



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

ANNUAL REPORT
2025

CONTENTS

02	5 Years Financial Highlights
03	Corporate Information
04	Corporate Structure
05	Chairman's Statement
08	Management Discussion & Analysis
16	Profile of Directors
23	Profile of Key Senior Management
24	Sustainability Statement
50	Corporate Governance Overview Statement
62	Audit Committee Report
65	Statement on Risk Management and Internal Control
69	Statement of Directors' Responsibility
70	Additional Compliance Information
73	Financial Statements
143	List of Properties
145	Analysis of Shareholdings
147	Notice of Annual General Meeting

Proxy Form

20th ANNUAL GENERAL MEETING

DATE : Tuesday, 26 August 2025
TIME : 10.30 a.m.

OUR VISION

To become the preferred business partner and employer of choice, enriching lives with our products and solutions

OUR MISSION

We build shareholder value by carving a niche in the global arena, earning market respect through outstanding products and services, endorse human capital development and enhance business synergy in diversity with sustainability principles underpinning our corporate thinking and actions

CORE VALUE

Humility

Fostering an environment of mutual respect that encourages appreciation and cooperation amongst each other, with self-awareness and open-mindedness to learn and grow

Excellence

Pushing boundaries to achieve the highest possible standards of performance and quality

X-factor

Ability to think outside the box to develop unique solutions to complex challenges and to push past traditions with innovative and progressive ideas

Trustworthy

Being honest and showing a consistent and uncompromising adherence to strong moral and ethical principles and values

Adaptability

Ability to change and adjust to shifting demands and requirements by being proactive and resourceful

Responsibility

Demonstrating reliability by staying true to the task, accepting accountability for your duties and carrying out the task to the best of our capabilities

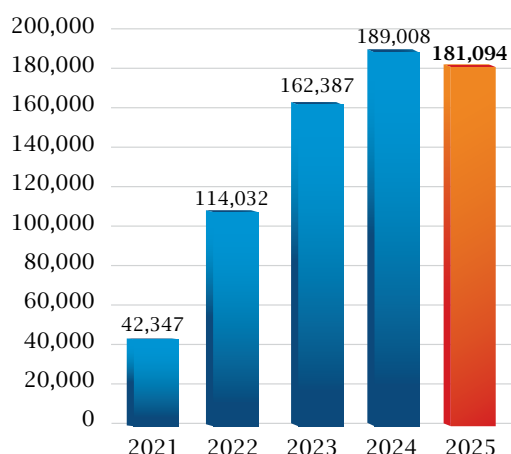
5 YEARS FINANCIAL HIGHLIGHTS

	Financial Year Ended 31 March				
	2021	2022	2023	2024	2025
Revenue (RM'000)	42,347	114,032	162,387	189,008	181,094
Profit/(Loss) After Tax ("PAT"/ "LAT") (RM'000)	3,553	12,720	3,759	(16,615)	(22,568)
Total Assets (RM'000)	212,323	197,841	156,350	157,461	149,847
Equity/ Net Assets ("NA") Attributable to Owners of the Company (RM'000)	163,049	171,884	123,647	108,803	86,775
Basic Earnings/ (Loss) per Share (sen)	⁽¹⁾ 0.2	⁽¹⁾ 0.6	⁽¹⁾ 0.2	(0.7)	(1.1)
NA Per Share Attributable to Owners of the Company (sen)	⁽¹⁾ 7.9	⁽¹⁾ 8.4	⁽¹⁾ 6.0	5.3	4.2

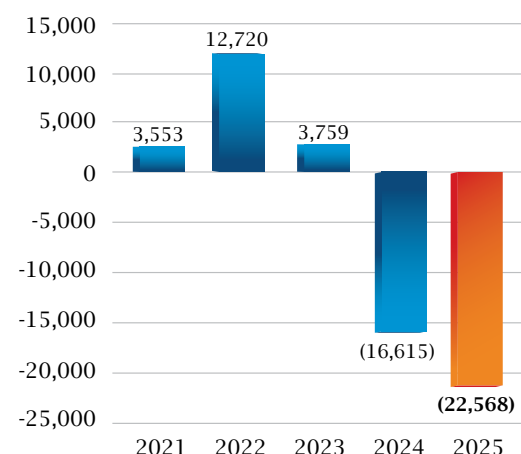
Note:

