with the Whistleblower Protection Act 2010. Upon receiving whistleblowing report, independent investigations will be conducted and appropriate actions will be taken accordingly.



In accordance with our ABCPP, we have undertaken a corruption risk assessment during FYE 2024, covering 50% of our operations. This assessment was conducted to ensure that appropriate processes, systems and controls are in place to mitigate the specific corruption risks the Group is exposed to. We are glad to share that the assessment results are satisfactory. We are committed to performing a comprehensive assessment covering 100% of our operations in FYE 2025.

Furthermore, to increase awareness on anti-bribery and corruption within our workforce, we provided trainings on our ABCPP during FYE 2024. The percentage of employees who have undergone the anti-corruption training, categorised by employee category, is tabled as follows: -

Employee Category	Percentage of Employees (%)
Senior Management	42
Management	73
Executive	39
Non-executive	2

We are pleased to report that we have not received any whistleblowing reports during FYE 2024. No employees have been disciplined or dismissed, nor have any public cases been brought against the Group or our employees due to bribery, corruption, fraud or non-compliance with applicable laws and regulations.

SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
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CORPORATE GOVERNANCE (CONT'D)

Directors' Fit and Proper Policy

In today's business environment, the role of the Board extends beyond oversight as they are the stewards of strategy, guardians of integrity and champions of sustainability. As such, we understand that Board diversity with an appropriate mix of skills, knowledge, experience, age, gender and cultural background is essential to support the Group's sustainable business development.

To this end, we have adopted a Directors' Fit and Proper Policy to serve as guidance for our Nomination and Remuneration Committee to undertake objective assessment with merit criteria when reviewing any appointment and re-appointment of Directors in the Company. The Directors' Fit and Proper Policy ensures that the Directors to be appointed or re-appointed are assessed based on character, integrity, experience, competence as well as time and commitment to effectively discharge his or her role in the Board.

All the aforementioned policies, including the Code, ABCPP, WBP and Directors' Fit and Proper Policy, are publicly accessible on the Company's website at <https://ir2.chartnexus.com/hextech/corporate-governance.php>.

SUSTAINABILITY STATEMENT

(CONTINUED)

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.90
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	18,125.88
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1.470000
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	9
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	185
Executive	Hours	96
Non-executive/Technical Staff	Hours	56
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	5
Executive	Number	7
Non-executive/Technical Staff	Number	20
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	2.66
Management Between 30-50	Percentage	17.70
Management Above 50	Percentage	4.42
Executive Under 30	Percentage	20.35
Executive Between 30-50	Percentage	4.42
Executive Above 50	Percentage	3.54
Non-executive/Technical Staff Under 30	Percentage	3.54
Non-executive/Technical Staff Between 30-50	Percentage	31.86
Non-executive/Technical Staff Above 50	Percentage	11.51
Gender Group by Employee Category		
Management Male	Percentage	16.82
Management Female	Percentage	7.96
Executive Male	Percentage	15.04
Executive Female	Percentage	13.28
Non-executive/Technical Staff Male	Percentage	38.94
Non-executive/Technical Staff Female	Percentage	7.96
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	85.71
Female	Percentage	14.29
Under 30	Percentage	0.00
Between 30-50	Percentage	28.57
Above 50	Percentage	71.43
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	30,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,100
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	59.26
Executive	Percentage	39.39
Non-executive/Technical Staff	Percentage	1.89
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	50.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0

Internal assurance External assurance No assurance

(*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of HexTech recognises the utmost importance of effective corporate governance to drive our Group's business success. As such, the Board is committed to uphold the highest standards of transparency, accountability, integrity and ethical conduct across the Group. Corporate governance serves as the foundation for our operations and guides our decision-making processes by aligning with the recommendations outlined in the Malaysian Code on Corporate Governance ("MCCG").

As part of this commitment, the Board is pleased to present this Corporate Governance Overview Statement ("CG Statement"), which provides an overview of the Board's initiatives and commitments in promoting good corporate governance across the Group during FYE 2024. This CG Statement provides a concise overview of the application of the following three (3) key corporate governance principles set out in the MCCG: -

- Principle A** Board Leadership and Effectiveness;
- Principle B** Effective Audit and Risk Management; and
- Principle C** Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Statement has been prepared in compliance with Paragraph 15.25(1) of the MMLR with guidance from Practice Note 9 of the MMLR and is to be read together with the Corporate Governance Report 2024 ("CG Report") which is available through the announcement published on the Bursa Securities' website at <https://www.bursamalaysia.com/>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART 1: BOARD RESPONSIBILITIES

1. Board Leadership

The Board plays a critical role in providing strategic guidance, identifying and managing principal risks, overseeing the development and control of the Group as well as safeguarding the best interests of our stakeholders. Guided by the Board Charter, the Board holds several key responsibilities that collectively shape the functioning and progress of the Group, including: -

- a. charting and setting the strategic corporate plan and direction of both the Group and its business units;
- b. planning, adopting and implementing strategic plans across the Group;
- c. overseeing business operations and evaluating such performance;
- d. reviewing and approving any new ventures, major acquisitions and / or disposals;
- e. identifying key risks and implementing effective internal controls and mitigation measures;
- f. assessing the adequacy and integrity of the Group's internal control system; and
- g. reviewing the performance, appointments, training and succession planning of Senior Management.

To enhance the Board's efficiency and effectiveness, the Board has delegated certain responsibilities and authorities to three (3) Board Committees, namely AC, NRC and RMC. Each Board Committee operates within the powers delegated by the Board which are clearly defined in their respective Terms of Reference ("TOR"). These TOR for each Board Committee are available on the Company's website at <https://ir2.chartnexus.com/hextech/corporate-governance.php>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 1: BOARD RESPONSIBILITIES (CONT'D)

1. Board Leadership (Cont'd)

The Board is chaired by Tan Sri Muhammad Bin Ibrahim, an Independent Non-Executive Chairman. The Board Chairman is charged with the leadership of the Board, and is responsible for instilling good corporate governance practices, providing leadership to the Board and overseeing the overall effectiveness of the Board. The Board Chairman is not involved in the Group's daily business management and has no other relationship that could materially interfere his objective judgements and opinions.

In line with Practice 1.3 of the MCGG, the positions of the Board Chairman and Chief Executive Officer ("CEO") are held by two (2) different individuals, and each has a clearly accepted division of responsibilities to ensure there is a balance of power and authority to promote the Board's impartial oversight over management and accountability. The Board Chairman is primarily responsible for the leadership of the Board whereas the CEO is responsible for the daily business operations of the Group and the implementation of the policies and strategies approved by the Board. Here in HexTech, the position of the Board Chairman is assumed by Tan Sri Muhammad Bin Ibrahim, while the role of Group CEO is held by Dato' Ong Choo Meng and assisted by Mr. Choo Joon Keong, the Group Deputy CEO. The distinct and separate roles of the Board Chairman and CEO are clearly defined in the Board Charter to ensure that no one has unfettered powers of decision-making.

In HexTech, the Board Chairman does not serve as a member of the AC, NRC and RMC to ensure effective discharge of the Board Committees' functions and responsibilities. However, the Board Chairman was invited to attend the AC meetings to provide additional insights on matters raised in the meetings. Such attendance does not compromise his objectivity or that of the Board when deliberating on the observations and recommendations put forth by the AC as he is not involved in any deliberation or decision-making process during the AC meetings.

During the financial year, the Board is supported by two (2) suitably qualified and competent Company Secretaries, namely Ms. Wong Mee Kiat and Mr. Ng Heng Hooi, whom both are member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and possess vast knowledge and experience from being in public practices. The Company Secretaries play an advisory role to the Board, focusing to provide guidance on corporate governance matters and ensure compliance with all applicable laws, rules, procedures and regulatory requirements. They are also responsible to facilitate the meeting proceedings of all Board and Board Committees meetings as well as to ensure proper documentation and maintenance of the Company's statutory records and registers.

To ensure optimal Board attendance, the meetings of the Board and Board Committees are scheduled in advance, giving the Directors ample time to reserve their dates. Company Secretaries also ensure that all notices of meetings, along with the agenda, minutes of previous meetings and other relevant supporting documents are circulated to all Board members at least five (5) business days prior to the scheduled meetings. This timeline allows the Board members to have sufficient time to review and seek additional information or clarification, if necessary. Furthermore, to facilitate the decision-making process and effective discharge of duties, all Directors have unrestricted access to information pertaining to the Group's business and affairs as well as to the Management, Company Secretaries, Internal Auditors and External Auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 1: BOARD RESPONSIBILITIES (CONT'D)

1. Board Leadership (Cont'd)

According to the Board Charter, the Board shall convene meetings at least once every quarter, with additional meetings to be called as and when necessary. During FYE 2024, the Board convened a total of seven (7) Board meetings. These meetings covered various areas, including the Group's financial performance, investments, corporate development, strategic issues and business plan. The meeting attendance records of the Directors who held office during the financial year are set out below: -

Name	Designation	Meetings Attendance
<u>Chairman</u>		
Tan Sri Muhammad Bin Ibrahim	Independent Non-Executive Chairman	7/7
<u>Members</u>		
Dato' Ong Chong Yi	Independent Non-Executive Director	7/7
Yeoh Chin Hoe	Independent Non-Executive Director	7/7
Dato' Ong Choo Meng	Group CEO and Executive Director	7/7
Choo Joon Keong	Group Deputy CEO and Executive Director	7/7
Ronald Khoo Boo Soon	Executive Director	7/7
Sujatha Sekhar A/P Tan Sri B.C.Sekhar	Independent Non-Executive Director	6/6

The Company Secretaries also play a crucial role in recording the deliberations, discussions and decisions made during the Board and Board Committees' meetings. Upon the conclusion of each meeting, the minutes are circulated to all Directors on a timely basis for review. The minutes will then be signed for confirmation at the subsequent meeting and thereafter, kept in the minute books maintained by the Company Secretaries.

The Company Secretaries had and will diligently keep themselves abreast of the latest developments and new changes in company law, capital markets, corporate governance, regulatory environment and other relevant matters through continuous training and industry updates. Their commitment to ongoing learning ensures they remain well-informed and ensure compliance. The Board is satisfied with the performance and support provided by the Company Secretaries throughout FYE 2024. Their effective fulfilment of duties has greatly contributed to the smooth functioning and governance of the Group.

2. Board Charter

The Board has formally adopted a Board Charter outlining the roles and responsibilities of the Board, Board Committees and individual Directors as well as matters reserved for the Board's deliberation and decision-making process. The Board Charter will be reviewed regularly to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance and latest applicable legislation and regulations. The Board Charter is publicly available on the Company's website at <https://ir2.chartnexus.com/hextech/corporate-governance.php>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 1: BOARD RESPONSIBILITIES (CONT'D)

3. Business Ethics and Integrity

The Board is committed in maintaining a corporate culture that promotes ethical conduct. In compliance with Practice 3.1 of the MCCG, the Board has formalised ethical standards by adopting a Code of Ethics and Conduct (“the Code”) to operate the business of the Group in an ethical manner and to uphold the highest standards of professionalism and exemplary corporate conduct. The Code sets out the principles and standards of business ethics and conduct to guide the Directors and employees of the Group. The Code was last reviewed and updated on 28 May 2024.

Recognising the importance of a business environment free from bribery and / or corruption, the Board has also adopted an Anti-Bribery and Corruption Policy & Procedures (“ABC Policy”), which aligns with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. This ABC Policy aims to foster compliance with relevant anti-bribery and corruption laws in Malaysia in line with the Group’s zero-tolerance principle against any form of bribery and corruption. This policy applies to all Directors and employees of the Group and emphasises on conduct of fair and transparent commercial dealings at all times.

In addition to the Code and ABC Policy, the Board has established a Whistleblowing Policy to serve as a guideline for all Directors, employees and stakeholders of the Group to raise genuine concerns related to any suspected wrongdoings, business misconduct or malpractices without fear of retaliation or victimisation. Whistleblowers may report directly to Mr. Yeoh Chin Hoe, the Chairman of the Whistleblowing Committee via e-mail or mail as detailed in the Whistleblowing Policy. The Whistleblowing Policy protects all whistleblowers who report in good faith and the whistleblower’s identity will be kept anonymous. The Whistleblowing Policy was last reviewed and updated on 28 May 2024.

Pursuant to Paragraph 15.01A of the MMLR, the Board has in place a Directors’ Fit and Proper Policy to ensure that the Board is equipped with individuals of high calibre who possess the right character, experience, expertise, integrity, track record and qualifications. The Board, assisted by the NRC, shall assess the candidates seeking for appointment or re-election based on the Directors’ Fit and Proper Policy.

The Code, ABC Policy, Whistleblowing Policy and Directors’ Fit and Proper Policy can be accessed on the Company’s website at <https://ir2.chartnexus.com/hextech/corporate-governance.php>.

4. Sustainability Management

The Board acknowledges the significance of sustainable business practices in creating long-term value and building business resilience. The Board is ultimately responsible for overseeing and governing the Group’s sustainability initiatives and affairs, including the development of strategies, priorities and targets. Meanwhile, the Management is entrusted with the operational execution of material sustainability matters and the overall management of the Group’s strategy and operations.

Regular engagement with stakeholders enables the Company to gain in-depth insights into their areas of concern and take the necessary action to improve the sustainability management and reporting standards. The Board is also committed to communicate the Group’s sustainability strategies, priorities, targets and performance to both internal and external stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 1: BOARD RESPONSIBILITIES (CONT'D)

4. Sustainability Management (Cont'd)

In FYE 2024, similar to previous years, the Board has identified the Group's material sustainability matters within the EESG pillars and developed the relevant sustainability strategies with reference to the SDGs, introduced by the United Nations Member States in 2015. Further details of the Group's sustainability management can be found in the Sustainability Statement within this Annual Report.

The Board remains vigilant in monitoring the industry trends and proactively addressing operational challenges in order to meet the stakeholders' expectations and generate long-term value for the shareholders and stakeholders. To ensure the Board stays well-informed on the evolving sustainability landscape, the Directors have actively participated in various sustainability-related training programs throughout the financial year. A comprehensive list of Directors' training is available in Section 5 of this CG Statement.

As part of the sustainability initiatives, the Board, through the NRC, has conducted an on-going assessment, namely "Board Evaluation Questionnaire relating to Environmental, Social and Governance ("ESG") or Sustainability", to monitor and evaluate its sustainability management performance for the FYE 2024. The said questionnaire includes several considerations surrounding sustainability management, including the understanding and performance of the Board members to oversee the implementation of sustainability strategies within ESG context, development of sustainability program, monitoring of sustainability targets as well as knowledge in relation to the sustainability risks and opportunities that the Group exposes to.

PART 2: BOARD COMPOSITION

5. Board Diversity and Objectivity

The current composition of the Board consists of seven (7) Directors, including four (4) Independent Non-Executive Directors and three (3) Executive Directors, as follows: -

Name	Directorship
Tan Sri Muhammad Bin Ibrahim	Independent Non-Executive Chairman
Dato' Ong Choo Meng	Executive Director
Choo Joon Keong	Executive Director
Ronald Khoo Boo Soon	Executive Director
Dato' Ong Chong Yi	Independent Non-Executive Director
Yeoh Chin Hoe	Independent Non-Executive Director
Sujatha Sekhar A/P Tan Sri B.C. Sekhar	Independent Non-Executive Director

The current board composition fulfils the prescribed requirement of one-third (1/3) of the Board to be independent as stated under Paragraph 15.02 of MMLR. In addition, Company also complies with Practice 5.2 of MCCG to have at least half of the Board comprises Independent Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 2: BOARD COMPOSITION (CONT'D)

5. Board Diversity and Objectivity (Cont'd)

For FYE 2024, the Board has yet to meet the gender diversity requirement of having at least 30% women directors on the Board as recommended by the MCCG as it comprises only one (1) female Director, equivalent to 14.29% female representative on the Board. On 24 August 2023, the Board has formalised and adopted a Diversity Policy for Board and Senior Management which has set the target of having at least 30% women representation on the Board and at least 20% women representation in Senior Management. Nevertheless, the Board is actively exploring suitable female candidates who possess the necessary skills, expertise and value to contribute as Board members. The Diversity Policy for Board and Senior Management is publicly available on the Company's website at <https://ir2.chartnexus.com/hextech/corporate-governance.php>.

As of the date of this report, none of the Independent Directors have served the Company for more than nine (9) years. The Board Charter has limited the tenure of Independent Directors to nine (9) years, as recommended by Practice 5.3 of the MCCG. In the event if the Board wishes to retain an Independent Director after the ninth year, the Board shall justify the Director's independence and obtain annual shareholders' approval through a two-tier voting process at Annual General Meeting ("AGM").

In HexTech, the NRC is responsible for reviewing the structure, size and composition of the Board and also assessing the effectiveness of the Board and each individual Director on an ongoing basis in terms of contributions, skills, experience and other qualifications.

The NRC solely consists of Independent Non-Executive Directors with composition as follow: -

Position	Name	Directorship
Chairman	Dato' Ong Chong Yi	Independent Non-Executive Director
Member	Yeoh Chin Hoe	Independent Non-Executive Director
Member	Sujatha Sekhar A/P Tan Sri B.C. Sekhar	Independent Non-Executive Director

The main activities undertaken by the NRC during the FYE 2024 were as follow: -

- Reviewed the composition and effectiveness of the Board and Board Committees;
- Reviewed the required mix of skills, experience and contribution of each individual Director;
- Assessed and reviewed the independence of Independent Directors;
- Reviewed the tenure of each Director and recommended for re-election to the Board to seek shareholders' approval at the forthcoming AGM;
- Reviewed the term of office and performance of AC and each of its members;
- Reviewed the training programmes attended by the Directors and assessed training needs;
- Reviewed and recommended the Remuneration Policy and Diversity Policy for Board and Senior Management to the Board for adoption;
- Evaluated and recommended the appointment of a new Director for the Board's approval; and
- Reviewed and recommended Directors' remuneration package for the FYE 2024.

The roles and responsibilities of the NRC are detailed in its TOR, which can be accessed on the Company's website at <https://ir2.chartnexus.com/hextech/corporate-governance.php>.

To foster diversity in the Board composition for comprehensive and insightful deliberations for the sustainable growth of the Group, the Board has in place the Directors' Fit and Proper Policy outlining the formal criteria for the appointment and re-appointment of Directors in compliance with Paragraph 15.01A of the MMLR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

PART 2: BOARD COMPOSITION (CONT'D)

5. Board Diversity and Objectivity (Cont'd)

The appointment of Madam Sujatha Sekhar A/P Tan Sri B.C. Sekhar as an Independent Non-Executive Director of HexTech on 23 May 2023 is based on recommendations from external independent sources. When evaluating her appointment, the NRC has considered the following criteria and factors:-

- character and integrity including probity, personal integrity, financial integrity and reputation;
- experience and competence including qualification, skills, expertise and experience; and
- time and commitment.

This is to ensure that there is a diverse range of professional knowledge, skills, experience and understanding of the business, the markets and the industry in which the Group operates to support the Group's business operations.

The Directors' Fit and Proper Policy is also adopted for the annual review on Board composition and tenure of Directors. On 28 May 2024, the NRC has reviewed and is satisfied that the current Board composition is effective by having the right mix of skills, expertise and relevant business acumens to support the Group's growth.

Pursuant to Article 131.1 of the Company's Constitution, one-third (1/3) of the Directors are required to retire from office at each AGM and all Directors shall retire at least once every three (3) years. During FYE 2024, the NC conducted an assessment on Mr. Ronald Khoo Boo Soon and Dato' Ong Chong Yi, who would retire by rotation at the forthcoming AGM of the Company. Upon review, the NRC, being satisfied with the performance as well as the fit and properness of the retiring Directors and recommended to the Board on their re-election at the forthcoming AGM.

Pursuant to Paragraph 8.27(2) of the MMLR, information pertaining to the re-election and appointment of the Directors is accessible in the Statement Accompanying Notice of AGM, annexed as part of the Company's Annual Report. Shareholders are hereby provided with further information and directed to the relevant sections, such as the Profile of Directors, to facilitate them in making informed decisions when exercising their voting rights during the AGM.

To further promote the Board's effectiveness, the Directors have attended various training programs to enhance their skills and knowledge. During FYE 2024, the Directors have attended the following training programmes: -

Director	Training Programs/Seminars/Conferences Attended	Date
Tan Sri Muhammad Bin Ibrahim	· Talk on Risk of Development of Financial Institution	31/05/2023
	· 2023 Board and Audit Committee Priorities	06/07/2023
	· UHY Asia Pacific Regional Meeting 2023	12/07/2023
	· BINA 2023 Convention	08/08/2023
	· 13th Malaysia-China Entrepreneurs Conference 2023	18/10/2023
Dato' Ong Choo Meng	· Corporate Liability Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act	27/11/2023
Choo Joon Keong	· Mandatory Accreditation Programme	04 - 06/04/2023
	· Harnessing Data for Personalized Insurance Experiences	15/08/2023
	· Mandatory Accreditation Programme Part II: Leading for Impact	13 - 14/12/2023
	· Community Tea Time Talk: Technology and the Law: Trends in 2024	06/02/2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 2: BOARD COMPOSITION (CONT'D)

5. Board Diversity and Objectivity (Cont'd)

Director	Training Programs/Seminars/Conferences Attended	Date
Ronald Khoo Boo Soon	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact 	28 - 29/02/2024
Dato' Ong Chong Yi	<ul style="list-style-type: none"> Hainan Free Port-ASEAN Think Tank Alliance Workshop South China Sea Sub-forum, Boao Forum for Asia 2024, Qionghai, China 2024 RCEP Dialogue on Regional Cooperation in Maritime Industry, Haikou, China 	12/12/2023 28 - 29/03/2024 30/03/2024
Yeoh Chin Hoe	<ul style="list-style-type: none"> 2023 BNM Governor's Address on the Malaysian Economy & Panel Discussion 2023 Board and Audit Committee Priorities Corporate Liability Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act Directors' Interest in Contracts and Conflict of Interests Updates to Conflict of Interest 	03/04/2023 13/07/2023 27/11/2023 12/12/2023 20/03/2024
Sujatha Sekhar A/P Tan Sri B.C. Sekhar	<ul style="list-style-type: none"> A Dialogue with Bursa Malaysia - FTSE4GOOD ESG Rating for All PLCs Cybersecurity Risk - What Boards Need to Know Legal Asia Conference 2023: The Future of Law and Innovation SRI 2023 - Revving Up the Race for Sustainability Chairperson Masterclass Series 2023- Scaling Up the Circular Economy International Malaysia Law Conference 2023 National Integrity Forum - Leading Governance with Integrity Chairperson Masterclass Series 2023 - The Concept of Double Materiality Sarawak Timber Industry Development Corporation (STIDC) - Corporate Governance Day 2023 IMD MBA program Masterclass with Professor Amit Joshi Elevating Corporate Governance Practices for Advancing Sustainable Growth and Responsible Business Conduct" Forum for PROLINTAS Integrity Day 2023 Fostering Governance and Integrity: A Forum on Best Practices from Government Interest Companies Responsible Glove Annual Conference 2023 INFO Network Members Conference (International Financial Ombudsman Conference) JC3 Journey to Zero Conference 2023 	14/04/2023 30/05/2023 19 - 20/06/2023 21 - 22/06/2023 30/06/2023 11/07/2023 31/07/2023 03/08/2023 30/08/2023 31/08/2023 04/09/2023 21/09/2023 24 - 27/09/2023 23/10/2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

PART 2: BOARD COMPOSITION (CONT'D)

5. Board Diversity and Objectivity (Cont'd)

Director	Training Programs/Seminars/Conferences Attended	Date
Sujatha Sekhar A/P Tan Sri B.C. Sekhar (Cont'd)	· Metrod In-House Training: Conflict of Interest (COI) and The Enhanced Sustainability Practices and Disclosures as prescribed under Listing Requirements	26/10/2023
	· Forum On Governance For Growth: Rejecting Corruption For Better And More Sustainable Businesses	03/11/2023
	· 3rd Governance Risk and Compliance (GRC) Asia 2023 Conference - Agile, Resilient and Technology Driven GRC: Thriving in a volatile Economic Climate	27/11/2023
	· Fireside Chat - Making Malaysian an Arbitration Powerhouse	11/01/2024
	· How to Measure Greenhouse Gases Seminar	19/03/2024
	· Climate Governance 101: A Board's Guide to Effective Oversight	21/03/2024
	· Conflict of Interest & Shadow Directors	25/03/2024

6. Overall Effectiveness of The Board

To assess the effectiveness of the Board as a whole, Board Committees, and the contribution of each Director, an internally facilitated Board assessment was conducted. The evaluation involved self-assessments, where the Directors evaluated themselves, the Board as a whole and the performance of each Board Committee. The assessment criteria encompassed various factors, including fit and proper evaluation, contribution and performance as well as calibre and personality.

The assessment also considered the independence of an Independent Director, taking into account their relationship with the Group and any involvement of significant transaction with the Group. This ensures that the Independent Non-Executive Directors remain independent of management and free from any business or other relationship that could compromise their ability to exercise their independence and business judgement in best interests of the Group.

Based on the assessment result for the FYE 2024, the Board, through the NRC, are satisfied with the current size and composition of the Board and Board Committees. The composition was deemed to be well balanced, comprising individuals who possess high-calibre attributes, as well as the requisite skills, qualifications, experience and credibility.

PART 3: REMUNERATION

7. Remuneration Policy

Guided by the NRC's TOR, the NRC is also entrusted with the authority to establish an appropriate remuneration framework that aligns with the Group's business strategies and long-term objectives, which includes reviewing and recommending the remuneration packages for Directors and Senior Management. On 24 August 2023, the Board has formalised and adopted a Remuneration Policy, which serves as a guide to determine the remuneration package of Directors and Senior Management of the Company which take into consideration the demands, complexities and performance as well as skills and experience.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 3: REMUNERATION (CONT'D)

8. Directors and Key Senior Management's Remuneration

The details of the remuneration of the Directors for the FYE 2024 are disclosed as follows: -

	Company		Group			
	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Allowance (RM'000)	Other Emoluments (RM'000)
Tan Sri Muhammad Bin Ibrahim	240.00	12.50	-	-	-	-
Dato' Ong Chong Yi	36.00	9.75	-	-	-	-
Yeoh Chin Hoe	36.00	10.50	-	-	-	-
Sujatha Sekhar A/P Tan Sri B.C.Sekhar	30.87	9.00	-	-	-	-
Dato' Ong Choo Meng	-	-	36.00	-	-	5.73
Choo Joon Keong	-	-	549.00	45.00	-	77.93
Ronald Khoo Boo Soon	-	-	417.00	138.00	-	83.93

The Board is of the opinion that the detailed disclosure of remuneration of the Senior Management on a named basis would not be in the best interest of the Company due to the competitive environment, which could lead to talent retention challenges, as well as the sensitivity and confidentiality of remuneration details. After due consideration, the Board opted for the disclosure of Senior Management's remuneration received for the FYE 2024 in bands of RM50,000 on an unnamed basis in compliance with the MCCG, in the CG Report.

Nonetheless, the Company ensures that the remuneration package for both the Directors and its employees, including Senior Management, is benchmarked with industry practices to maintain competitiveness. Annual increments and bonus payouts are based on performance criteria to reward, motivate and retain the right talent in the Group.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1: AUDIT COMMITTEE

9. Effective and Independent Audit Committee

The current AC is solely made up by three (3) Independent Non-Executive Directors, as follows: -

Position	Name	Designation
Chairman	Yeoh Chin Hoe	Independent Non-Executive Director
Member	Dato' Ong Chong Yi	Independent Non-Executive Director
Member	Sujatha Sekhar A/P Tan Sri B.C. Sekhar	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 1: AUDIT COMMITTEE (CONT'D)

9. Effective and Independent Audit Committee (Cont'd)

In adherence to Practice 9.1 of the MCCG, the Chairman of the Board and the Chairman of the AC are held by separate individuals. The AC is chaired by Mr. Yeoh Chin Hoe, who is a Chartered Accountant of MIA, a FCCA, a fellow member of the Institute of Chartered Secretaries and Administrators (UK), and a member of the Malaysian Institute of Certified Public Accountants.

While only one-third (1/3) of the AC members are professionally qualified by accounting bodies, the AC collectively is financially literate and possesses the necessary skills and knowledge to understand the Group's business and oversee financial reporting and auditing matters. The AC members stay abreast with the latest developments in accounting and auditing standards, practices, and rules through continuous professional development and updates provided by the Management and External Auditors.

To maintain the utmost independence of the AC, the TOR of the AC requires a cooling-off period of at least three (3) years for former key audit partners who were part of the engagement team involved in making significant decisions or judgments regarding the audit of the Group's financial statements before being appointed as a member of the AC. To date, none of the current AC members is a former key audit partner involved in the auditing of the Group.

The AC performs an annual performance evaluation of the External Auditors to review and assess their suitability, objectivity and independence. Additionally, the External Auditors have assured the Board of their independence throughout the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants. They also provided confirmation of their continued registration with the Audit Oversight Board, further supporting their independence. Based on the assessment conducted on 28 May 2024, the Board, through the AC, is satisfied with the suitability and independence of the External Auditors, Messrs Crowe Malaysia PLT and has recommended their re-appointment for shareholders' approval at the forthcoming 19th AGM.

The details of the key activities carried out by the AC during the FYE 2024 are set out in Audit Committee Report in this Annual Report.

PART 2: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10. Effective Risk Management and Internal Control Framework

The Board acknowledges the importance of having a robust system of risk management and internal control for the Group to safeguard shareholders' investments and protect the Group's assets. The Group has integrated risk management and internal controls into its management system as an essential component. Given that no risk management and internal control system can completely eliminate all the risks, the Group's system is designed to mitigate and manage these risks in line with the Group's business objectives instead.

Supported by the AC and RMC, the Board reaffirms its overall responsibility for establishing a robust risk management framework and internal control system. The Management, on the other hand, is tasked with the continuous identification, evaluation, management and reporting of the major risks that impact the Group's strategic and business plans.

The Board also implemented several internal controls across the Group to ensure a smooth business operation in line with sound governance. The key internal controls in place include a clear organisational structure and reporting system, proper Standard Operating Procedures ("SOPs"), review of financial results prior to approval, as well as the conduct of external and internal audits.

For a detailed understanding, a comprehensive overview of the risk management and internal control practices implemented within the Group can be found in the Statement of Risk Management and Internal Control, which is included in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 2: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

11. Internal Audit Function

The Board is dedicated to maintain a strong system of internal controls that promote transparency, accountability and the overall integrity of the Group's operations. To fulfil this commitment, the Board has outsourced its internal audit function to an independent professional firm, Eco Asia Governance Advisory Sdn. Bhd. ("Internal Auditor") to conduct independent assessments of the adequacy and operating effectiveness of the Group's internal control system. The Internal Auditor reports directly to the AC, providing them with findings from the conducted audit reviews and corrective action plans.

The Internal Auditor is led by Mr. Woon Soon Fai, the Executive Director of Eco Asia Governance Advisory Sdn. Bhd. He holds professional qualifications as a FCCA, a member of the MIA and an associate member of the Institute of Internal Auditors ("IIA") Malaysia. During FYE 2024, he was supported by one (1) HOD, one (1) Senior Consultant and one (1) Associate Consultant to perform the internal audit engagement in accordance with the duly approved audit plans. The Internal Auditor is free from any relationships or conflicts of interest that could compromise their ability to provide unbiased assessments. The internal audit review adheres to globally recognised frameworks, particularly the International Professional Practice Framework ("IPPF").

To ensure a smooth conduct of internal audit review, the AC has full and unrestricted access to all relevant information and resources, ensuring that they obtain the necessary information and resources to conduct the internal audit engagement appropriately. Upon conclusion of the internal audit review, the Internal Auditor presents the internal audit report to the AC at the scheduled meetings, covering the audit findings identified, together with the root-cause analysis, potential risks and implications, as well as recommended corrective actions. Follow-up audits will also be conducted by the Internal Auditor to ensure the Management implements the agreed upon recommended corrective action plans within the agreed timeframe.

Further details of the internal audit function are set out in the AC Report and Statement of Risk Management and Internal Control in this Annual Report.

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

PART 1: ENGAGEMENT WITH STAKEHOLDERS

12. Communication between the Company and Stakeholders

The Board acknowledges the significance of prompt, transparent, regular and efficient communication with our shareholders and stakeholders and is committed to providing informative, timely, accurate, consistent and fair disclosure of the Group's business operations and development to the shareholders and the public.

In ensuring effective communication between the Company and its stakeholders, the following communication channels are mainly used by the Company to disseminate information on a timely basis:-

- (a) Company's website;
- (b) Corporate announcements made to Bursa Securities;
- (c) Email;
- (d) Annual Report; and
- (e) General meetings.

By utilising these communication channels and platforms, the Company ensures that stakeholders have access to the necessary information, fostering transparency, engagement and dialogue between the Company and its stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 2: CONDUCT OF GENERAL MEETINGS

13. Effective General Meetings

The AGM serves as the primary platform for direct communication between the Board and shareholders where the Board reports the progress and performance of the Group, while shareholders are given the opportunity to raise questions and seek clarifications regarding the Company's financial performance and the Group's operations and development.

Adhering to Practice 13.1 of the MCCG, notice of general meetings is issued and circulated to shareholders at least twenty-eight (28) days before the meeting date. This allows shareholders to have sufficient time to make the necessary arrangements and peruse the meeting materials, including the agenda, resolutions, financial reports and any other relevant information.

In facilitating greater shareholders' participation at the AGM, both the 18th AGM and the Extraordinary General Meeting were conducted virtually via secured online platforms using remote participation and voting facilities. All Directors, including External Auditors, Company Secretaries, Independent Advisor and Principal Advisor by invitation, had shown their commitments by attending the said meetings to address shareholders' queries, as needed. The Board Chairman ensures that shareholders have ample time and opportunity to raise questions by submitting real-time typed texts during the Question and Answer session throughout the general meetings.

Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") was appointed as poll administrator to conduct the polling process with good cyber hygiene practices to ensure that all shareholders' personal data and privacy were well protected and to ensure fair and effective proceedings. Tricor has implemented an Information Technology Policy, Information Security Policy, endpoint controls, as well as data classification as part of their cyber hygiene control. In addition to this, the meeting platform provider, TIIH Online, is hosted via a secure cloud platform under a data centre certified by ISO 27001.

An independent scrutineer was also engaged to verify poll results for transparency and fairness in the general meetings. Upon conclusion of the meetings, the minutes have been published on the Company's website at <https://ir2.chartnexus.com/hextech/general-meeting.php> within thirty (30) business days, are available for public viewing and provide a timely recap of the meeting proceedings.

COMPLIANCE STATEMENT

The Board affirms its commitment to achieve the highest standards by adhering to the principles and best practices outlined in the MCCG, along with relevant laws and regulations. The Board will endeavour to improve and enhance the procedures from time to time.

The CG Statement was approved by the Board on 18 July 2024.

AUDIT COMMITTEE REPORT

In compliance with the Paragraph 15.15 of the MMLR, the Board is delighted to present this AC report, detailing the insights of which the AC has discharged their duties and responsibilities during FYE 2024.

A. COMPOSITION AND MEETINGS

The AC is primarily entrusted to support the Board in fulfilling its fiduciary responsibilities on the oversight of the integrity of the Group's corporate accounting and reporting practices as well as the system of internal control.

The AC is composed solely of Independent Non-Executive Directors. Accordingly, the composition of the AC complies with Paragraph 15.09(1) of the MMLR and Practice 9.4 of the MCCG. Furthermore, as outlined in its TOR, none of the AC members are alternate Directors or the former key audit partners of the external audit firm of the Group. The current members of the AC together with their respective meeting attendance during FYE 2024 are as follows: -

Name	Designation	Meetings Attendance
<u>Chairman</u> Yeoh Chin Hoe	Independent Non-Executive Director	6/6
<u>Members</u> Dato' Ong Chong Yi Sujatha Sekhar A/P Tan Sri B.C.Sekhar	Independent Non-Executive Director Independent Non-Executive Director	6/6 5/5

The AC is led by Mr. Yeoh Chin Hoe, who is a Chartered Accountant of MIA, a FCCA, a fellow member of the Institute of Chartered Secretaries and Administrators (UK), and a member of the Malaysian Institute of Certified Public Accountants.

The AC is governed by its TOR which covers its composition, objectives, responsibilities, authorities and meeting proceedings. The said TOR can be accessed on the Company's website at <https://ir2.chartnexus.com/hextech/corporate-governance.php>.

Whilst the AC is required to meet at least four (4) times in each financial year, the AC held a total of six (6) meetings during the financial year under review. The Group CEO, Group Deputy CEO and Financial Controller are invited to attend all the AC meetings held during the financial year to deliberate on the business operations, financials and audit related matters of the Group as well as to facilitate the smooth conduct of the meetings. Representatives of the External Auditors, Internal Auditors and Senior Management, when necessary, were also invited to the AC meetings to deliberate on matters within their respective areas of expertise as and when required.

The AC meetings are convened in an orderly manner, facilitated by appropriate use of AC agenda. The minutes of the previous AC meetings and meeting papers are circulated to the AC members at least five (5) business days prior to the meeting. The Chairman of the AC updates the Board on principal matters and key issues discussed at the AC meetings as well as the recommendations made by the AC for further discussion, deliberation and approval.

The AC engages continuously with the Management as well as the External and Internal Auditors to stay up-to-date on accounting and auditing standards, practices, and matters affecting the Group.