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

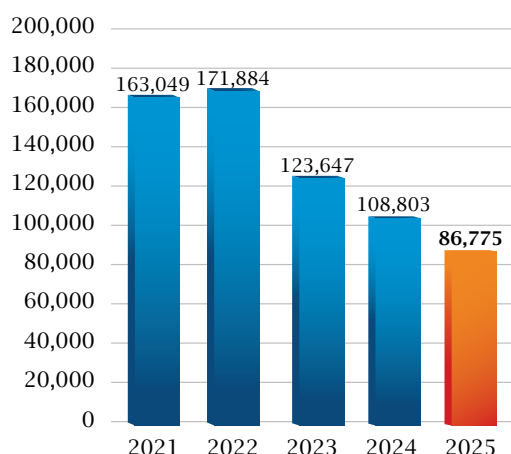
Revenue
(RM'000)



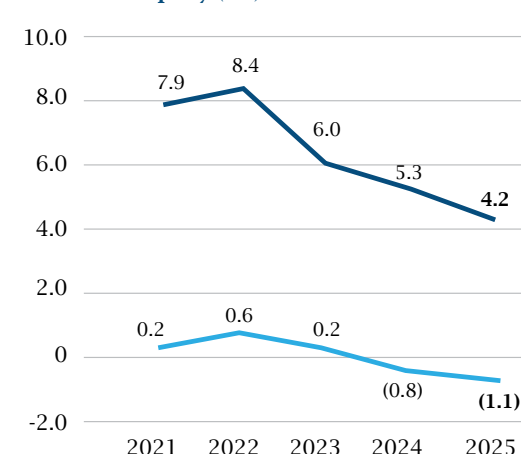
Profit/(Loss) After Tax
(RM'000)



Equity/ NA Attributable to Owners of the Company
(RM'000)



Basic Earnings/ (Loss) per Share (sen)
NA Per Share Attributable to Owners of the Company (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 7, Mercu 3,
No. 3, Jalan Bangsar, KL Eco City,
59200 Kuala Lumpur, Malaysia.
Tel No. : +603 2280 6388
Fax No. : +603 2280 6399
Email : listcomalaysia@acclime.com

HEAD OFFICE

No. 64, Jalan Bayu Laut 4/KS09,
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)

Lim Li Heong
(MAICSA 7054716)
(SSM PC No. 202008001981)

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

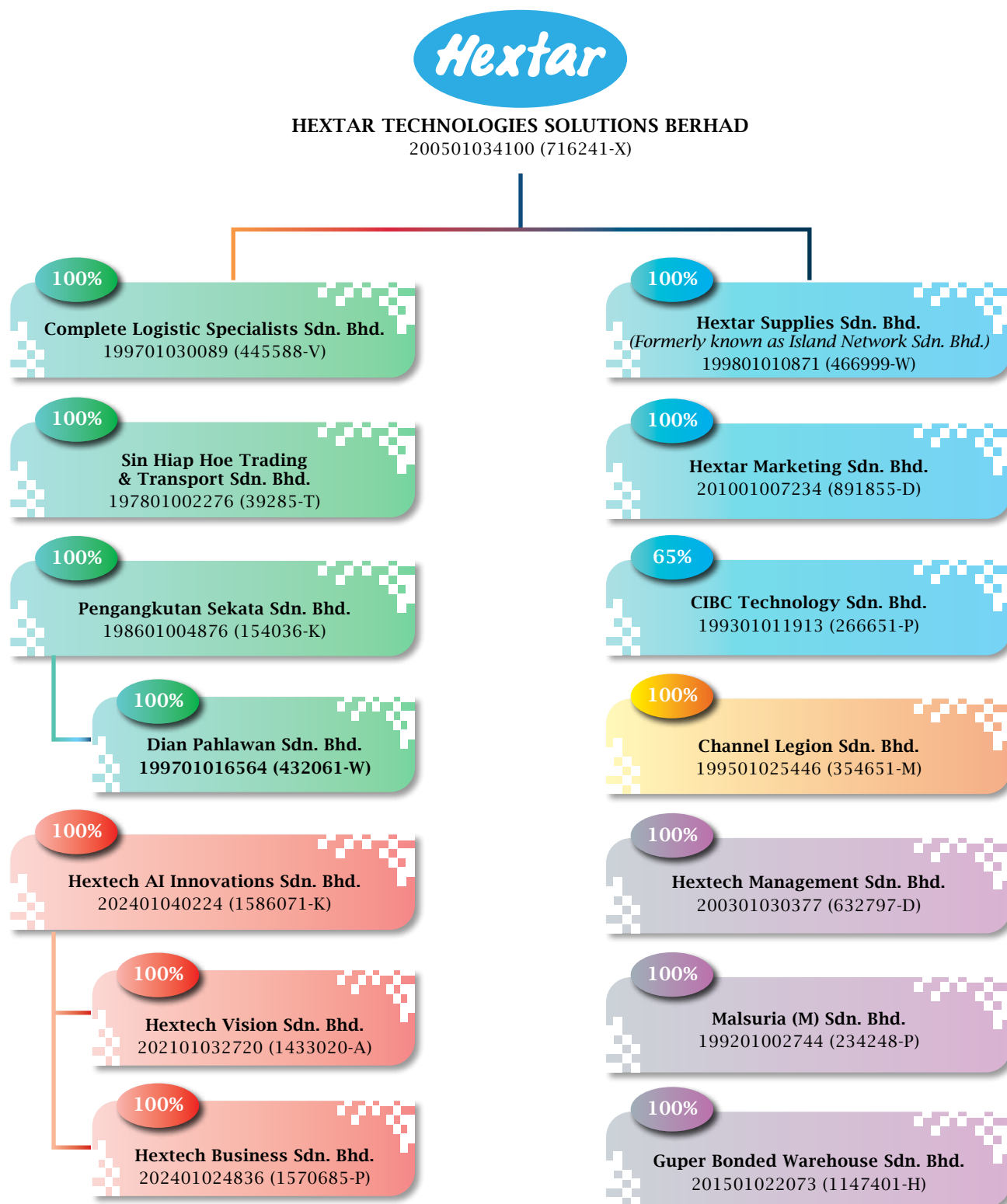
Tricor Investor &
Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia.
Tel No. : +603 2783 9299
Email : is.enquiry@vistra.com

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market, Transportation & Logistics

CORPORATE STRUCTURE

AS AT 15 JULY 2025



Legend:

- Logistics Segment
- Trading Segment
- Others Segment

- Warehousing Segment
- Technology Segment

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 the financial year ended 31 March 2025 ("FYE 2025").

FYE 2025 was a year marked by both headwinds and key milestones for HexTech Group. Despite recording a loss for the financial year, our focused commitment to strategic priorities enabled us to navigate challenges and remain on track toward achieving sustainable growth and long-term value creation for our shareholders.



Tan Sri Muhammad Bin Ibrahim
Independent Non-Executive Chairman

ECONOMIC AND BUSINESS LANDSCAPE

As reported by Bank Negara Malaysia, the Malaysian economy grew by 5.1% in 2024, driven by robust domestic demand and a rebound in export activities. The digital economy emerged as a significant contributor to this growth, with digital investments playing a key role in bolstering gross domestic product ("GDP") growth. As digitalisation continues to reshape industries and drive global innovation, its role in enhancing economic resilience and driving structural transformation has become increasingly prominent.

Recognising the transformative power of digitalisation, we maintained our strategic focus to grow the technology segment during FYE 2025. Our foray into technology sector commenced with the launch of a fintech mobile application, MoneyX, during the financial year ended 2024 ("FYE 2024"). Since its launch, MoneyX has demonstrated significant growth, having garnered more than 500,000 downloads and established partnerships with over 60 business partners, indicating encouraging user market acceptance.

Building on the success of MoneyX, we launched a complementary digital platform, MoneyX Biz, in March 2025. This web-based platform is tailored to serve a distinct market segment, focusing on business owners and micro, small, and medium enterprises ("MSMEs"). While MoneyX caters to the business-to-consumer ("B2C") market, MoneyX Biz addresses the business-to-business ("B2B") market, providing digital solutions that facilitate essential business operations, support digital transformation, and improve cost efficiency.

Together, MoneyX and MoneyX Biz represent key milestones in our digital journey, enabling us to serve both individual consumers and business users through targeted, tech-driven solutions. As we continue to scale our technology offerings, we remain focused on innovation, market responsiveness, and unlocking new growth avenues that will strengthen our competitive edge and deliver long-term value to our stakeholders.

CHAIRMAN'S STATEMENT

(CONTINUED)

FINANCIAL PERFORMANCE

Our Group reported a revenue of RM181.09 million in FYE 2025, representing a decline of RM7.92 million or 4.2%, compared with RM189.01 million in FYE 2024. The decrease was primarily attributed to a reduced contribution from the trading segment amid softer market conditions and lower demand for building materials.