AUDIT COMMITTEE REPORT

(CONTINUED)

B. SUMMARY OF ACTIVITIES OF THE AC

During FYE 2024, the AC undertook various activities in fulfilling its duties and responsibilities. The summary of activities undertaken by the AC encompassed the following areas: -

- a) Reviewed the unaudited quarterly financial results and annual audited financial statements and recommended the same to the Board for approval;
- b) Reviewed the audit findings highlighted by the External Auditors pertaining to the financial statements;
- c) Reviewed the audit planning memorandum which details the audit scope, areas of emphasis, accounting standards applicable, target audit timeline and proposed audit fee for the statutory audit of the Company's and the Group's financial statements;
- d) Reviewed the audit review memorandum and deliberated with the External Auditors on significant accounting adjustment and audit issues, particularly recommendations and corrective actions to be taken by the Management;
- e) Conducted a private meeting with the External Auditors on 23 May 2023, without the presence of the Executive Directors and Management, to discuss audit procedures and key audit issues in an objective manner;
- f) Reviewed the External Auditors' reports in relation to their financial audit and resolved the areas of concern and accounting issues highlighted from the audit conducted;
- g) Assessed the performance, suitability and independence of the External Auditors and recommended to the Board the proposal for re-appointment of the External Auditors at AGM;
- h) Reviewed and approved the internal audit plan presented by the outsourced Internal Auditor, outlining the proposed audit scope and coverage of the Group's activities;
- i) Reviewed and deliberated on the internal audit report presented by the outsourced Internal Auditor, covering audit findings, recommendations for improvement and actions to be taken by Management to address such findings;
- j) Assessed the performance and effectiveness of the internal audit function and was satisfied with the competence and independence of the outsourced Internal Auditor in performing their scope of duties;
- k) Reviewed the AC Report and Statement on Risk Management and Internal Control and recommended to the Board for inclusion in the Annual Report 2023;
- l) Reviewed the draft Circular and Statement to Shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("RRPT") and new shareholders' mandate for RRPT, and the share buy-back statement in relation to the proposed renewal of share buy-back authority, and thereafter, recommended the same to the Board for approval;
- m) Reviewed the Conflict of Interest ("COI") Policy and recommended the same to the Board for approval;
- n) Reviewed the COI and / or potential COI of the Directors and took note that none of the Directors have reported any COI or potential COI in relation to the Company or the Group;

AUDIT COMMITTEE REPORT

(CONTINUED)

B. SUMMARY OF ACTIVITIES OF THE AC (CONT'D)

- o) Reviewed the related party transactions (“RPT”) and RRPT entered or to be entered into by the Group on a quarterly basis and assessed any potential conflict of interest situations that may arise within the Group in accordance with the Company’s RRPT Policies and Procedures; and

During FYE 2024, the AC has ensured that all RPT transactions were conducted on an arm’s length basis and on normal business terms with adequate disclosure to Bursa Securities. The AC also took note of the aggregate value of all the RRPT on a quarterly basis to ensure that those recurrent RPT were in accordance with the mandate approved by the shareholders.

- p) Reviewed and discussed the corporate proposals relating to the proposed bonus issue, disposal of two (2) wholly owned subsidiaries of the Company, namely Guper Bonded Warehouse Sdn. Bhd. and Channel Legion Sdn. Bhd., to SWS Capital Berhad and Hextar Holdings Sdn. Bhd., disposal of properties to SWS In Medics Sdn. Bhd., and recommended to the Board for approval.

C. SUMMARY OF INTERNAL AUDIT FUNCTIONS AND ACTIVITIES

The Group has outsourced its internal audit function to Eco Asia Governance Advisory Sdn. Bhd. to assist the AC in providing objective and independent views on the Group’s internal controls and risk management system.

In order to uphold the highest level of independence and integrity, they are authorised to report directly to the AC. The Internal Auditor performs the audit in accordance with IPPF for Internal Auditing issued by the IIA.

During FYE 2024, the Internal Auditor has executed two (2) internal audit reviews in the following areas: -

Internal Audit Review	Coverage Period
Supplier Management	Quarter 3, FYE 2024
Data Protection and Retention Review	Quarter 4, FYE 2024

After the conduct of the review, the Internal Auditor presented the internal audit report with audit findings, together with the root-cause analysis and corresponding recommendations to the AC for its review and deliberation during the scheduled meetings. Based on the internal audit review performed in FYE 2024, we are pleased to report that there were no significant weaknesses that would result in material losses, contingencies, or uncertainties requiring separate disclosure in this Annual Report. Further insights of our internal audit function are detailed in our Statement on the Risk Management and Internal Control in this Annual Report.

For FYE 2024, the Group incurred a professional fee of RM26,000 for the services provided by the internal audit function.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present the following Statement on Risk Management and Internal Control (“Statement”), which outlines the main features of the Group’s risk management and internal control system for the FYE 2024. This Statement is in line with Paragraph 15.26(b) of the MMLR and is guided by the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” endorsed by Bursa Securities. The Company has also complied with Principle B of the MCCG which requires the Board to establish and maintain a sound risk management framework and internal control system.

BOARD’S RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound risk management and internal control system as well as the adequacy and effectiveness of the system to safeguard its shareholders’ investments, stakeholders’ interests and the Group’s assets. The risk management and internal control system covers not only financial controls but also risk management, organisational, operational, fraud prevention and compliance controls.

The Board has delegated the responsibilities to review the risk management and internal control reports and processes to the AC and the RMC. The Board has also integrated an on-going risk management process into the Group’s business operations. In addition, periodic systematic reviews are also undertaken to monitor the overall effectiveness of the risk management and internal control system, regulatory compliance as well as the adaptation of the system to changes in the business environment.

Due to inherent limitations in any risk management and internal control system, the system is designed to minimise the Group’s risk and manage it within an acceptable risk appetite rather than eliminate all risks that may impede the achievement of the Group’s business objectives. Thus, the system can only provide reasonable, but not absolute assurance against material misstatement of financial information, loss, fraud, or unforeseeable circumstances.

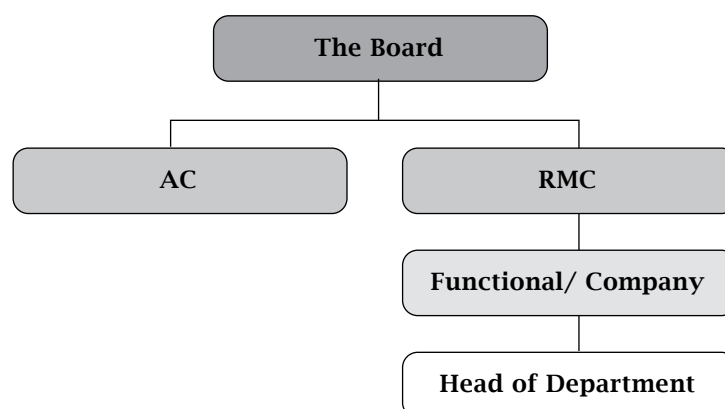
Notwithstanding this, the Board believes that the Group’s risk management and internal control system in place for the period under review and up to the approval of this Annual Report operates adequately and effectively, in all material aspects, and it is subject to regular reviews.

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Group’s risk management and internal control system is designed to proactively identify and manage risks, with the objective to protect the Group’s assets, ensure operational efficiency, and maintain the trust of our stakeholders. The key elements of the Group’s risk management system are as follows:-

1. RISK MANAGEMENT SYSTEM

While the Board is ultimately responsible for the Group’s overall risk management, the AC and RMC are delegated with the responsibility to support the Board by overseeing the effectiveness of the Group’s internal control and risk management respectively.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

1. RISK MANAGEMENT SYSTEM (CONT'D)

The RMC is entrusted by the Board to monitor the overall adequacy of the Group's risk management function across various business operations. The current composition of the RMC and the meetings attended during the FYE 2024 are as follows:-

Name	Designation	Meetings Attendance
<u>Chairman</u> Ronald Khoo Boo Soon	Executive Director	2/2
<u>Member</u> Dato' Ong Chong Yi	Independent Non-Executive Director	2/2
Sujatha Sekhar A/P Tan Sri B.C.Sekhar	Independent Non-Executive Director	1/1

The Group has adopted a decentralised approach for the Group's risk management through our various Head of Departments ("HODs"). They are responsible for identifying, evaluating and managing the significant risks in their respective areas of supervision and control in accordance with the Risk Management Policy. The HODs are also accountable to assess the existing and any emerging risks within their respective departments and to determine the most appropriate mitigation action plans. They shall report to the RMC and thereby update the Group's risk register accordingly. This decentralised approach ensures that the Group's risk management is integrated into our day-to-day operations, with each department taking ownership of the risks within their purview.

The Group's five-step risk management plan is illustrated as follows: -



Risk Management Policy serves as an official record of the Group's intentions, objectives, and commitments in managing risk. As we operate in an evolving business environment, the Board acknowledges the importance of striking the right balance between risks and opportunities to generate satisfactory returns for our shareholders while protecting their investment and interests.

To improve our strategic business plan, we engage with both internal and external stakeholders to understand their needs and expectations. By engaging with them, relevant risks shall be identified and documented into the Group's Risk Register and Management Plan, including detailed information on the likelihood and impact of the identified risks.

Within our risk management framework, we have four (4) options to address the identified risks, including avoid, reduce, share, or accept the risks. Depending on the nature, likelihood, and impact of the risks, the Group shall select the most appropriate risk mitigation measure to minimise the Group's risk exposure within our risk tolerance level.

The Risk Management Policy and the Risk Register and Management Plan are monitored and reviewed regularly to maintain an effective risk management system. When reviewing these documents, the fit-for-purpose consideration is prioritised, specifically in terms of their adequacy, suitability and effectiveness in managing the identified risks. This shall ensure that the Group's risk management system remains current and relevant to the latest business and regulatory environment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

2. INTERNAL CONTROL SYSTEM

Internal control system plays a crucial role in ensuring the Group's business is being managed effectively and sustainably. Hence, the Group places significant emphasis on internal control system to promote the Group's overall operational efficiency and uphold sound corporate governance across various business functions.

In HexTech, the Management is empowered with the responsibility to ensure the implementation of internal controls within the Group and to monitor continuously. Any significant internal control deficiencies affecting the Group's strategic and business plans shall be escalated to the AC.

The key salient features of the Group's internal control system include: -

- (i) A well-defined organisational structure with clearly defined lines of responsibility and delegated authority to facilitate check and balance for proper decision making at the appropriate authority levels of management including board reserved matters;
- (ii) Formalised and documented internal SOP to guide and support the Group's daily business operations;
- (iii) Effective reporting system is in place to ensure timely financial reporting for the Management's review and decision-making;
- (iv) Quarterly review of financial results by the AC and subsequent presentation to the Board for approval;
- (v) Findings of Internal Auditors are reported directly to the AC together with the recommendations for improvement and follow-up review on the previous presented findings until they are implemented;
- (vi) Review of external audit findings by the AC to deliberate on the identified issues and / or weaknesses and make recommendations to the Board supported by the necessary actions to address these findings; and
- (vii) Active involvement of the Executive Directors in running the Group's daily business operations to ensure the proper business conduct and regularly update the same to the Board on the operational aspects of the Group.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent professional firm, Eco Asia Governance Advisory Sdn. Bhd., to assist the Board and AC in providing independent assessments on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system.

The outsourced Internal Auditors is led by Mr. Woon Soon Fai, a Chartered Accountant Malaysia (CA(M)) and a member of the Malaysian Institute of Accountants ("MIA"). He is also a Fellow member of the Association of Chartered Certified Accountants ("FCCA") and Associate member of The IIA Malaysia ("AIIA"). Supported by one (1) HOD, one (1) Senior Consultant and one (1) Associate Consultant, Mr. Woon and his team carried out the internal audit engagement based on the approved internal audit plan.

All internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The internal audit function was performed in compliance with the globally recognised framework, IPPF.

In FYE 2024, the activities carried out by the Internal Auditors are summarised as follows: -

- a) Prepared the risk based internal audit plan for the review and approval of the AC;
- b) Based on the approved internal audit plan, conducted two (2) internal audit reviews in the following operational areas: -

Internal Audit Coverage Area	Internal Audit Cycle
i. Supplier Management	Quarter 3, FYE 2024
ii. Data Protection and Retention Review	Quarter 4, FYE 2024

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

INTERNAL AUDIT FUNCTION (CONT'D)

- c) Presented audit findings, along with root-cause analysis, Management's response and proposed action plans to the AC; and
- d) Performed follow-up review on previous internal audit findings to ensure that the recommended actions were implemented within the stipulated timeframe.

Based on the internal audit review conducted during FYE 2024, the Board, through the AC, is satisfied that there were no weaknesses identified that would result in material losses, contingencies, or uncertainties requiring separate disclosure in the Annual Report.

The total professional fees incurred for the outsourced internal audit function for the FYE 2024 amounted to RM26,000.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the Annual Report 2024. The review was performed in line with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, and the guidance published in AAPG 3 (Revised 2015), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report. Based on the External Auditor's review, nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines and Principle B of the MCCG to be set out, nor is factually inaccurate.

MANAGEMENT'S ASSURANCE

The Executive Directors and Financial Controller, representing the Management, have given reasonable assurance to the Board that the Group's risk management and internal controls system is adequately designed and effectively implemented, in all material aspects, to safeguard stakeholders' interests, protect shareholders' investments and secure the Group's assets during the financial year under review and up to the approval of this Annual Report. This assurance is based on the risk management and internal controls adopted by the Group and similar assurance received from the respective HODs.

CONCLUSION

The Board is committed to continue enhancing and maintaining a robust risk management and internal control system within the Group, with the aim of protecting our stakeholders' interests, shareholders' investments and the Group's assets. Moving forward, the Board will continually evaluate and identify any deficiencies and implement the appropriate action plans to strengthen the Group's risk management and internal control system on an on-going basis.

No material losses have arisen from any inadequacy or failure of the Group's internal control system that would necessitate additional disclosure in this Annual Report. The Board is of the view that the Group's risk management and internal control system is adequate and effective in safeguarding the interest of our stakeholders, shareholders and the Group's assets.

The Statement was approved by the Board on 18 July 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY

In accordance with the provisions of the Companies Act 2016, the applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards, the Directors are required to prepare the financial statements for each financial year that give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year, as well as the results and cash flows for that year then ended.

In preparing the financial statements for the FYE 2024, the Directors have: -

- (a) considered and applied appropriate accounting policies in accordance with approved accounting standards consistently;
- (b) made reasonable and prudent judgment and accounting estimates; and
- (c) prepared the financial statements on a going concern basis.

The Directors are responsible to ensure the proper documentation and maintenance of accounting records of the Group and the Company. In addition, the Directors are also responsible for taking reasonable measures to safeguard the assets of the Group and the Company to minimise fraud and other irregularities.

This Statement is approved by the Board on 18 July 2024.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made pursuant to the MMLR of Bursa Securities: -

1. UTILISATION OF PROCEEDS

Disposal of Subsidiaries

As at 31 March 2024, the status of utilisation of proceeds amounting to RM22.45 million raised from the disposal of entire equity interest in two (2) subsidiaries, i.e. Guper Resources Sdn. Bhd. and Ultra Trinity Sdn. Bhd., that was completed on 30 November 2021, is tabulated as below:-

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance RM'000	Initial Estimated Timeframe	Revised Estimated Timeframe
Future investment*	12,000	11,219	-	781	Within 24 months	Within 36 months
Working capital	8,052	8,215	**163	-	Within 24 months	-
Estimated expenses	2,400	2,237	**(163)	-	Within 1 month	-
Total	22,452	21,671	-	781		

* The Board has identified the "Future Investment" as being in the Technology Business, including but not limited to the development of the fintech application.

** The balance of the estimated expenses of RM0.16 million had been re-allocated for the Group's working capital purposes.

The utilisation of proceeds as disclosed above should be read in conjunction with the Company's announcement on 24 August 2023 in relation to the extension of time for utilisation of proceeds raised from the disposal of equity interests in Guper Resources Sdn. Bhd. and Ultra Trinity Sdn. Bhd. to Dolphin Asset Sdn. Bhd.

2. AUDIT AND NON-AUDIT FEES

The breakdown of the audit and non-audit fees paid / payable to the External Auditor for the FYE 2024 is as follows: -

	Company RM	Group RM
Audit Fee	60,000	231,800
Non-Audit Fee		
- Statement on Risk Management and Internal Control	5,000	5,000
Total	65,000	236,800

3. DEVIATION IN RESULTS

The variance in the results between the audited financial statements for the FYE 2024 and the previously announced unaudited results for the same period was less than 10%.

ADDITIONAL COMPLIANCE INFORMATION

(CONTINUED)

4. PROFIT GUARANTEE

In FYE 2024, the Company did not provide any profit guarantee in any public document.

5. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

During the FYE 2024, there was no material contract or contracts relating to loan entered into by the Group involving the interest of the Directors and major shareholders.

6. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The following are the details of recurrent related party transactions entered into between the Company and its subsidiaries and related parties during FYE 2024 pursuant to the Shareholders' Mandate obtained by the Company at the last AGM held on 24 August 2023: -

No.	Transacting Parties	Interested Parties	Nature of Relationship	Nature of Transaction with HexTech Group	Aggregate value (RM'000)
1.	Hextar Industries Berhad ("HIB") and its subsidiaries ("HIB Group")	Dato' Ong Choo Meng ("OCM")	OCM is the Executive Director and major shareholder of HexTech. OCM is a major shareholder of HIB.	Provision of logistics services to HIB Group.	844
2.	BP Concrete Sdn. Bhd. ("BPC")	Leow Li Hwa ("LLH")	LLH was the Executive Director of CIBC Technology Sdn. Bhd. ("CIBC"), a subsidiary of HexTech, who resigned on 4 January 2024. She owns shares indirectly in CIBC. LLH is a director and an indirect major shareholder of BPC.	Sales of building materials to BPC. Purchase of building materials from BPC.	7,166 83
3.	BTS Buildtrade Supply Sdn. Bhd. ("BTS")	LLH	LLH was the Executive Director of CIBC, a subsidiary of HexTech, who resigned on 4 January 2024. She owns shares indirectly in CIBC. LLH is an indirect major shareholder of BTS.	Renting of office from BTS.	36

ADDITIONAL COMPLIANCE INFORMATION

(CONTINUED)

6. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE (CONT'D)

No.	Transacting Parties	Interested Parties	Nature of Relationship	Nature of Transaction with HexTech Group	Aggregate value (RM'000)
4.	Hextar Healthcare Berhad ("HHB") and its subsidiaries ("HHB Group")	OCM	OCM is the Executive Director and major shareholder of HexTech. OCM is a major shareholder of HHB.	Provision of logistics services to HHB Group.	132
5.	Hextar Capital Berhad ("HCB") (<i>f.k.a. OPCOM Holdings Berhad</i>) and its subsidiaries ("HCB Group")	OCM	OCM is the Executive Director and major shareholder of HexTech. OCM is a major shareholder of HCB.	Provision of logistics services to HCB Group.	305
6.	Hextar Retail Berhad ("HRB") (<i>f.k.a. Classic Scenic Berhad</i>) and its subsidiaries ("HRB Group")	OCM	OCM is the Executive Director and major shareholder of HexTech. OCM is a major shareholder of HRB	Provision of logistics services to HRB Group.	31

7. SHARE ISSUANCE SCHEME ("SIS")

The Company had established SIS on 25 September 2013 to grant share options to eligible Directors and employees of the Group for a period of five (5) years and was further extended by the Board on 4 September 2018 for another five (5) years immediately from the expiry of the first five (5) years. The SIS expired on 18 November 2023 ("Expiry Date"). Pursuant to the By-Laws of the SIS, there shall be no further offer of SIS options from the Expiry Date onwards and all unexercised SIS options shall automatically lapse, become null and void, and have no further effect.