During the year, our Group undertook various advertising and promotional activities as well as the recruitment of talents to drive growth in the technology segment. As these initiatives are essential, especially in the initial stages of growing the technology segment, the associated expenses impacted the Group's overall financial performance, resulting in a LAT of RM22.57 million in FYE 2025. Nevertheless, our Group remains confident that these strategic investments will yield positive outcomes in coming years.

For further insights on the Group's financial performance, please refer to Management Discussion & Analysis section of this Annual Report.

UPHOLDING CORPORATE GOVERNANCE

At HexTech, strong corporate governance forms the foundation of our long-term success and sustainability. By embracing the highest standards of accountability, ethical conduct, and regulatory compliance, we aim to foster trust among our stakeholders and drive long-term value creation. Our governance framework is designed to ensure transparency, integrity, and operational efficiency across all aspects of our business.

During FYE 2025, the Board reviewed several key governance policies, including Code of Ethics and Conduct and Whistleblowing Policy, to further strengthen our corporate practices. These updated policies were adopted by the Board on 28 May 2024.

Additionally, we have adopted several new policies to reinforce our commitment to responsible and ethical practices on 25 February 2025. These include Supply Chain Policy, Labour Rights Policy, Workplace Harassment Policy, Non-discrimination Policy, Dispute Resolution Policy as well as Prevention and Eradication of Drug, Alcohol and Substance Abuse ("PEDAS") Policy.

For further details on 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

Sustainability is a core pillar of HexTech's vision and operations, shaping our commitment to creating long-term value for all stakeholders. On 25 February 2025, the Board approved the adoption of Environmental, Social and Governance ("ESG") Policy, which sets out a comprehensive framework for integrating ethical principles into all facets of our business. This policy underscores our dedication to minimising environmental impact, fostering social responsibility, and upholding robust governance practices, all of which are essential to achieving sustainable growth and resilience in an evolving global landscape.

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

FUTURE PROSPECTS

The Malaysian Information and Communication Technology ("ICT") sector is poised for robust growth, with a projected compounded annual growth rate ("CAGR") of 9.15% from 2025 to 2030. This outlook is underpinned by the Malaysian Government's various digital transformation initiatives, such as the Malaysia Digital Economy Blueprint ("MyDigital") and the Business Digitalisation Initiative ("BDI"), which aim to position the country as a thriving hub for digital innovation and economic advancement.

In line with these national initiatives and the potential growth of the ICT sector, our Group has strategically prioritised the expansion of our technology segment. We are confident that our investments in this segment will yield favourable results in the long run, supported by the upward trend in MoneyX downloads and user registration. The recent launch of the MoneyX Biz has also received encouraging interest from business owners. Moving forward, we believe both MoneyX and MoneyX Biz will continue to scale in terms of user adoption and downloads, driven by our strategic initiatives and reinforced by the compelling value of our revenue-sharing program.

In addition to expanding our technology segment, we remain focused on strengthening our trading and logistics segments, capitalising on the favourable economic outlook. The Malaysian economy is projected to grow by 4.5% to 5.5% in 2025, underpinned by favourable labour market conditions, rising global demand and the execution of major investment projects across both the public and private sectors. Additionally, government-led initiatives promoting nationwide infrastructure development further enhance growth prospects, creating significant opportunities for both our trading and logistics segments.

CHAIRMAN'S STATEMENT (CONTINUED)

FUTURE PROSPECTS (CONT'D)

Meanwhile, our Group is optimising our business portfolio by divesting our warehousing segment and disposing of properties. This strategic move aims to monetise non-core assets, providing additional capital to accelerate the development and expansion of our technology segment.

Looking forward, our Group remains dedicated to leveraging on emerging opportunities across key sectors to achieve sustainable growth. By tapping into the expanding digital economy and aligning our efforts with national development priorities, we strive to position the Group as a leader in innovation while consistently creating value for our stakeholders.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt appreciation to our shareholders, customers, and business partners for your steadfast support and confidence in the Group.

I also extend my sincere gratitude to the Board members, management team and employees, for their unwavering commitment and resilience in navigating challenging times together.

Your continued support has been instrumental to our achievements. As we move forward, we remain committed to creating long-term value and driving sustainable growth for all our stakeholders.

Thank you.