As of the Expiry Date, the Company has granted four (4) batches of SIS, with the details as follows:

- a) No options were granted and exercised, and there are no outstanding options under the existing SIS during the period from 1 April 2023 to the Expiry Date.
- b) No options were granted to the Directors and Senior Management of the Group pursuant to the SIS during the period from 1 April 2023 to the Expiry Date.
- c) No options were granted to the Non-Executive Directors of the Company pursuant to the SIS during the period from 1 April 2023 to the Expiry Date. As of the Expiry Date, none of the existing Non-Executive Directors are holding options under the SIS.



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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Loss after taxation for the financial year	(16,615,423)	(13,212,395)
Attributable to:-		
Owners of the Company	(14,844,037)	(13,212,395)
Non-controlling interests	(1,771,386)	-
	(16,615,423)	(13,212,395)

DIVIDEND

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company issued 1,929,735,000 new ordinary shares pursuant to the bonus issue exercise undertaken by the Company on the basis of 15 bonus shares for every 1 existing ordinary share held by the shareholders of the Company.

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

- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company during the financial year.

DIRECTORS' REPORT

(CONTINUED)

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

(CONTINUED)

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dato' Ong Choo Meng
 Ronald Khoo Boo Soon
 Dato' Ong Chong Yi
 Yeoh Chin Hoe
 Tan Sri Muhammad Bin Ibrahim
 Choo Joon Keong
 Sujatha Sekhar A/P Tan Sri B.C.Sekhar (Appointed on 23 May 2023)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Ong Soon Lim
 Tan Eng Kiong
 Leow Fook Wee (Appointed on 4 January 2024)
 Leow Li Hwa (Resigned on 4 January 2024)

DIRECTORS' INTEREST

According to the register of directors' shareholdings, the interests of director holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	< -----Number of Ordinary Shares ----- >				
	At 1.4.2023	Bonus Issue*	Bought	Sold	At 31.3.2024
The Company					
<i>Direct interests</i>					
Dato' Ong Choo Meng	21,490,600	175,359,000	-	(10,161,600)	186,688,000
<i>Indirect interests</i>					
Dato' Ong Choo Meng#	70,460,000	1,117,720,500	5,000,000	(74,520,500)	1,118,660,000

* Arising from allotment of Company's bonus shares pursuant to the bonus issue on the basis of 15 bonus shares for every 1 existing ordinary share held.

Deemed interested by virtue of his direct substantial shareholdings in Hextar Tech Sdn. Bhd. and Hextar Holdings Sdn. Bhd.

By virtue of their shareholdings in the Company, Dato' Ong Choo Meng is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

(CONTINUED)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 28 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	342,871	342,871
Salaries, bonuses and other benefits	1,251,778	41,750
Defined contribution benefits	142,560	-
	1,737,209	384,621

INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM10,000,000 and RM11,500 respectively.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 6 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 33 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 34 to the financial statements.

HOLDING COMPANY

The holding company is Hextar Tech Sdn. Bhd., a company incorporated and domiciled in Malaysia.

DIRECTORS' REPORT

(CONTINUED)

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fee	231,800	60,000
Non-audit fees	5,000	5,000
	<hr/> 236,800	<hr/> 65,000

Signed in accordance with a resolution of the directors dated 18 July 2024.

Dato' Ong Choo Meng

Ronald Khoo Boo Soon

STATEMENT BY DIRECTORS

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

We, Dato' Ong Choo Meng and Ronald Khoo Boo Soon, being two of the directors of Hextar Technologies Solutions Berhad, state that, in the opinion of the directors, the financial statements set out on pages 82 to 138 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 of 31 March 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 18 July 2024.

Dato' Ong Choo Meng

Ronald Khoo Boo Soon

STATUTORY DECLARATION

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

I, Tan Eng Kiong, MIA Membership Number: 24224, being the officer primarily responsible for the financial management of Hextar Technologies Solutions Berhad, do solemnly and sincerely declare that the financial statements set out on pages 82 to 138 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 Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Tan Eng Kiong, NRIC Number: 741225-06-5189
at Kuala Lumpur
in the Federal Territory
on this 18 July 2024

Before me

Tan Eng Kiong

INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hextar Technologies Solutions Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 82 to 138.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Key Audit Matters (Cont'd)

Capitalisation of development expenditures and impairment assessment Refer to Note 10 to the financial statements	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>As of the reporting date, the Group reported an aggregate carrying amount of RM7.13 million for its development expenditures (disclosed in Note 10) that related to Technology segment as disclosed in Note 29. The loss of this segment has given rise to a risk that the carrying amount of the Group's development expenditures might exceed their recoverable amounts.</p> <p>We focused on this area as the determination of the recoverable amounts of the development expenditures involved significant assumptions which require involvement of an independent professional valuer ("valuer").</p>	<p>Our audit procedures included, amongst others:</p> <ol style="list-style-type: none"> 1. Reviewed and verified development expenditures to ascertain if development expenditures have been capitalised based on recognition criteria in accordance with MFRS 138 "Intangible Assets"; 2. Evaluated the qualifications and competencies of valuer engaged by the management to understand and determine whether there were any matters that might have affected their objectivity or limited the scope of their work; 3. Assessed the accuracy and relevance of key input data used by valuer to verify the assumptions and valuation techniques used in deriving the fair value of the development expenditures in accordance with MFRS 138 "Intangible Assets"; and 4. Reviewed the adequacy of disclosures in the financial statements.
Impairment assessment of trade receivables Refer to Note 11 to the financial statements	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>As of the reporting date, the Group's total trade receivables amounted to RM60.55 million is stated net of allowance for impairment losses of RM6.19 million. Trade receivables are major component of the financial position of the Group.</p> <p>We focused on this area due to the magnitude of the amount involved and significant judgements are required to assess the allowance for impairment losses of trade receivables.</p> <p>The assessment on impairment of trade receivables involves significant management judgement, taking into consideration the age of the trade debts, historical payment patterns, existence of disputes and bad debt written off in the past.</p>	<p>Our audit procedures included, amongst others:</p> <ol style="list-style-type: none"> 1. Enquired management's inputs and assumptions used when determining the expected credit loss allowance; 2. Evaluated the appropriateness and reasonableness of the key assumptions used in the expected credit loss model and tested its mathematical accuracy; 3. Tested the accuracy of the ageing profiles against supporting documents on a sample basis; 4. Traced subsequent collections for major receivables and overdue amounts to assess recoverability; and 5. Evaluated the adequacy of impairment losses provided.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Key Audit Matters (Cont'd)

Revenue recognition Refer to Note 21 to the financial statements	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><u>Sale of Goods</u></p> <p>Revenue from sale of goods amounting to RM151.66 million represent 80% of the Group's revenue for the financial year ended 31 March 2024.</p> <p>The Group's revenue recognition policy is to recognise the revenue upon the transfer of control of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods. The timing of the transfer of the risks and rewards of the goods to the buyers is defined by the specific delivery terms agreed upon with the customers, and there is a risk that revenue could be misstated resulting from cut off issue and thus we have identified this matter as a key audit matter.</p> <p><u>Rendering of Services</u></p> <p>Revenue from rendering of services amounting to RM37.35 million represent 20% of the Group's revenue for the financial year ended 31 March 2024.</p> <p>Revenue from rendering of services is recognised during the period in which control over the promised services have been transferred to customers. These services consist of large volumes of individually low value transactions and the rates applied to each transaction are based on contract terms agreed among different customers. The recognition of revenue transactions from these services is records manually by the management. Through such manual recording, management has the ability to influence the recognition of revenue, hence there is a risk of misstatement in the revenue recognised from rendering of services.</p>	<p>Our audit procedures included, amongst others:</p> <ol style="list-style-type: none"> 1. Assessed internal controls of revenue cycle and performed Test of Control; 2. Performed fraud inquiry to management personnel and audit committee; 3. Reviewed management's revenue recognition policy to ascertain if revenue have been recognised in accordance with MFRS 15 "Revenue from Contracts with Customers"; 4. Verified the supporting documents so as to ascertain the proof of the service rendering and sale of goods; 5. Reviewed contracts with customer and the satisfaction of performance obligation as specified in the contracts; and 6. Tested on sample basis for sales transactions taking place near to or after the reporting date by evaluating the agreed delivery terms provided by the customers.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 (Cont'd):-

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- 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 statement. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for the audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

18 July 2024

Lou Hoe Yin
03120/04/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	68,000,557	68,266,694
Property, plant and equipment	7	30,013,430	32,059,812	-	-
Right-of-use assets	8	19,546,125	28,993,514	-	-
Other investments	9	2,570,800	2,570,800	2,570,800	2,570,800
Intangible assets	10	7,132,345	-	-	-
		59,262,700	63,624,126	70,571,357	70,837,494
CURRENT ASSETS					
Trade and other receivables	11	68,254,891	69,933,620	67,999,932	74,276,812
Contract asset		-	24,237	-	-
Current tax assets		1,374,531	1,222,510	165,358	263,930
Cash and cash equivalents	12	20,618,989	21,545,589	5,687,702	7,686,816
		90,248,411	92,725,956	73,852,992	82,227,558
Asset classified as held for sale	13	7,950,155	-	-	-
		98,198,566	92,725,956	73,852,992	82,227,558
TOTAL ASSETS		157,461,266	156,350,082	144,424,349	153,065,052
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	72,397,926	72,397,926	72,397,926	72,397,926
Retained earnings		36,404,894	51,226,879	67,324,222	80,514,565
Other reserves	15	-	22,052	-	22,052
Equity attributable to owners of the Company		108,802,820	123,646,857	139,722,148	152,934,543
Non-controlling interests		(2,466,335)	(694,949)	-	-
TOTAL EQUITY		106,336,485	122,951,908	139,722,148	152,934,543

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
NON-CURRENT LIABILITIES					
Lease liabilities	16	15,842,149	16,939,666	-	-
Hire purchase payables	17	1,318,377	166,658	-	-
Deferred tax liabilities	18	761,918	1,034,724	-	-
		17,922,444	18,141,048	-	-
CURRENT LIABILITIES					
Trade and other payables	19	15,718,076	10,186,390	142,344	130,509
Contract liabilities		23,232	138,032	-	-
Lease liabilities	16	1,138,718	1,036,130	-	-
Hire purchase payables	17	335,209	49,574	-	-
Borrowings	20	15,987,102	3,847,000	4,559,857	-
		33,202,337	15,257,126	4,702,201	130,509
TOTAL LIABILITIES		51,124,781	33,398,174	4,702,201	130,509
TOTAL EQUITY AND LIABILITIES		157,461,266	156,350,082	144,424,349	153,065,052

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
REVENUE	21	189,007,953	162,386,776	-	1,600,000
COST OF SALES	22	(182,335,137)	(150,830,819)	-	-
GROSS PROFIT		6,672,816	11,555,957	-	1,600,000
OTHER INCOME		3,327,275	6,707,736	2,891,535	7,793,750
SELLING AND MARKETING EXPENSES		(6,877,761)	(2,037,201)	-	-
ADMINISTRATIVE EXPENSES		(9,209,201)	(4,542,955)	(584,417)	(346,464)
OTHER EXPENSES		(7,520,824)	(5,791,583)	(14,903,129)	(7,505,073)
FINANCE COSTS		(1,414,174)	(1,000,381)	(128,162)	-
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATES		-	595,726	-	-
(LOSS)/PROFIT BEFORE TAXATION	23	(15,021,869)	5,487,299	(12,724,173)	1,542,213
INCOME TAX (EXPENSE)/CREDIT	24	(1,593,554)	(1,728,660)	(488,222)	82,810
(LOSS)/PROFIT AFTER TAXATION		(16,615,423)	3,758,639	(13,212,395)	1,625,023
OTHER COMPREHENSIVE EXPENSE		-	(900,000)	-	(900,000)
TOTAL COMPREHENSIVE (EXPENSES)/ INCOME FOR THE FINANCIAL YEAR		(16,615,423)	2,858,639	(13,212,395)	725,023
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(14,844,037)	4,122,739	(13,212,395)	1,625,023
Non-controlling interests		(1,771,386)	(364,100)	-	-
		(16,615,423)	3,758,639	(13,212,395)	1,625,023
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(14,844,037)	3,222,739	(13,212,395)	725,023
Non-controlling interests		(1,771,386)	(364,100)	-	-
		(16,615,423)	2,858,639	(13,212,395)	725,023
(LOSS)/EARNINGS PER SHARE (SEN)					
Basic	25	(0.7)	0.2		
Diluted	25	(0.7)	0.2		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The Group	Share Capital RM	Fair Value Reserve RM	Share Option Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- controlling Interests RM	Total Equity RM
Balance at 1.4.2022	72,397,926	(227,851)	22,052	99,691,591	171,883,718	(330,849)	171,552,869
Profit after taxation for the financial year	-	-	-	4,122,739	4,122,739	(364,100)	3,758,639
Other comprehensive income for the financial year:							
- Fair value change of equity investments	-	(900,000)	-	-	(900,000)	-	(900,000)
Total comprehensive income for the financial year	-	(900,000)	-	4,122,739	3,222,739	(364,100)	2,858,639
Distributions to owners of the Company:							
- Dividend	-	-	-	(51,459,600)	(51,459,600)	-	(51,459,600)
Disposal of equity investments	-	1,127,851	-	(1,127,851)	-	-	-
Balance at 31.3.2023 /1.4.2023	72,397,926	-	22,052	51,226,879	123,646,857	(694,949)	122,951,908
Loss after taxation/Total comprehensive expenses for the financial year	-	-	-	(14,844,037)	(14,844,037)	(1,771,386)	(16,615,423)
Forfeit of share issuance scheme option	-	-	(22,052)	22,052	-	-	-
Balance at 31.3.2024	72,397,926	-	-	36,404,894	108,802,820	(2,466,335)	106,336,485

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The Company	Note	Share Capital RM	Fair Value Reserve RM	Share Option Reserve RM	Retained Profits RM	Total Equity RM
Balance at 1.4.2022		72,397,926	(227,851)	22,052	131,476,993	203,669,120
Profit after taxation for the financial year		-	-	-	1,625,023	1,625,023
Other comprehensive expenses for the financial year: - Fair value changes of equity investments		-	(900,000)	-	-	(900,000)
Total comprehensive income for the financial year		-	(900,000)	-	1,625,023	725,023
Distributions to owners of the Company: - Dividend	26	-	-	-	(51,459,600)	(51,459,600)
Disposal of equity investment		-	1,127,851	-	(1,127,851)	-
Balance at 31.3.2023/1.4.2023		72,397,926	-	22,052	80,514,565	152,934,543
Loss after taxation/Total comprehensive expenses for the financial year		-	-	-	(13,212,395)	(13,212,395)
Forfeit of share issuance scheme option		-	-	(22,052)	22,052	-
Balance at 31.3.2024		72,397,926	-	-	67,324,222	139,722,148

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FOR OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(15,021,869)	5,487,299	(12,724,173)	1,542,213
Adjustments for:-					
Amortisation of intangible assets	10	476,558	-	-	-
Bad debts		-	43,480	-	-
Depreciation of property, plant and equipment	7	2,764,198	2,736,743	-	83
Depreciation of right-of-use assets	8	1,541,927	832,835	-	-
Dividend income from subsidiaries	21	-	-	-	(1,600,000)
Impairment losses on:					
- property, plant and equipment	7	842,480	-	-	-
- trade receivables	11(d)	1,496,274	1,215,866	-	-
- amount owing by related parties	11(e)	2,646,357	-	-	-
- amount owing by subsidiaries	11(f)	-	-	8,779,991	3,601,176
- investment in subsidiaries		-	-	5,016,136	3,200,242
Interest expense		1,407,646	1,000,381	128,162	-
Interest income		(606,078)	(631,923)	(2,890,818)	(249,158)
Net gain on disposal of property, plant and equipment	23	(28,500)	(40,496)	-	-
Net gain on disposal of quoted investment		-	(3,744,760)	-	(3,744,760)
Net gain on disposal of associates		-	(5,914)	-	(3,798,752)
Net unrealised gain on foreign exchange		(20,832)	(49,807)	-	-
Property, plant and equipment written off	7	49,160	6,986	-	499
Reversal of impairment loss on:					
- trade receivables	11(d)	-	(943,953)	-	-
Share of results of associates		-	(595,726)	-	-
Operating (loss)/profit before working capital changes		(4,452,679)	5,311,011	(1,690,702)	(1,048,457)
Increase in trade and other receivables		(2,262,398)	(14,591,499)	(17,622)	(26,029)
Increase/(Decrease) in trade and other payables		5,418,076	3,701,263	11,835	(96,993)
CASH FOR OPERATIONS		(1,297,001)	(5,579,225)	(1,696,489)	(1,171,479)
Tax paid		(2,180,158)	(2,780,880)	(389,650)	(77,775)
Tax refunded		161,777	-	-	-
NET CASH FOR OPERATING ACTIVITIES		(3,315,382)	(8,360,105)	(2,086,139)	(1,249,254)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of intangible assets		(6,668,250)	-	-	-
Additional investment in an existing subsidiary		-	-	(4,999,999)	-
Additional investment in preference shares		-	-	-	(46,850,000)
Advances from associates		-	-	-	2,543,422
Advances to subsidiaries		-	-	(45,306,662)	-
Dividend received		-	-	-	1,600,000
Interest received		428,228	631,923	2,890,818	249,158
Proceeds from disposal of associate		-	22,627,952	-	22,627,952
Proceeds from disposal of property, plant and equipment		28,500	122,294	-	-
Proceeds from capital reduction in an existing subsidiary		-	-	250,000	-
Proceeds from disposal of quoted shares		-	32,004,760	-	32,004,760
Purchase of property, plant and equipment	12(c)	(951,709)	(1,418,825)	-	-
Repayment from subsidiaries		-	-	42,821,173	27,693,972
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(7,163,231)	53,968,104	(4,344,670)	39,869,264
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividends paid	26	-	(51,459,600)	-	(51,459,600)
Drawdown of bills payable	12(d)	37,020,344	17,532,113	12,000,000	-
Interest paid	12(d)	(1,235,888)	(1,000,381)	(68,305)	-
Repayment of bills payable	12(d)	(25,052,000)	(16,132,113)	(7,500,000)	-
Repayment of lease liabilities	16	(1,039,622)	(334,233)	-	-
Repayment of hire purchase payables	17	(161,046)	(43,768)	-	-
Repayment of term loans	12(d)	-	(58,294)	-	-
Withdrawal of pledged fixed deposits		-	135,000	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		9,531,788	(51,361,276)	4,431,695	(51,459,600)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(946,825)	(5,753,277)	(1,999,114)	(12,839,590)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		20,225	35,645	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		21,515,589	27,233,221	7,686,816	20,526,406
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	12	20,588,989	21,515,589	5,687,702	7,686,816

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office	: Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Malaysia.
Principal place of business	: No. 64, Jalan Bayu Laut 4/KS09, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan, Malaysia.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 18 July 2024.

2. HOLDING COMPANY

The holding company is Hextar Tech Sdn. Bhd., a company incorporated and domiciled in Malaysia.

3. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

4.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

4. BASIS OF PREPARATION (CONT'D)

- 4.1 The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except as follows:-

Amendments to MFRS 101: Disclosure of Accounting Policies

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 5 to the financial statements in line with the amendments.

- 4.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (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
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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon its initial application.

5. MATERIAL ACCOUNTING POLICY INFORMATION

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and right-of-use assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 7 and 8 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Amortisation of Intangible Assets

The estimates for the residual values, useful lives and related amortisation charges for the intangible assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its intangible assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the amortisation amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised. The carrying amount of intangible assets measured at revaluation as at the reporting date is disclosed in Note 10 to the financial statements.

(c) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group determines whether an item of its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 7 and 8 to the financial statements respectively.

(d) Fair Value of Estimates for Unquoted Financial Assets

The Group carries certain financial assets that are not traded in an active market at fair value. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The amount of fair value changes would differ if the Group uses different valuation methodologies and assumptions, and eventually affect profit and/or other comprehensive income.

(e) Impairment of Trade Receivables and Contract Asset

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amount of trade receivables as at the reporting date is disclosed Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Note 11 to the financial statements.

(g) Income Tax

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group 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).

5.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.2 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

Convertible preference shares are classified as financial liabilities in accordance with the substance of the contractual arrangement of the instrument.

(c) Equity

Ordinary and Convertible Preference Shares

Ordinary and Convertible preference shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary and convertible preference shares are not remeasured subsequently.

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

5.3 INVESTMENTS IN SUBSIDIARIES

Investment in subsidiaries (including the fair value adjustments on inter-company loans at inception date), which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

5.4 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	2% - 3.5%
Computer and peripherals	33%
Motor vehicles	20%
Office equipment	20% - 40%
Operating equipment	10%
Renovation	20%
Signboard	20%

5.5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group applies the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

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

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

5.6 RESEARCH COSTS AND DEVELOPED SOFTWARE

Research costs are recognised as an expense when they are incurred.

Capitalised developed software is initially measured at cost. Subsequent to the initial recognition, the development costs are stated at cost less accumulated amortisation and any accumulated impairment losses.

Capitalised developed software is amortised from the point at which the asset is available for use using the straight-line method over period of 5 years. Prior to that, the capitalised developed software is tested for impairment annually and whenever there is an indication that they may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.7 INTANGIBLE ASSETS

Intangible assets are initially measured at cost. Subsequent to the initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible Assets with Definite Useful Lives

The intangible assets are amortised using the straight-line method to allocate their depreciable amounts over the following periods:-

MoneyX application	5 years
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6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2024 RM	2023 RM
Unquoted shares, at cost	37,424,662	32,674,663
Redeemable convertible preference share	46,850,000	46,850,000
	84,274,662	79,524,663
Accumulated impairment losses	(16,274,105)	(11,257,969)
	68,000,557	68,266,694

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024	2023	
<i>Subsidiaries of the Company</i>				
Channel Legion Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Complete Logistic Specialists Sdn. Bhd.	Malaysia	100%	100%	Total logistic service provider
Guper Bonded Warehouse Sdn. Bhd. #	Malaysia	100%	100%	Investment holding
Hextech Management Sdn. Bhd. #	Malaysia	100%	100%	Provision of management and marketing services, computer consultancy and insurance agents
Island Network Sdn. Bhd.	Malaysia	100%	100%	General trading
Malsuria (M) Sdn. Bhd.	Malaysia	100%	100%	Providing financial services; and to carry on money lending business

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024	2023	
<i>Subsidiaries of the Company (Cont'd)</i>				
Pengangkutan Sekata Sdn. Bhd.	Malaysia	100%	100%	Lorry transport operator
CIBC Technology Sdn. Bhd.	Malaysia	65%	65%	Trading and E-commerce
Sin Hiap Hoe Trading & Transport Sdn. Bhd. #	Malaysia	100%	100%	Lorry transport operator
Hextar Marketing Sdn. Bhd.	Malaysia	100%	100%	Trading of building materials and other general items
Hextech Vision Sdn. Bhd. (formerly known as Hextar Vision Sdn. Bhd.)	Malaysia	100%	100%	Provision of technology related services
<i>Subsidiary of Pengangkutan Sekata Sdn. Bhd.</i>				
Dian Pahlawan Sdn. Bhd. #	Malaysia	100%	100%	Lorry transport operator

These subsidiaries were audited by other firms of chartered accountants.

- (a) On 14 April 2023, Channel Legion Sdn Bhd reduced its issued share capital from RM500,000 comprising of 500,000 ordinary shares to RM250,000 comprising of 250,000 ordinary shares by cancelling RM250,000 of the share capital that is in excess of the needs of the Company.
- (b) On 31 July 2023, the Company subscribed additional 4,999,999 ordinary shares issued by Hextar Vision Sdn. Bhd. for a total consideration of RM4,999,999.
- (c) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2024	2023	2024	2023
	%	%	RM	RM
CIBC Technology Sdn Bhd ("CTSB")	35	35	(2,466,335)	(694,949)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (d) The summarised financial information (before intra-group elimination) for the subsidiaries that has non-controlling interests that are material to the Group is as follows:-

	CTSB	
	2024 RM	2023 RM
<u>At 31 March</u>		
Non-current assets	196,116	728,550
Current assets	20,877,021	20,433,894
Current liabilities	(28,110,884)	(23,139,089)
Net liabilities	(7,037,747)	(1,976,645)
<u>Financial year ended 31 March</u>		
Revenue	54,957,553	38,932,228
Loss for the financial year/Total comprehensive expenses	(5,061,102)	(1,040,285)
Total comprehensive expenses attributable to non-controlling interests	(1,771,386)	(364,100)
Net cash for operating activities	(456,953)	(14,203,293)
Net cash from investing activities	1,989	221,338
Net cash from financing activities	890,472	16,110,000

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At	At	Transfer to Intangible Asset (Note 10)	Write Off	Depreciation Charges	Impairment Losses	At
	1.4.2023	Additions (Note 12)					RM
	RM	RM	RM	RM	RM	RM	RM
2024							
<i>Carrying Amount</i>							
Freehold land	6,014,462	-	-	-	-	-	6,014,462
Buildings	19,452,624	-	-	-	(654,689)	-	18,797,935
Computer and peripherals	-	132,060	-	-	(11,822)	-	120,238
Motor vehicles	237,493	-	-	-	(59,373)	-	178,120
Office equipment	919,982	454,209	-	-	(662,438)	-	711,753
Operating equipment	4,494,598	1,776,000	-	(49,160)	(1,365,773)	(842,480)	4,013,185
Renovation	-	52,040	-	-	(867)	-	51,173
Signboard	-	135,800	-	-	(9,236)	-	126,564
Capital work-in-progress	940,653	-	(940,653)	-	-	-	-
	32,059,812	2,550,109	(940,653)	(49,160)	(2,764,198)	(842,480)	30,013,430
2023							
<i>Carrying Amount</i>							
Freehold land	6,014,462	-	-	-	-	-	6,014,462
Buildings	20,107,312	-	-	-	(654,688)	-	19,452,624
Motor vehicles	-	296,866	-	-	(59,373)	-	237,493
Office equipment	1,125,251	441,306	-	(69,945)	(6,986)	(569,644)	919,982
Operating equipment	5,959,489	-	(11,853)	(1,453,038)	-	(1,453,038)	4,494,598
Capital work-in-progress	-	940,653	-	-	-	-	940,653
	33,206,514	1,678,825	(81,798)	(6,986)	(2,736,743)	-	32,059,812

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

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

The Group	At Cost RM	Accumulated Depreciation RM	Impairment Loss RM	Carrying Amount RM
2024				
Freehold land	6,014,462	-	-	6,014,462
Buildings	21,386,751	(1,948,816)	(640,000)	18,797,935
Computer and peripherals	132,060	(11,822)	-	120,238
Motor vehicles	1,284,286	(1,106,166)	-	178,120
Office equipment	2,612,618	(1,900,865)	-	711,753
Operating equipment	22,273,639	(17,417,974)	(842,480)	4,013,185
Renovation	52,040	(867)	-	51,173
Signboard	135,800	(9,236)	-	126,564
	53,891,656	(22,395,746)	(1,482,480)	30,013,430
2023				
Freehold land	6,014,462	-	-	6,014,462
Buildings	21,386,751	(1,294,127)	(640,000)	19,452,624
Motor vehicles	1,291,386	(1,053,893)	-	237,493
Office equipment	2,161,207	(1,241,225)	-	919,982
Operating equipment	22,197,122	(17,702,524)	-	4,494,598
Capital work-in-progress	940,653	-	-	940,653
	53,991,581	(21,291,769)	(640,000)	32,059,812
The Company	At 1.4.2022 RM	Write Off RM	Depreciation Charges RM	At 31.3.2023 RM
2023				
<i>Carrying Amount</i>				
Office equipment	582	(499)	(83)	-

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

8. RIGHT-OF-USE ASSETS

The Group	At 1.4.2023 RM	Additions (Note 12) RM	Transfer to Asset Held for Sale RM	Depreciation Charges RM	At 31.3.2024 RM
2024					
<i>Carrying Amount</i>					
Leasehold land under Sale and Purchase Agreements	11,985,415	-	(7,950,155)	(185,673)	3,849,587
Leasehold land under Lease Agreement	17,008,099	44,693	-	(1,356,254)	15,696,538
	28,993,514	44,693	(7,950,155)	(1,541,927)	19,546,125
		At 1.4.2022 RM	Additions (Note 12) RM	Depreciation Charges RM	At 31.3.2023 RM
2023					
<i>Carrying Amount</i>					
Leasehold land under Sale and Purchase Agreements		12,174,521	-	(189,106)	11,985,415
Leasehold land under Lease Agreement		15,222,428	2,429,400	(643,729)	17,008,099
		27,396,949	2,429,400	(832,835)	28,993,514
			At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2024					
Leasehold land under Sale and Purchase Agreements			4,814,766	(965,179)	3,849,587
Leasehold land under Lease Agreement			18,930,772	(3,234,234)	15,696,538
			23,745,538	(4,199,413)	19,546,125
2023					
Leasehold land under Sale and Purchase Agreements			12,764,921	(779,506)	11,985,415
Leasehold land under Lease Agreement			18,886,079	(1,877,980)	17,008,099
			31,651,000	(2,657,486)	28,993,514

The leasehold land under Lease Agreement of the Group at the reporting period is used in operations and its lease term is 30 years. The Lease Agreement includes extension and termination options which are negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group's business needs. Management exercises judgement in determining whether the extension and termination options are reasonably certain to be exercised.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

9. OTHER INVESTMENTS

INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Non-current</u>				
Unquoted ordinary shares, at fair value	2,570,800	2,570,800	2,570,800	2,570,800

10. INTANGIBLE ASSETS

The Group	Developed Software RM	Capital Work- in-progress RM	Total RM
Cost:-			
At 1 April 2023	-	-	-
Additions during the financial year	-	6,668,250	6,668,250
Transfer from property, plant and equipment (Note 7)	-	940,653	940,653
Reclassification	6,661,538	(6,661,538)	-
At 31 March 2024	6,661,538	947,365	7,608,903
Accumulated amortisation:-			
At 1 April 2023	-	-	-
Amortisation during the financial year (Note 23)	(476,558)	-	(476,558)
At 31 March 2024	(476,558)	-	(476,558)
	6,184,980	947,365	7,132,345

The developed software is in respect of software development of the MoneyX application and belong to the Technology segment. The amortisation charges are recognised in profit of loss under the "Other Expenses" line item.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

11. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables				
Third parties	58,763,643	54,213,702	-	-
Related parties	7,975,786	5,469,946	-	-
	66,739,429	59,683,648	-	-
Allowance on impairment losses:-				
Third parties	(3,547,086)	(2,039,810)	-	-
Related parties	(2,646,357)	-	-	-
	60,545,986	57,643,838	-	-
Other receivables				
Subsidiaries	-	-	80,320,325	77,834,836
Allowance for impairment losses	-	-	(12,381,167)	(3,601,176)
	-	-	67,939,158	74,233,660
Other receivables	5,995,465	10,940,288	-	-
Related party	28,500	-	-	-
Deposits	720,658	717,245	2,000	2,000
Prepayments	964,282	632,249	58,774	41,152
	7,708,905	12,289,782	67,999,932	74,276,812
	68,254,891	69,933,620	67,999,932	74,276,812

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 90 (2023 - 30 to 90) days.
- (b) Amounts owing by subsidiaries represent payment made on behalf, which are unsecured, interest-free and repayable on demand.
- (c) Amount owing by a related party represents payment made on behalf, which are unsecured, interest-free and repayable on demand.
- (d) Movement of the impairment loss on third party receivables is as follows:-

The Group	2024 RM	2023 RM
At 1 April	(2,039,810)	(1,767,897)
Written off	(11,002)	-
Addition (Note 23)	(1,496,274)	(1,215,866)
Reversal (Note 23)	-	943,953
At 31 March	(3,547,086)	(2,039,810)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Movement of the impairment loss on related party receivables is as follows:-

The Group	2024 RM	2023 RM
At 1 April	-	-
Addition (Note 23)	(2,646,357)	-
At 31 March	(2,646,357)	-

(f) Movement of the impairment loss on subsidiaries is as follows:-

The Company	2024 RM	2023 RM
At 1 April	(3,601,176)	-
Addition (Note 23)	(8,779,991)	(3,601,176)
At 31 March	(12,381,167)	(3,601,176)

12. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed deposits with a licensed bank	30,000	30,000	-	-
Short-term investments	3,016,172	4,176,875	3,016,172	4,176,875
Cash and bank balances	17,572,817	17,338,714	2,671,530	3,509,941
	20,618,989	21,545,589	5,687,702	7,686,816
Less: Fixed deposits pledged to a licensed bank	(30,000)	(30,000)	-	-
	20,588,989	21,515,589	5,687,702	7,686,816

(a) The fixed deposits with a licensed bank of the Group at the end of the reporting period bore effective interest rate at 1.60% (2023 - 1.60%) per annum. The fixed deposits have maturity periods of 12 (2023 - 12) months.

(b) Short-term investments are investments in cash funds which are designated as fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

12. CASH AND CASH EQUIVALENTS (CONT'D)

- (c) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2024 RM	2023 RM
Property, Plant and Equipment		
Cost of property, plant and equipment purchased (Note 7)	2,550,109	1,678,825
Less: Acquired through hire purchase arrangement (Note 17)	(1,598,400)	(260,000)
	951,709	1,418,825
Right-of-use Assets		
Cost of right-of-use assets acquired (Note 8)	44,693	2,429,400
Less: Additions of new lease liabilities (Note 16)	(44,693)	(2,429,400)
	-	-

- (d) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Hire Purchase Payable RM	Bills Payable RM	Lease Liabilities RM	Total RM
At 1 April 2023	216,232	3,847,000	17,975,796	22,039,028
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	-	37,020,344	-	37,020,344
Repayment of principal	(161,046)	(25,052,000)	(1,039,622)	(26,252,668)
Repayment of interests	(53,792)	(303,088)	(879,008)	(1,235,888)
	(214,838)	11,665,256	(1,918,630)	9,531,788
<u>Other Changes</u>				
Interest expenses recognised in profit or loss (Note 23)	53,792	474,846	879,008	1,407,646
Acquisition of new hire purchase	1,598,400	-	-	1,598,400
Acquisition of new lease	-	-	44,693	44,693
	1,652,192	474,846	923,701	3,050,739
At 31 March 2024	1,653,586	15,987,102	16,980,867	34,621,555

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

12. CASH AND CASH EQUIVALENTS (CONT'D)

(d) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Term Loans RM	Hire Purchase Payable RM	Bills Payable RM	Lease Liabilities RM	Total RM
At 1 April 2022	58,294	-	2,447,000	15,880,629	18,385,923
<u>Changes in financing cash flows</u>					
Proceeds from drawdown	-	-	17,532,113	-	17,532,113
Repayment of principal	(58,294)	(43,768)	(16,132,113)	(334,233)	(16,568,408)
Repayment of interest expense	(209)	(8,768)	(187,306)	(804,098)	(1,000,381)
	(58,503)	(52,536)	1,212,694	(1,138,331)	(36,676)
<u>Other Changes</u>					
Interest expenses recognised in profit or loss (Note 23)	209	8,768	187,306	804,098	1,000,381
Acquisition of new hire purchase	-	260,000	-	-	260,000
Acquisition of new lease	-	-	-	2,429,400	2,429,400
	209	268,768	187,306	3,233,498	3,689,781
At 31 March 2023	-	216,232	3,847,000	17,975,796	22,039,028
<hr/>					
The Company					Bills Payable RM
At 1 April 2023					-
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown					12,000,000
Repayment of principal					(7,500,000)
Repayment of interests					(68,305)
					4,431,695
<u>Other Changes</u>					
Interest expenses recognised in profit or loss (Note 23)					128,162
At 31 March 2024					4,559,857

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

13. ASSET CLASSIFIED AS HELD FOR SALE

On 12 March 2024, the Group announced the disposal of its piece of 99 years leasehold land for a total cash consideration of RM8,781,284.40. The said disposal has yet to be completed as at the end of the reporting period.

The carrying amount of the leasehold land is measured at the lower of its carrying amount and fair value less costs to sell.

14. SHARE CAPITAL

	The Group/The Company			
	2024 Number of Shares	2023	2024 RM	2023 RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 April	128,649,000	128,649,000	72,397,926	72,397,926
Bonus Issue	1,929,735,000	-	-	-
At 31 March	2,058,384,000	128,649,000	72,397,926	72,397,926

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

On 18 January 2024, the Company issued 1,929,735,000 new ordinary shares pursuant to the bonus issue exercise undertaken by the Company on the basis of 15 bonus shares for every 1 existing ordinary shares held by the shareholders of the Company.