Tan Sri Muhammad Bin Ibrahim
Independent Non-Executive Chairman
15 July 2025



MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS AND OPERATIONS OVERVIEW

Established in 1995, our Group initially began as a provider of marine transportation services and later expanded our offerings to include comprehensive logistics services in 1997. Through a series of strategic corporate developments over the years, we have successfully ventured into multiple business sectors. Today, our business operations are structured into the following five (5) key business segments: -

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

Recognising the transformative power of digitalisation, we have identified the technology sector as a key driver of our future growth. This commitment is further demonstrated by the inclusion of "Technologies" in our company name, reflecting our firm determination to expand and strengthen our presence in the sector. Our journey in this sector began with the introduction of MoneyX, a one-stop fintech mobile application which aims to empower users with comprehensive financial tools, enhance financial literacy, and enable better decision-making through innovative technology solutions.

Building on this momentum, our Group launched a new web-based digital platform, namely MoneyX Biz, in March 2025. This platform helps business owners and MSMEs to access and purchase solutions that streamline business operations and enhance cost efficiency. By addressing market segments previously untapped by MoneyX, MoneyX Biz creates synergistic benefits that drive user acquisition and monetisation across both platforms. To drive the adoption of MoneyX and MoneyX Biz, we have also introduced a new revenue-sharing programme that empowers users to recommend the platforms' products and services, earning income in the process and fostering broader engagement. These initiatives collectively underscore HexTech Group's commitment to continuous innovation, sustainable growth and the integration of digital technologies across our expanding business verticals.

FINANCIAL PERFORMANCE REVIEW

	FYE 2025	FYE 2024	Variance	
	RM'000	RM'000	RM'000	%
Financial Indicators				
Revenue	181,094	189,008	(7,914)	(4.2)
Gross Profit ("GP")	9,815	6,673	3,142	47.1
Loss Before Tax ("LBT")	(21,788)	(15,022)	(6,766)	45.0
LAT	(22,568)	(16,615)	(5,953)	35.8
Financial Ratios				
GP margin (%)	5.4	3.5	-	1.9
LBT margin (%)	(12.0)	(7.9)	-	(4.1)
LAT margin (%)	(12.5)	(8.8)	-	(3.7)

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

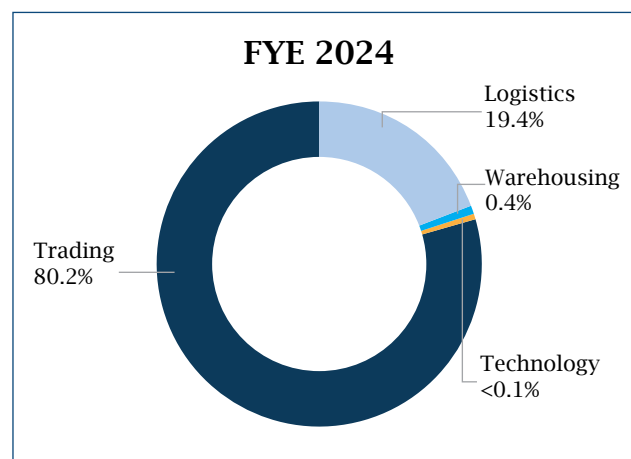
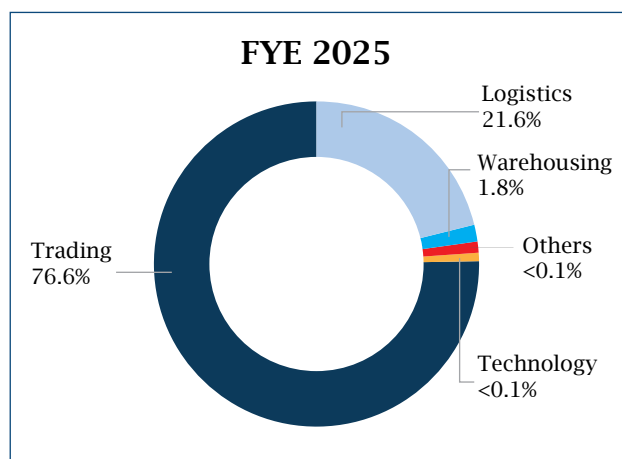
FINANCIAL PERFORMANCE REVIEW (CONT'D)

Revenue

In FYE 2025, our Group recorded a total revenue of RM181.09 million, which translates into a modest reduction of 4.2% or RM7.92 million compared with RM189.01 million in FYE 2024. The decline was primarily attributable to lower contributions from our trading segment adversely impacted by weakened market conditions and a slowdown in demand for building materials.