15. OTHER RESERVES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-distributable				
Share option reserve	-	22,052	-	22,052

During the financial year, the share option reserves were forfeited due to the options have expired without being exercised.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

16. LEASE LIABILITIES

	The Group	
	2024 RM	2023 RM
At 1 April	17,975,796	15,880,629
Additions (Notes 8 and 12(d))	44,693	2,429,400
Interest expense recognised in profit or loss (Note 23)	879,008	804,098
Repayment of principal	(1,039,622)	(334,233)
Repayment of interest expense	(879,008)	(804,098)
	<hr/>	<hr/>
At 31 March	16,980,867	17,975,796
	<hr/>	<hr/>
Analysed by:-		
Current liabilities	1,138,718	1,036,130
Non-current liabilities	15,842,149	16,939,666
	<hr/>	<hr/>
	16,980,867	17,975,796
	<hr/>	<hr/>

17. HIRE PURCHASE PAYABLES

	The Group	
	2024 RM	2023 RM
At 1 April	216,232	-
Additions (Note 12(d))	1,598,400	260,000
Interest expense recognised in profit or loss (Note 23)	53,792	8,768
Repayment of principal	(161,046)	(43,768)
Repayment of interest expense	(53,792)	(8,768)
	<hr/>	<hr/>
At 31 March	1,653,586	216,232
	<hr/>	<hr/>
Analysed by:-		
Current liabilities	335,209	49,574
Non-current liabilities	1,318,377	166,658
	<hr/>	<hr/>
	1,653,586	216,232
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

18. DEFERRED TAX LIABILITIES

(a) Deferred tax liabilities and assets are made up as follows:-

The Group	2024 RM	2023 RM
At 1 April	1,034,724	1,279,235
Recognised in profit or loss (Note 24)	(272,806)	(244,511)
At 31 March	761,918	1,034,724
Presented after appropriate offsetting:-		
Deferred tax assets	(320,984)	(928,313)
Deferred tax liabilities	1,082,902	1,963,037
	761,918	1,034,724

(b) Components and movements of deferred tax liabilities and assets prior to offsetting are as follows:-

The Group	At 1.4.2023 RM	Recognised in Profit or Loss RM	At 31.3.2024 RM
<i>Deferred tax liabilities</i>			
Property, plant and equipment	1,963,037	(880,135)	1,082,902
<i>Deferred tax assets</i>			
Unused tax losses	(256,221)	106,954	(149,267)
Unabsorbed capital allowances	(518,632)	346,915	(171,717)
Provisions	(153,460)	153,460	-
	(928,313)	607,329	(320,984)
	1,034,724	(272,806)	761,918
The Group	At 1.4.2022 RM	Recognised in Profit or Loss RM	At 31.3.2023 RM
<i>Deferred tax liabilities</i>			
Property, plant and equipment	1,909,355	53,682	1,963,037
<i>Deferred tax assets</i>			
Unused tax losses	(106,954)	(149,267)	(256,221)
Unabsorbed capital allowances	(369,706)	(148,926)	(518,632)
Provisions	(153,460)	-	(153,460)
	(630,120)	(298,193)	(928,313)
	1,279,235	(244,511)	1,034,724

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

18. DEFERRED TAX LIABILITIES (CONT'D)

- (c) At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2024 RM	2023 RM
Property, plant and equipment	(5,337,352)	(4,222,400)
Unutilised tax losses	13,114,012	3,606,134
Unabsorbed capital allowances	4,385,963	1,460,096
Others	7,800,499	3,428,444
	19,963,122	4,272,274

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

19. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	9,571,138	4,609,241	-	-
Related parties	82,832	18,800	-	-
	9,653,970	4,628,041	-	-
Other payables				
Other payables	3,354,538	3,542,745	8,220	8,974
Related parties	3,223	-	-	-
Accruals	2,706,345	2,015,604	134,124	121,535
	6,064,106	5,558,349	142,344	130,509
	15,718,076	10,186,390	142,344	130,509

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 14 to 90 (2023 - 14 to 90) days.
- (b) Amounts owing to related parties represent payments made on behalf which are unsecured, interest-free and repayable on demand.

20. BORROWINGS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Bills payable	15,987,102	3,847,000	4,559,857	-
	15,987,102	3,847,000	4,559,857	-

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

20. BORROWINGS (CONT'D)

- (a) The effective interest rate of bills payable ranging from 4.58% to 7.07% (2023 - 3.07% to 4.80%) per annum. The bills payable is secured by a corporate guarantee issued by the Company.
- (b) Certain bill payables totalling RM4,822,000 (2023 - RM3,847,000) are secured by a negative pledge that imposes certain covenants on the subsidiary that have bill payables. The significant covenants of the term loans is a subsidiary's gearing ratio shall not exceed 3.0 times.
- (c) During the current financial year, the Group has breached the following covenant:-
- (i) The subsidiary's gearing ratio exceeded 3.0 times

As such, the lenders could declare the bill payables outstanding that amounted to RM4,822,000 to be immediately due and payable as at 31 March 2024. Consequently, the management is currently negotiating with the lenders to revise the gearing ratio.

21. REVENUE

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Revenue from Contracts with Customers				
<u>Recognised over time</u>				
Rendering of services	37,348,442	40,360,160	-	-
<u>Recognised at a point in time</u>				
Sale of goods	151,659,511	122,026,616	-	-
Dividend income from subsidiaries	-	-	-	1,600,000
	151,659,511	122,026,616	-	1,600,000
	189,007,953	162,386,776	-	1,600,000
Revenue from Other Sources				
Rental income	2,439,618	1,334,542	-	-
Interest income	606,078	631,923	2,890,818	249,158
	3,045,696	1,966,465	2,890,818	249,158

- (a) Sale of goods

Revenue from sale of goods is recognised at a point in time when the goods have been delivered to the customer and accepted by the customers. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

- (b) Rendering of services

Revenue from rendering of logistic services and revenue from providing technology related services are recognised over time in the period when the services are rendered for. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer received and uses the benefits simultaneously.

- (c) The information of the revenue from other sources is summarised below:-

Rental Income

Rental income is recognised on a straight-line basis over the lease term.

Interest Income

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

22. COST OF SALES

	The Group	
	2024 RM	2023 RM
Purchase of goods	144,877,349	116,213,285
Services rendered	37,457,788	34,617,534
	182,335,137	150,830,819

23. (LOSS)/PROFIT BEFORE TAXATION

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit before taxation is arrived at after (charging)/crediting:-				
Auditors' remuneration:				
Statutory audit:				
- current year	(231,800)	(166,800)	(60,000)	(50,000)
- underprovision in prior years	-	(5,000)	-	(5,000)
Other audit services	(5,000)	(5,000)	(5,000)	(5,000)
Directors' remuneration:				
Directors of the Company				
- fees	(342,871)	(153,484)	(342,871)	(153,484)
- other emoluments	(1,394,338)	(670,331)	(41,750)	(31,750)
Directors of the subsidiaries				
- salaries and other benefits	(230,684)	(231,395)	-	-
- defined contribution benefits	(27,300)	(27,396)	-	-
Material (Expenses)/Income				
Amortisation of intangible assets (Note 10)	(476,558)	-	-	-
Bad debts	-	(43,480)	-	-
Depreciation:				
- property, plant and equipment (Note 7)	(2,764,198)	(2,736,743)	-	(83)
- right-of-use assets (Note 8)	(1,541,927)	(832,835)	-	-
Impairment loss:				
- trade receivables (Note 11)	(1,496,274)	(1,215,866)	-	-
- amount owing by subsidiaries (Note 11)	-	-	(8,779,991)	(3,601,176)
- amount owing by related parties (Note 11)	(2,646,357)	-	-	-
- investment in subsidiaries	-	-	(5,016,136)	(3,200,242)
- property, plant and equipment (Note 7)	(842,480)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

23. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit before taxation is arrived at after (charging)/crediting (cont'd):-				
Material (Expenses)/Income (Cont'd)				
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- term loans (Note 12)	-	(209)	-	-
- bills payable (Note 12)	(474,846)	(187,306)	(128,162)	-
- hire purchase (Note 17)	(53,792)	(8,768)	-	-
Interest expense on lease liabilities (Note 16)	(879,008)	(804,098)	-	-
Property, plant and equipment written off (Note 7)	(49,160)	(6,986)	-	(499)
(Loss)/Gain on foreign exchange:				
- realised	(2,212)	4,988	-	-
- unrealised	20,832	49,807	-	-
Short-term lease	(36,000)	(21,000)	-	-
Staff costs:				
- wages, salaries and bonuses	(5,192,265)	(7,077,017)	-	-
- defined contribution plans	(829,644)	(934,752)	-	-
- social security contributions	(83,576)	(81,886)	-	-
- other benefits	(2,429,098)	(347,063)	-	-
Dividend income from subsidiaries (Note 21)	-	-	-	1,600,000
Gain on disposals of investment:				
- quoted investment	-	3,744,760	-	3,744,760
- investment in associate	-	5,914	-	3,798,752
Gain on disposal of property, plant and equipment	28,500	40,496	-	-
Interest income from:				
- fixed deposits	-	12,621	-	-
- short-term investments	89,010	578,979	89,010	231,619
- subsidiaries	-	-	2,787,347	-
- others	517,068	40,323	14,461	17,539
Rental income from:				
- offices	81,376	-	-	-
- lorries	1,023,700	-	-	-
- factory building	1,334,542	1,334,542	-	-
Reversal of impairment losses:				
- trade receivables (Note 11)	-	943,953	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

24. INCOME TAX EXPENSE/(CREDIT)

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense	1,681,966	1,964,022	488,222	-
Under/(Over)provision in the previous financial year	184,394	9,149	-	(82,810)
	1,866,360	1,973,171	488,222	(82,810)
Deferred tax (Note 18):				
- origination and reversal of temporary differences	(272,806)	(354,853)	-	-
- underprovision in the previous financial year	-	110,342	-	-
	(272,806)	(244,511)	-	-
	1,593,554	1,728,660	488,222	(82,810)

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

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit before taxation	(15,021,869)	5,487,299	(12,724,173)	1,542,213
Tax at the statutory rate of 24% (2023 - 24%)	(3,605,249)	1,316,952	(3,053,802)	370,131
Tax effects of:				
Non-taxable income	(678,168)	(430,409)	(673,658)	(2,198,652)
Non-deductible expenses	1,926,773	55,618	4,215,682	1,828,521
Deferred tax assets not recognised during the financial year	3,765,804	684,671	-	-
Utilisation of deferred tax assets in previously not recognised	-	(17,663)	-	-
Under/(Over)provision of current tax in the previous financial year	184,394	9,149	-	(82,810)
Underprovision of deferred taxation in the previous financial year	-	110,342	-	-
	1,593,554	1,728,660	488,222	(82,810)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

24. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

Income Tax Expense/(Credit) Recognised in Profit or Loss

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 - 24%) of the estimated assessable profit for the financial year.

Subject to the agreement of the Inland Revenue Board, certain subsidiaries have unabsorbed capital allowances and unutilised tax losses amounting to approximately RM4,385,963 (2023 - RM1,460,096) and RM13,114,012 (2023 - RM3,606,134) respectively which are available to offset against their future taxable profits.

The unutilised tax losses expire at end of the year of assessment ranging from 2030 to 2034 but the unabsorbed capital allowances can be carried forward indefinitely to be utilised against income from the same business source, subject to no substantial change in shareholders of the subsidiaries.

25. (LOSS)/EARNINGS PER SHARE

(a) Basic (Loss)/Earnings Per Share

The basic (loss)/earnings per share is calculated by dividing the consolidated (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2024	The Group 2023 (Restated)
	RM	RM
(Loss)/Profit after taxation attributable to owners of the Company	(14,844,037)	4,122,739
Weighted average number of ordinary shares in issue	2,058,384,000	2,058,384,000
Basic (loss)/earnings per ordinary share (sen)	(0.7)	0.2

The comparative figures have been restated to reflect the adjustments arising from bonus issue undertaken by the Company, which was completed on 18 January 2024.

(b) Diluted (Loss)/Earnings Per Share

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share because there were no potential ordinary shares during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

26. DIVIDEND

	The Group/The Company			
	2024		2023	
	Gross Dividend Per Share RM	Amount of Dividend RM	Gross Dividend Per Share RM	Amount of Dividend RM
Interim single-tier dividend paid	-	-	0.40	51,459,600

27. DIRECTORS' REMUNERATION

The directors' remuneration of the Group and of the Company include executive directors and non-executive directors of the Group and of the Company.

The directors' remuneration during the financial year are as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Executive Directors</u>				
Non-fee emoluments	1,210,028	571,561	-	-
Defined contribution benefits	142,560	67,020	-	-
<u>Executive Directors of the Subsidiaries</u>				
Non-fee emoluments	230,684	231,395	-	-
Defined contribution benefits	27,300	27,396	-	-
<u>Non-executive Directors</u>				
Fees	342,871	153,484	342,871	153,484
Other emoluments	41,750	31,750	41,750	31,750
	1,995,193	1,082,606	384,621	185,234

28. RELATED PARTY DISCLOSURES

(a) Holding Company and Subsidiaries

The holding company is disclosed in Note 2 to the financial statements.

The subsidiaries are disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

28. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

The Group	2024 RM	2023 RM
<u>Companies in which a former Director has indirect interests</u>		
Revenue from sales of goods	7,165,808	-
Purchase of goods payable	(82,832)	-
Rental expenses payable	(36,000)	-
<u>Companies in which a major shareholder has interests</u>		
Revenue from services rendered	1,311,656	1,001,743
Information technology software consultancy	200,684	-
Purchase of goods payable	(56,400)	-
<u>Companies in which a Director of subsidiary has interests</u>		
Revenue from sales of goods	-	5,244,347
Purchase of goods payable	-	(202,928)
Provide of internet, software, hardware & maintenance service payable	-	(209,117)
Rental expenses payable	-	(21,000)
	2024 RM	2023 RM
<u>The Company</u>		
Dividend income from subsidiaries	-	1,600,000
Interest income charged to subsidiaries	2,787,347	-
Management fee payable to a subsidiary	(154,000)	(149,000)

(c) Key Management Personnel Compensation

The key management personnel compensation during the financial year are as follows:-

	The Group	
	2024 RM	2023 RM
Short-term employee benefits	1,688,881	999,017
Defined contribution plans	199,260	117,516
	1,888,141	1,116,533

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

29. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided. In addition, the businesses are also considered from a geographical perspective.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Intersegment pricing is determined based on negotiated terms.

The Group is organised into 5 main reportable segments as follows:-

- Logistics - Total logistic services provider including lorry transportation services (tanker, bulk cargo, side curtain), project logistics and door to door delivery services
- Warehousing - Provision of warehouse for renting
- Trading - Trading of building materials
- Technology - Fintech application
- All others segments - Insurance agency, investment holding and others

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

29. OPERATING SEGMENTS (CONT'D)

29.1 BUSINESS SEGMENTS

2024	Logistics Segment RM	Warehousing Segment RM	Trading Segment RM	Technology Segment RM	All Others Segments RM	Elimination RM	Total RM
Revenue							
External revenue	36,670,279	676,778	151,659,511	1,348	37	-	189,007,953
Intersegment revenue	-	-	-	-	1,532,000	(1,532,000)	-
	36,670,279	676,778	151,659,511	1,348	1,532,037	(1,532,000)	189,007,953
Results							
Segment results	1,178,045	360,608	(750,395)	(8,585,131)	(1,750,588)	116,371	(9,431,090)
Amortisation	-	-	-	(476,558)	-	-	(476,558)
Depreciation	(1,909,222)	(1,017,881)	(542,374)	(824,288)	(12,360)	-	(4,306,125)
Interest income	24,179	-	471,419	-	2,813,917	(2,703,437)	606,078
Finance costs	(59,958)	(780,207)	(3,056,649)	(92,635)	(128,162)	2,703,437	(1,414,174)
(Loss)/Profit before taxation	(766,956)	(1,437,480)	(3,877,999)	(9,978,612)	922,807	116,371	(15,021,869)
Tax (expense)/credit	(576,400)	42,372	(395,149)	(180,122)	(484,255)	-	(1,593,554)
(Loss)/Profit after taxation	(1,343,356)	(1,395,108)	(4,273,148)	(10,158,734)	438,552	116,371	(16,615,423)

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

29. OPERATING SEGMENTS (CONT'D)

29.1 BUSINESS SEGMENTS (CONT'D)

2023	Logistics Segment RM	Warehousing Segment RM	Trading Segment RM	All Others Segments RM	Elimination RM	Total RM
Revenue						
External revenue	36,649,592	3,673,935	122,026,616	36,633	-	162,386,776
Intersegment revenue	147,000	-	-	3,904,000	(4,051,000)	-
	36,796,592	3,673,935	122,026,616	3,940,633	(4,051,000)	162,386,776
Results						
Segment results	2,926,699	3,227,279	1,691,285	(497,421)	2,077,494	9,425,336
Depreciation	(1,994,949)	(1,017,014)	(484,819)	(72,797)	-	(3,569,579)
Interest income	25,886	-	351,977	254,060	-	631,923
Finance costs	(19,043)	(794,032)	(187,306)	-	-	(1,000,381)
	938,593	1,416,233	1,371,137	(316,158)	2,077,494	5,487,299
Profit/(Loss) before taxation	(540,488)	(589,051)	(644,177)	45,056	-	(1,728,660)
Tax (expense)/credit						
Profit/(Loss) after taxation	398,105	827,182	726,960	(271,102)	2,077,494	3,758,639

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

29. OPERATING SEGMENTS (CONT'D)

29.2 GEOGRAPHICAL SEGMENTS

Revenue is based on the country in which the customers are located.

Geographical segment has not been presented as the Group's current activities are predominantly carried out in Malaysia.

29.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:

	Revenue		Segment
	2024 RM	2023 RM	
Customer #1	31,630,391	55,353,375	Trading

30. CAPITAL COMMITMENT

	The Group	
	2024 RM	2023 RM
Purchase of property, plant and equipment	-	355,200

31. FINANCIAL GUARANTEE CONTRACTS

	The Company	
	2024 RM	2023 RM
Secured		
Corporate guarantee given to licensed banks for banking and credit facilities granted to certain subsidiaries	11,427,245	3,847,000
Corporate guarantee given to suppliers for purchase of goods granted to a subsidiary	500,000	420,177
	11,927,245	4,267,177

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

32.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currency giving rise to this risk is primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	United States Dollar RM	Ringgit Malaysia RM	Total RM
2024			
<u>Financial assets</u>			
Other investment	-	2,570,800	2,570,800
Trade and other receivables	7,173	66,562,778	66,569,951
Cash and cash equivalents	370,848	20,248,141	20,618,989
	378,021	89,381,719	89,759,740
<u>Financial liabilities</u>			
Trade and other payables	(13,602)	(15,704,474)	(15,718,076)
Borrowings	-	(15,987,102)	(15,987,102)
	(13,602)	(31,691,576)	(31,705,178)
Net financial assets	364,419	57,690,143	58,054,562
Less: Net financial assets denominated in the respective entities functional currencies	-	(57,690,143)	(57,690,143)
Currency Exposure	364,419	-	364,419

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM	Ringgit Malaysia RM	Total RM
2023			
<u>Financial assets</u>			
Other investment	-	2,570,800	2,570,800
Trade and other receivables	383,321	68,200,805	68,584,126
Cash and cash equivalents	635,323	20,910,266	21,545,589
	1,018,644	91,681,871	92,700,515
<u>Financial liabilities</u>			
Trade and other payables	-	(10,186,390)	(10,186,390)
Borrowings	-	(3,847,000)	(3,847,000)
	-	(14,033,390)	(14,033,390)
Net financial assets	1,018,644	77,648,481	78,667,125
Less: Net financial assets denominated in the respective entities functional currencies	-	(77,648,481)	(77,648,481)
Currency Exposure	1,018,644	-	1,018,644

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

Foreign Currency Risk Sensitivity Analysis

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have a material impact on the profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group and the Company adopt a policy of obtaining the most favourable interest rates available.

The exposure to interest rate risk bases on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 20 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	The Group	
	2024	2023
	RM	RM
<hr/>		
Effects on (loss)/profit after taxation/other comprehensive (expense)/income		
Increase of 100 basis points	(121,502)	(29,237)
Decrease of 100 basis points	121,502	29,237
	<hr/>	
	The Company	
	2024	2023
	RM	RM
<hr/>		
Effects on (loss)/profit after taxation/other comprehensive (expense)/income		
Increase of 100 basis points	(34,655)	-
Decrease of 100 basis points	34,655	-
	<hr/>	

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group has major concentration of credit risk relates to the amounts owing by 4 (2023 - 1) customers which constituted approximately 58% (2023 - 42%) of its trade receivables, net of loss allowance.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets

The Group applies the simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables including related parties and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over a period of 36 (2023 - 36) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2024				
Current (not past due)	34,074,615	-	(295,570)	33,779,045
1 to 30 days past due	13,657,386	-	(314,441)	13,342,945
31 to 60 days past due	4,715,802	-	(225,165)	4,490,637
61 to 90 days past due	1,656,397	-	(361,197)	1,295,200
91 to 120 days past due	2,499,400	-	(891,205)	1,608,195
Over 120 days past due	10,135,829	(559,407)	(3,546,458)	6,029,964
	66,739,429	(559,407)	(5,634,036)	60,545,986

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows (Cont'd):-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2023				
Current (not past due)	41,844,753	-	(37,451)	41,807,302
1 to 30 days past due	7,864,304	-	(70,943)	7,793,361
31 to 60 days past due	1,994,876	-	(69,811)	1,925,065
61 to 90 days past due	1,833,342	-	(45,379)	1,787,963
91 to 120 days past due	1,601,222	-	(142,942)	1,458,280
Over 120 days past due	4,545,151	(540,471)	(1,132,813)	2,871,867
Trade receivables	59,683,648	(540,471)	(1,499,339)	57,643,838
Contract assets	24,237	-	-	24,237
	59,707,885	(540,471)	(1,499,339)	57,668,075

The movements in the loss allowances in respect of trade receivables are disclosed in Note 11 to the financial statements.

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables and contract assets that impacted the allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables and Amount Owing by A Related Party

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by a related party.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. The remaining receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables and Amount Owing by A Related Party (Cont'd)

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with A Licensed Bank, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amounts Owing by Subsidiaries (Non-trade Balances)

The Company also applies the 3-stage general approach (see information in other receivables above) to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amounts Owing by Subsidiaries (Non-trade Balances) (Cont'd)

Allowance for Impairment Losses

The Company	Gross Amount RM	Lifetime loss Allowance RM	Carrying Amount RM
2024			
Low credit risk	35,015,926	-	35,015,926
Significant increase in credit risk	45,304,399	(12,381,167)	32,923,232
	80,320,325	(12,381,167)	67,939,158
2023			
Low credit risk	55,005,900	-	55,005,900
Significant increase in credit risk	22,828,936	(3,601,176)	19,227,760
	77,834,836	(3,601,176)	74,233,660

The movements in the loss allowances are disclosed in Note 11 to the financial statements.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2024						
Lease liabilities	4.70 - 6.95	16,980,867	29,316,907	1,966,259	6,207,670	21,142,978
Hire purchase payables	3.65 - 3.89	1,653,586	1,909,255	435,372	1,473,883	-
Borrowings	4.58 - 7.07	15,987,102	15,987,102	15,987,102	-	-
Trade and other payables	-	15,718,076	15,718,076	15,718,076	-	-
		50,339,631	62,931,340	34,106,809	7,681,553	21,142,978
2023						
Lease liabilities	4.70 - 6.95	17,975,796	31,269,345	1,886,710	6,901,493	22,481,142
Hire purchase payables	3.89	216,232	233,984	57,312	176,672	-
Borrowings	3.07 - 4.08	3,847,000	3,847,000	3,847,000	-	-
Trade and other payables	-	10,186,390	10,186,390	10,186,390	-	-
		32,225,418	45,536,719	15,977,412	7,078,165	22,481,142

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2024				
Trade and other payables	-	142,344	142,344	142,344
Borrowings	5.80 - 7.07	4,559,857	4,559,857	4,559,857
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	11,927,245	11,927,245
		4,702,201	16,629,446	16,629,446
2023				
Trade and other payables	-	130,509	130,509	130,509
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	4,267,177	4,267,177
		130,509	4,397,686	4,397,686

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair values on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.2 CAPITAL RISK MANAGEMENT

The Group and the Company manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group and of the Company at the end of the reporting period are as follows:-

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Lease liabilities	16,980,867	17,975,796	-	-
Hire purchase payables	1,653,586	216,232	-	-
Borrowings	15,987,102	3,847,000	4,559,857	-
Trade and other payables	15,718,076	10,186,390	142,344	130,509
	50,339,631	32,225,418	4,702,201	130,509
Less: Cash and cash equivalents	(20,618,989)	(21,545,589)	(5,687,702)	(7,686,816)
Net debts/(Net cash)	29,720,642	10,679,829	(985,501)	(7,556,307)
Total equity	106,336,485	122,951,908	139,722,148	152,934,543
Debt-to-equity ratio	0.28	0.09	*	*

* Not applicable as the Company's cash and cash equivalents exceed its borrowings.

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

The Group is also required to maintain a maximum debt-to-equity ratio of 3.0 to comply with a loan covenant, failing which, the banks may call an event of default. The Group has breached this covenant and the consequence of such non-compliance is disclosed in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Cash and cash equivalents (short-term investments)	3,016,172	4,176,875	3,016,172	4,176,875
Unquoted equity investment	2,570,800	2,570,800	2,570,800	2,570,800
	5,586,972	6,747,675	5,586,972	6,747,675
<u>Amortised Cost</u>				
Trade and other receivables	66,569,951	68,584,126	67,939,158	74,233,660
Cash and cash equivalents	17,602,817	17,368,714	2,671,530	3,509,941
	84,172,768	85,952,840	70,610,688	77,743,601
Financial Liabilities				
<u>Amortised Cost</u>				
Trade and other payables	15,718,076	10,186,390	142,344	130,509
Borrowings	15,987,102	3,847,000	4,559,857	-
	31,705,178	14,033,390	4,702,201	130,509

32.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Interest income on:				
- Short term investments	89,010	578,979	89,010	231,619
- Fixed deposit	-	12,621	-	-
	89,010	591,600	89,010	231,619
<u>Amortised Cost</u>				
Interest income	517,068	40,323	2,801,808	17,539
Impairment loss on trade receivables	(1,496,274)	(1,215,866)	-	-
Impairment loss on related parties	(2,646,357)	-	-	-
Impairment loss on amount owing by subsidiaries	-	-	(8,779,991)	(3,601,176)
	(3,625,563)	(1,175,543)	(5,978,183)	(3,583,637)
Financial Liabilities				
<u>Amortised Cost</u>				
Interest expenses	(528,638)	(196,283)	(128,162)	-

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
2024								
<u>Financial Assets</u>								
Other investment - Unquoted	-	-	2,570,800	-	-	-	2,570,800	2,570,800
Cash and cash equivalents#	3,016,172	-	-	-	-	-	3,016,172	3,016,172
<u>Financial Liability</u>								
Borrowings	-	-	-	-	15,987,102	-	15,987,102	15,987,102
2023								
<u>Financial Assets</u>								
Other investment - Unquoted	-	-	2,570,800	-	-	-	2,570,800	2,570,800
Cash and cash equivalents#	4,176,875	-	-	-	-	-	4,176,875	4,176,875
<u>Financial Liability</u>								
Borrowings	-	-	-	-	3,847,000	-	3,847,000	3,847,000

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

The Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
2024								
<u>Financial Assets</u>								
Other investment - Unquoted	-	-	2,570,800	-	-	-	2,570,800	2,570,800
Cash and cash equivalents#	3,016,172	-	-	-	-	-	3,016,172	3,016,172
<u>Financial Liability</u>								
Borrowings	-	-	-	-	4,559,857	-	4,559,857	4,559,857
2023								
<u>Financial Assets</u>								
Other investment - Unquoted	-	-	2,570,800	-	-	-	2,570,800	2,570,800
Cash and cash equivalents#	4,176,875	-	-	-	-	-	4,176,875	4,176,875

The fair value of cash and cash equivalents represent money market fund which is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as follows:-

(a) The Company had on 28 June 2023 announced that it proposed to undertake the below multiple corporate exercises:

(i) the Company via its wholly-owned subsidiaries had on 28 June 2023 entered into the following agreements:-

(A) (I) a subscription agreement between Guper Bonded Warehouse Sdn. Bhd. (“GBWSB”) as issuer, a wholly-owned subsidiary of the Company and SWS Capital Berhad (“SWS”) as subscriber, a company listed on Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”), whereby SWS shall subscribe for the following:-

- 1,000 new ordinary shares in GBWSB (“GBWSB Shares”), representing 99% interest in the enlarged number of shares in GBWSB, at an issue price of RM1.00 per GBWSB Share for a total consideration of RM1,000; and
- 1,000 Redeemable Convertible Preference Share-B (“RCPS”) in GBWSB (“GBWSB RCPS-B”) at an issue price of RM35,050 for each GBWSB RCPS-B for a total consideration of RM35,050,000 (“SA 1”) (“Proposed GBWSB Issuance”).

(II) a share sale agreement between the Company as vendor and SWS as purchaser for the disposal of the remaining 2 ordinary shares in GBWSB to SWS for RM2,900,000 (“SSA 1”) (“Proposed GBWSB Disposal”).

The Proposed GBWSB Issuance and the Proposed GBWSB Disposal shall collectively be referred to as “GBWSB Proposals”.

(B) (I) a subscription agreement between Channel Legion Sdn. Bhd. (“CLSB”) as issuer, a wholly-owned subsidiary of the Company and Hextar Holdings Sdn. Bhd. (“HHSB”) as subscriber, whereby HHSB shall subscribe for the following:-

- 750,000 new ordinary shares in CLSB (“CLSB Shares”), representing 75% interest in the enlarged number of shares in CLSB, at an issue price of RM1.00 per CLSB Share for a total consideration of RM750,000; and
- 1,000 RCPS-B in CLSB (“CLSB RCPS-B”) at an issue price of RM11,800 for each CLSB RCPS-B for a total consideration of RM11,800,000 (“SA 2”) (“Proposed CLSB Issuance”).

(II) a share sale agreement between the Company as vendor and HHSB as purchaser for the disposal of the remaining 250,000 ordinary shares in CLSB to HHSB for RM4,900,000 (“SSA 2”) (“Proposed CLSB Disposal”).

The Proposed CLSB Issuance and the Proposed CLSB Disposal shall collectively be referred to as “CLSB Proposals”. SA 1 and SA 2 are collectively referred to as “SAs”. SSA 1 and SSA 2 are collectively referred to as “SSAs”.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

The significant events during the financial year are as follows (Cont'd):-

- (a) The Company had on 28 June 2023 announced that it proposed to undertake the below multiple corporate exercises (Cont'd):-
- (i) the Company via its wholly-owned subsidiaries had on 28 June 2023 entered into the following agreements (Cont'd):-
- (C) a sale and purchase agreement between Pengangkutan Sekata Sdn. Bhd., a wholly-owned subsidiary of the Company with SWS In Medics Sdn. Bhd. ("SIMSB"), a wholly-owned subsidiary of SWS, for the proposed disposal of a parcel of leasehold industrial land measuring 130,674 square feet improved upon with industrial premises comprising a single storey warehouse annexed with double storey office and ancillary buildings, held under HSD 303855, PTD 148262, Mukim of Plentong, District of Johor Bahru, State of Johor ("Pasir Gudang Property") for a cash consideration of RM15,300,000 ("SPA 1") ("Proposed Pasir Gudang Disposal").
- (D) a sale and purchase agreement entered between Sin Hiap Hoe Trading & Transport Sdn. Bhd., a wholly-owned subsidiary of the Company with SIMSB, for the proposed disposal of a parcel of leasehold vacant industrial land measuring 104,539 square feet, held under HSD 119778, PT No. 121658, Mukim & District of Klang, State of Selangor ("Klang Property") for a cash consideration of RM8,360,000 ("SPA 2") ("Proposed Klang Disposal").

SPA 1 and SPA 2 are collectively referred to as "SPAs".

The Proposed Pasir Gudang Disposal and Proposed Klang Disposal shall collectively be referred to hereinafter as the "Proposed Disposals".

- (b) Proposed bonus issue of 3,859,470,000 new ordinary shares in the Company ("HexTech Shares" or "Shares") ("Bonus Shares") on the basis of 30 Bonus Shares for every 1 existing HexTech Share held by the shareholders of the Company whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later ("Entitlement Date") ("Entitled Shareholders") ("Proposed Bonus Issue").
- (c) The Company had on 16 August 2023 announced that the Board had agreed to the requests of SWS and SIMSB to terminate the SA 1, SSA 1, SPA 1 and SPA 2 in relations to the GBWSB Proposals and the Proposed Disposals.

The termination by SIMSB was due to their inability to fulfil the conditions precedent in SPA 1 and SPA 2 to obtain a loan from the financier for acquisition of the properties pursuant to the Proposed Disposals. As a consequent thereto, SWS has also decided to terminate the SA 1 and SSA 1, stating that the GBWSB Proposals are no longer aligned with their future direction.

As a result of the above, the Company has also decided to terminate the SA 2 and SSA 2 in relation to the CLSB Proposals. The Company had, on 16 August 2023, sent a letter to HHSB requesting to terminate the SA 2 and SSA 2 in relation to the CLSB Proposals and HHSB has also agreed to the mutual termination on the same date.

- (d) On 28 November 2023, the Company proposes to revise the ratio for the Proposed Bonus Issue from 30 Bonus Shares for every 1 existing HexTech Share held by the shareholders of the Company whose names appear in the Record of Depositors of the Company on an Entitlement Date to 15 Bonus Shares for every 1 existing HexTech Share.
- (e) On 18 January 2024, the Company announced that 1,929,735,000 Bonus Shares have been listed and quoted on the Main Market of Bursa Malaysia Securities Berhad, marking completion of the Bonus Issue.
- (f) On 12 March 2024, Sin Hiap Hoe Trading & Transport Sdn. Bhd., a wholly owned subsidiary of the Company entered into a Sale and Purchase Agreement ("SPA") with Dataran Ehsan Sdn. Bhd. ("the Purchaser") in respect of the disposal of all that piece of 99 years leasehold land expiring on 24 February 2097 held under HS(D) 119778, PT 121658, Mukim Klang, Daerah Klang, Negeri Selangor measuring approximately 9712 square metres ("the Land") to the Purchaser for a cash consideration of RM8,781,284.40 only, subject to and upon all the terms and conditions as stipulated in the SPA.

As at reporting date, the carrying amount of the leasehold land has been reclassified from right-of-use assets to asset classified as held for sale as disclosed in Note 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2024 (continued)

34. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period is as follows:-

- (a) On 21 June 2024, the Company has incorporated Hextech Business Sdn. Bhd. (“HTBSB”) consisting of 100 ordinary shares for a total consideration of RM100. The principal activity of HTBSB is provision of technology related services.

35. COMPARATIVE FIGURES

The following comparative figures have been adjusted and restated to conform with the presentation of the current financial year:-

	As Previously Reported RM	Reclassification RM	As Restated RM
Statements of Financial Position			
(Extract):-			
The Group			
<u>Non-current assets</u>			
Property, plant and equipment	31,822,319	237,493	32,059,812
Right-of-use assets	29,231,007	(237,493)	28,993,514
<u>Non-current liabilities</u>			
Lease liabilities	17,106,324	(166,658)	16,939,666
Hire purchase payables	-	166,658	166,658
<u>Current liabilities</u>			
Lease liabilities	1,085,704	(49,574)	1,036,130
Hire purchase payables	-	49,574	49,574
Statements of Cash Flows (Extract):-			
The Group			
<u>Cash Flows For Operating Activities</u>			
Depreciation of property, plant and equipment	2,677,370	59,373	2,736,743
Depreciation of right-of-use assets	892,208	(59,373)	832,835
<u>Cash Flows For Investing Activities</u>			
Purchase of property, plant and equipment	(1,381,959)	(36,866)	(1,418,825)
Purchase of right-of-use assets	(36,866)	36,866	-
<u>Cash Flows For Financing Activities</u>			
Repayment of lease liabilities	(378,001)	43,768	(334,233)
Repayment of hire purchase payables	-	(43,768)	(43,768)
Statements of Profit or Loss and Other Comprehensive Income (Extract):-			
The Company			
Administrative expenses	(7,505,073)	7,158,609	(346,464)
Other expenses	(346,464)	(7,158,609)	(7,505,073)

LIST OF PROPERTIES

AS AT 31 MARCH 2024

No.	Registered Owner	Location	Tenure	Description/ Existing Use	Land Area (m ²)/ Built Up Area (ft ²)	Date of Acquisition	Approximate Age of Building (Years)	Group Carrying Amount @ 31/3/2024 (RM)
1.	Guper Bonded Warehouse Sdn. Bhd.	(i) Lot 60584 Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan Darul Khusus.	Freehold	Vacant Land	11,479	16.11.2007	-	1,227,793
		(ii) Lot 60585 Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan Darul Khusus.	Freehold	Vacant Land	10,196	16.11.2007	-	1,090,563
		(iii) Lot 60586 Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan Darul Khusus.	Freehold	Vacant Land	10,196	16.11.2007	-	1,090,563
		(iv) Lot 60587 Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan Darul Khusus.	Freehold	Vacant Land	10,196	16.11.2007	-	1,090,563
		(v) Lot 60588 Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan Darul Khusus.	Freehold	Vacant Land	14,164	16.11.2007	-	1,514,980
2.	Pengangkutan Sekata Sdn. Bhd.	(i) PLO 565, Jalan Keluli, Pasir Gudang Industrial Area, 81700 Pasir Gudang, Johor Darul Takzim.	Leasehold (Expiring on 18.05.2060)	Land Warehouse	12,140/ 79,400	16.07.2016	- 3	3,849,587 6,818,798

LIST OF PROPERTIES (CONTINUED)

AS AT 31 MARCH 2024

No.	Registered Owner	Location	Tenure	Description/ Existing Use	Land Area (m ²)/ Built Up Area Area (ft ²)	Date of Acquisition	Approximate Age of Building (Years)	Group Carrying Amount @ 31/3/2024 (RM)
3.	Channel Legion Sdn. Bhd.	(i) Part of P823 & Part of P825 Port Klang Free Zone/KSI2, 42920 Pulau Indah, Selangor Darul Ehsan.	Land Lease Agreement (Expiring on 11.11.2049)	Factory	25,900 / 193,400	31.03.2021	3	11,979,137
4.	Sin Hiap Hoe Trading & Transport Sdn. Bhd. ("SHHSB")*	(i) Lot 35, T/K Jalan SG Pinang 4/2, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan.	Leasehold (Expiring on 24.02.2097)	Vacant Land	9,712	12.01.2021	-	7,950,155

* SHHSB had on 12 March 2024 entered into a Sale and Purchase Agreement with Dataran Ehsan Sdn. Bhd. for the disposal of the vacant leasehold land for a cash consideration of RM8.78 million. The disposal has yet to be completed as at 31 March 2024.

ANALYSIS OF SHAREHOLDINGS

AS AT 28 JUNE 2024

Issued Share Capital	:	RM72,397,926 comprising 2,058,384,000 ordinary shares
Voting Rights	:	One (1) vote per ordinary share
Number of Shareholders	:	1,058

SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of issued capital
1 - 99	18	1.70	784	0.00
100 - 1,000	68	6.43	39,816	0.00
1,001 - 10,000	356	33.65	1,658,300	0.08
10,001 - 100,000	382	36.10	12,719,500	0.62
100,001 to 102,919,199 (*)	230	21.74	1,097,605,600	53.32
102,919,200 and above (**)	4	0.38	946,360,000	45.98
Total	1,058	100.00	2,058,384,000	100.00

Remarks:

* Less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No. Substantial Shareholders	[---Direct Interest---]		[---Indirect Interest---]	
	No. of Shares Held	%	No. of Shares Held	%
1. Dato' Ong Choo Meng	191,309,000	9.29	⁽¹⁾ 1,117,360,000	54.28
2. Hextar Tech Sdn. Bhd.	1,031,360,000	50.11	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his shareholdings in Hextar Tech Sdn. Bhd. and Hextar Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

No. Directors	[---Direct Interest---]		[---Indirect Interest---]	
	No. of Shares Held	%	No. of Shares Held	%
1. Tan Sri Muhammad Bin Ibrahim	-	-	-	-
2. Dato' Ong Choo Meng	191,309,000	9.29	⁽¹⁾ 1,117,360,000	54.28
3. Choo Joon Keong	-	-	-	-
4. Ronald Khoo Boo Soon	-	-	-	-
5. Dato' Ong Chong Yi	-	-	-	-
6. Yeoh Chin Hoe	-	-	-	-
7. Sujatha Sekhar A/P Tan Sri B.C.Sekhar	-	-	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his shareholdings in Hextar Tech Sdn. Bhd. and Hextar Holdings Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

AS AT 28 JUNE 2024

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of Shares	%
1.	Hextar Tech Sdn. Bhd.	429,720,000	20.88
2.	AmSec Nominees (Tempatan) Sdn Bhd. Pledged Securities Account - AmBank (M) Berhad for Hextar Tech Sdn. Bhd.	264,040,000	12.83
3.	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd. Pledged Securities Account for Hextar Tech Sdn. Bhd. (Acct 2)	133,280,000	6.47
4.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hextar Tech Sdn. Bhd. (MGN-OCM0001M)	119,320,000	5.80
5.	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd. Pledged Securities Account for Agilevest Sdn. Bhd. (Acc 2)	101,392,000	4.93
6.	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd. Pledged Securities Account for Exsim Holdings Sdn. Bhd.	88,540,800	4.30
7.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Hextar Holdings Sdn. Bhd. (PB)	86,000,000	4.18
8.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Ong Choo Meng (6000478)	76,800,000	3.73
9.	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd. Pledged Securities Account for JT Momentum Sdn. Bhd.	54,400,000	2.64
10.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Ong Choo Meng	52,800,000	2.57
11.	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd. Pledged Securities Account for Legion Management Sdn. Bhd. (Acc 1)	47,357,000	2.30
12.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - AmBank (M) Berhad for Dato' Ong Choo Meng (SMART)	42,720,000	2.08
13.	Ajiya Berhad	33,214,400	1.61
14.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hextar Tech Sdn. Bhd. (MGN-OTC0005M)	30,000,000	1.46
15.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hextar Tech Sdn. Bhd. (MGN-LWY0001M)	30,000,000	1.46
16.	Lim Jee Gin	28,160,000	1.37
17.	Al Rajhi Banking & Investment Corporation (Malaysia) Bhd. Pledged Securities Account for Hextar Tech Sdn. Bhd.	25,000,000	1.21
18.	Anglo Asia Investments Limited	21,502,500	1.04
19.	CIMB Group Nominees (Tempatan) Sdn. Bhd. CIMB Bank Berhad (EDP 2)	19,700,800	0.96
20.	HSBC Nominees (Asing) Sdn. Bhd. Societe Generale Paris	16,017,600	0.78
21.	Mok Yau Choy	12,616,400	0.61
22.	Tan Seio Beng	12,176,000	0.59
23.	HSBC Nominees (Asing) Sdn. Bhd. Exempt an for The Hongkong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	11,804,400	0.57
24.	M & A Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Ong Choo Meng (M&A)	11,607,000	0.56
25.	M & A Nominee (Asing) Sdn. Bhd. For Winfields Development Pte. Ltd.	11,390,000	0.55
26.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Tzu Chuen (7003145)	11,091,300	0.54
27.	HSBC Nominees (Asing) Sdn. Bhd. Exempt an for JPMorgan Chase Bank, National Association (SINGAPOREJMPB)	8,999,400	0.44
28.	Stream Enterprise (M) Sdn. Bhd.	8,700,000	0.42
29.	Chong Yoke Sim	8,488,000	0.41
30.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Por Teong Eng (MGN - PTE0001M)	7,500,000	0.37
		1,804,337,600	87.66

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth (19th) Annual General Meeting (“AGM”) of Hextar Technologies Solutions Berhad (“Company”) will be conducted on a fully virtual basis through live streaming and remote meeting platform of TIIH online provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its website at <https://tjih.online> on **Wednesday, 28 August 2024 at 10.30 a.m.** or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the audited financial statements for the financial year ended 31 March 2024 and the Reports of the Directors and Auditors thereon. *Please refer to Explanatory Note (1)*
2. To approve the following payments to Directors:
 - (i) Directors’ fees for the Non-Executive Directors not exceeding RM348,000 for the financial year ending 31 March 2025 (2024:RM348,000); *Ordinary Resolution 1 Please refer to Explanatory Note (2)*
 - (ii) Meeting allowance for the Non-Executive Directors for the period from 29 August 2024 until the next AGM of the Company: *Ordinary Resolution 2 Please refer to Explanatory Note (2)*

Position	Per Meeting Day
Board Committee Chairman	RM1,250
Non-Executive Director	RM1,000
3. To re-elect the following Directors who retire pursuant to Article 131.1 of the Constitution of the Company:-
 - (i) Dato’ Ong Chong Yi *Ordinary Resolution 3*
 - (ii) Mr. Ronald Khoo Boo Soon *Ordinary Resolution 4*
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Board of Directors (“Board”) to fix their remuneration. *Ordinary Resolution 5*

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following resolutions:
 - (A) Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”) - General Allotment *Ordinary Resolution 6 Please refer to Explanatory Note (4)(i)*

“THAT pursuant to Sections 75 and 76 of the Act, full authority be and is hereby given to the Directors to issue shares of the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company as at the date of this AGM and that such authority shall continue in force until the conclusion of the next AGM of the Company, and that the Directors be and are hereby empowered to obtain the approval of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for the new shares so issued.”

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

“AND FURTHER THAT pursuant to Section 85 of the Act read together with Article 76 of the Constitution of the Company, 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 Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company.”

- (B) Proposed Renewal of Shareholders' Mandate to Enable the Company to Purchase up to 10% of its Total Number of Issued Shares (“Proposed Renewal of Share Buy-Back Authority”) Ordinary Resolution 7
*Please refer to
Explanatory Note (4)(ii)*

“THAT subject to the Companies Act 2016 (“Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution and the Main Market Listing Requirements (“MMLR”) of Bursa Securities and any other relevant authority, the Company be and is hereby authorised to purchase and/or hold such amount of ordinary shares in the Company’s issued share capital through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:-

- (i) the aggregate number of shares so purchased and/or held pursuant to this ordinary resolution (“Purchased Shares”) does not exceed ten percent (10%) of the total number of issued shares of the Company at any one time; and
- (ii) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the retained profits of the Company;
- (iii) the authority conferred by this ordinary resolution shall commence immediately upon the passing of this ordinary resolution and 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 of the Company is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first.

THAT upon completion of the purchase(s) by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:-

- (a) cancel all the shares so purchased; and/or
- (b) retain the shares so purchased as treasury shares for distribution as dividend to shareholders and/or resell on the market of Bursa Securities; and/or
- (c) retain part thereof as treasury shares and cancel the remainder.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

- (C) Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue and/ or Trading Nature ("Proposed Shareholders' Mandate for RRPT"):- Ordinary Resolution 8
Please refer to Explanatory Note (4) (iii)

"THAT, subject to Paragraph 10.09 of the MMLR of Bursa Securities, the Company and its subsidiaries ("Group") be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in the Section 2.4 of the Circular to Shareholders dated 29 July 2024, PROVIDED THAT such transactions are necessary for the Group's day-to-day operations and are in the ordinary course of business of the Group and at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

THAT such approval shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which this Ordinary Resolution shall be passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority conferred by this resolution is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier;

AND THAT the Directors of the Company and its subsidiaries be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate as authorised by this Ordinary Resolution."

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

By Order of the Board
Hextar Technologies Solutions Berhad

Henry Ng Heng Hooi (MAICSA 7048492) (SSM PC No. 202008002923)
Maggie Wong Mee Kiat (MAICSA 7058813) (SSM PC No. 202008001958)
Secretaries

Kuala Lumpur
Dated: 29 July 2024

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

EXPLANATORY NOTES

1. Receiving of the Audited Financial Statements

Item 1 of the Agenda is intended for discussion only as the provision of Section 340(1) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. As such this item is not put forward for voting.

2. Payment of Directors' Fees and Benefits

Section 230(1) of the Act provides that the fees and any other benefits (including any compensation for loss of employment) payable to the directors of a company shall be approved by the members at a general meeting. The Board wishes to seek shareholders' approval for the following payment to the Non-Executive Directors:

Ordinary Resolution 1 - Proposed payment of Directors' fees for the Non-Executive Directors not exceeding RM348,000 for the financial year ending 31 March 2025 (2024: RM348,000);

The proposed Ordinary Resolution 1 is to seek shareholders' approval to facilitate the payment of Directors' fees on current year basis. In the event the Directors' fees proposed is insufficient, the Board will seek the approval of shareholders at the next AGM to authorise payment of the shortfall.

Ordinary Resolution 2 - Proposed payment of meeting allowance of RM1,250 per meeting day for the Board Committees Chairman and RM1,000 per meeting day for the other Non-Executive Directors from 29 August 2024 until the next AGM of the Company. The meeting allowance will only be paid on the actual attendance of meetings by the Directors.

3. Form of Proxy

(i) The AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities provided by Tricor on its website at <https://tjih.online>. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at <https://hextartech.com/> to register, participate and vote remotely via the RPV.

According to the Revised Guidance Note and FAQs, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Act provided that the online platform is located in Malaysia and all meeting participants of a fully virtual general meeting are to participate in the meeting online.

(ii) In respect of deposited securities, only members whose names appear in the Record of Depositors on 21 August 2024 shall be eligible to attend the AGM.

(iii) A member of the Company entitled to attend and vote at the AGM is entitled to appoint one (1) or more proxies to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy in relation to the AGM, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.

(iv) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to attend, participate, speak and vote at the AGM.

(v) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

- (vi) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (vii) The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, the Form of Proxy may also be lodged electronically via the TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof, resolutions set out above are to be voted by poll. Kindly refer to the Administrative Guide for the AGM for further information on the electronic lodgement of proxy form.
- (viii) A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this AGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Kindly refer to the Procedures for RPV as set out in the Administrative Guide for the AGM.

4. Explanatory Notes on Special Business:

- (i) Ordinary Resolution 6 - Proposed renewal of authority for Directors to issue shares - General Allotment

Ordinary Resolution 6 is proposed for the purpose of granting a renewal of the general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Act. Ordinary Resolution 6, if passed, will give the Directors of the Company authority to issue not more than ten percent (10%) of the total number of issued shares in the Company at any time in their absolute discretion without convening a general meeting. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Company did not issue any new shares pursuant to that mandate obtained as at the date of this notice. Ordinary Resolution 6 is a renewal of the general mandate. At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is obtained, an announcement will be made to Bursa Securities by the Company in respect of the purpose and utilisation of proceeds arising from such issue.

The general mandate, if granted, will provide flexibility to the Company for any possible funds raising activities, including but not limited to placement of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

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 76 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 76 of the Constitution of the Company pertaining to the issuance and allotment of the new shares under Sections 75 and 76 of the Act, which will result in a dilution to their shareholding percentage in the Company.

NOTICE OF ANNUAL GENERAL MEETING

(CONTINUED)

(ii) Ordinary Resolution 7 - Proposed renewal of share buy-back authority.

Ordinary Resolution 7, if passed, will enable the Company to utilise any of its surplus financial resources to purchase its own shares through Bursa Securities up to ten percent (10%) of the total number of issued shares of the Company. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

Further information on the proposed renewal of the share buy-back authority are set out in the Statement to Shareholders of the Company dated 29 July 2024 which is dispatched together with the Company's 2024 Annual Report.

(iii) Ordinary Resolution 8 - Proposed Shareholders' Mandate for RRPT.

Ordinary Resolution 8, if passed, will empower the Group to enter into recurrent related party transactions ("RRPT") of a revenue or trading nature with the related parties as set out in Section 2.4 of the Circular to Shareholders dated 29 July 2024 which are necessary for the Group's day-to-day operations and/or in the ordinary course of business of the Group on normal commercial terms and to facilitate the conduct of the Group's business in a timely manner.

The proposal includes the proposed renewal of the existing shareholders' mandate for RRPT of a revenue or trading nature that was approved by the shareholders at the 18th AGM.

Further information on the Proposed Shareholders' Mandate for RRPT is set out in the Circular to Shareholders of the Company dated 29 July 2024, which is dispatched together with the Company's 2024 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the MMLR of Bursa Securities

1. Details of person who is standing for election as Director (excluding Director standing for re-election)

No individual is seeking election as a Director at the Nineteenth AGM of the Company.

2. Statement relating to general mandate for issue of securities in accordance with paragraph 6.03(3) of MMLR of Bursa Securities

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note (4)(i) of the Notice of Nineteenth AGM.

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PROXY FORM

HEXTAR TECHNOLOGIES SOLUTIONS BERHAD

[Registration No.: 200501034100 (716241-X)]

I/We, _____ (FULL NAME IN CAPITALS)

of _____ (FULL ADDRESS)

being a member / members of Hextar Technologies Solutions Berhad, hereby appoint

Proxy A

Full Name	NRIC No./Passport No./Company No.	Proportion of shareholdings represented	
		No. of Shares	%
Address			

Proxy B

Full Name	NRIC No./Passport No./Company No.	Proportion of shareholdings represented	
		No. of Shares	%
Address			

100%

or failing him / her, the Chairman of the Meeting, as my/our proxy to attend and vote for me/us and on my/our behalf at the Nineteenth (19th) Annual General Meeting (“AGM”) of Hextar Technologies Solutions Berhad (“the Company”) will be conducted on a fully virtual basis through live streaming and remote meeting platform of TIIH online provided by Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) via its website at <https://tiih.com.my> on **Wednesday, 28 August 2024 at 10.30 a.m.** or at any adjournment thereof. My/our proxy is to vote on the resolutions as indicated by an “X” in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he / she thinks fit.

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	To approve Directors’ fees for the Non-Executive Directors not exceeding RM348,000 for the financial year ending 31 March 2025		
Ordinary Resolution 2	To approve meeting allowance for Non-Executive Directors from 29 August 2024 until the next AGM of the Company		
Ordinary Resolution 3	Re-election of Dato’ Ong Chong Yi as Director pursuant to Article 131.1 of the Constitution of the Company		
Ordinary Resolution 4	Re-election of Mr. Ronald Khoo Boo Soon as Director pursuant to Article 131.1 of the Constitution of the Company		
Ordinary Resolution 5	Re-appointment of Messrs. Crowe Malaysia PLT as Auditors of the Company		
Ordinary Resolution 6	To approve authority for Directors to allot and issue shares - General Allotment		
Ordinary Resolution 7	To renew mandate for Share Buy Back		
Ordinary Resolution 8	To approve the renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions and New Shareholders’ Mandate for Additional Recurrent Related Party Transactions of a Revenue and/or Trading Nature		

Dated this _____ day of _____ 2024

Signature: _____

Fold this flap for sealing

Notes:-

1. The AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities provided by Tricor on its website at <https://tjih.online>. Please follow the procedures set out in the Administrative Guide for the AGM which is available on the Company's website at <https://hextartech.com/> to register, participate and vote remotely via the RPV.
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5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
6. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the office of the Company's Share Registrar, Tricor, Unit 32-01, Level 32, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, the Form of Proxy may also be lodged electronically via the TIH Online at <https://tjih.online> not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof, resolutions set out above are to be voted by poll. Kindly refer to the Administrative Guide for the AGM for further information on the electronic lodgement of proxy form.
8. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this AGM via RPV must request his/her proxy to register himself/herself for RPV at TIH Online website at <https://tjih.online>. Kindly refer to the Procedures for RPV as set out in the Administrative Guide for the AGM

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STAMP

The Share Registrar
HEXTAR TECHNOLOGIES SOLUTIONS BERHAD
C/O Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01
Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur

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HEXTAR TECHNOLOGIES SOLUTIONS BERHAD

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