The breakdown of our Group's revenue by business segments is as follows: -

	FYE 2025	FYE 2024	Variance	
	RM'000	RM'000	RM'000	%
● Trading	138,629	151,660	(13,031)	(8.6)
● Logistics	39,112	36,670	2,442	6.7
● Warehousing	3,249	677	2,572	379.9
● Technology	30	1	29	2,900.0
● Others	74	-	74	-
Total Revenue	181,094	189,008	(7,914)	(4.2)



Despite the reduction in revenue from our trading segment, it remained the largest revenue contributor, accounted for 76.6% of our total revenue in FYE 2025. Revenue from this segment decreased by RM13.03 million or 8.6%, from RM151.66 million in FYE 2024 to RM138.63 million in FYE 2025. The decrease was mainly due to lower customer demand against the backdrop of slower progress of their construction projects.

Our logistics segment was the second largest revenue contributor in FYE 2025, generated RM39.11 million or 21.6% of our total revenue. Revenue from this segment increased by RM2.44 million or 6.7% vis-a-vis RM36.67 million in FYE 2024. The increase was driven by higher demand for freight forwarding services during the year.

Our warehousing segment recorded an increase in revenue, rising by RM2.57 million or 379.9%, from RM0.68 million in FYE 2024 to RM3.25 million in FYE 2025. This growth was underpinned by the commencement of a new tenancy agreement for our warehouse located in Port Klang Free Zone in January 2024, resulting in a full year's revenue being recognised in FYE 2025, compared with only three (3) months in FYE 2024.

Given the technology segment is still in its early stages of development, its revenue contribution to the Group's total revenue in FYE 2025 was minimal. However, it generated RM0.03 million in revenue during the year, indicating its growth potential and the prospect of a more significant contribution to the Group's overall performance as the segment continues to develop.

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

GP and GP Margin

Despite the decrease in revenue reported in FYE 2025, our GP increased by RM3.15 million or 47.2%, from RM6.67 million in FYE 2024 to RM9.82 million in FYE 2025. Correspondingly, our GP margin expanded from 3.5% in FYE 2024 to 5.4% in FYE 2025.

The improvement in both our GP and GP margin was supported by the substantial growth in revenue from our warehousing segment. Additionally, our logistics segment contributed to the enhanced GP margin driven by higher margin freight forwarding projects secured during the year. The GP margin improvement in our logistics segment was further aided by reduced depreciation expenses, as certain trucks were fully depreciated or impaired, along with cost savings in truck maintenance achieved through better procurement practices and the sourcing of more cost-effective spare parts.

LBT and LBT Margin

In FYE 2025, our Group reported a LBT of RM21.79 million, compared with the LBT of RM15.02 million in FYE 2024. The deterioration in LBT was largely attributable to the full-year operating loss incurred in the technology segment as compared with the half-year operation in the preceding financial year. The operating loss in the technology segment stemmed primarily from significant marketing and promotional expenses related to our MoneyX application and MoneyX Biz platform, which were incurred to strengthen user acquisition, retention and brand visibility.

FINANCIAL POSITION REVIEW

Statement of Financial Position

	31 March 2025	31 March 2024	Variance	
	RM'000	RM'000	RM'000	%
Financial Indicators				
Non-current assets	38,640	59,263	(20,623)	(34.8)
Current assets	111,207	98,198	13,009	13.2
Total assets	149,847	157,461	(7,614)	(4.8)
Non-current liabilities	958	17,923	(16,965)	(94.7)
Current liabilities	65,121	33,202	31,919	96.1
Total liabilities	66,079	51,125	14,954	29.2
Equity/ NA attributable to Owners of the Company	86,775	108,803	(22,028)	(20.2)
Financial Ratios				
Current ratio (times)	1.7	3.0	-	(1.3)
Gearing ratio (times)	0.4	0.3	-	0.1

Our Group's total assets decreased by RM7.61 million or 4.8%, from RM157.46 million as at 31 March 2024 to RM149.85 million as at 31 March 2025. The decline was mainly due to a decrease in cash and cash equivalents by RM14.93 million, which was utilised to fund daily operations, particularly in support of the development of our technology segment. However, the overall decrease in cash and cash equivalents was partially offset by an increase of RM10.36 million in trade and other receivables as a result of new major contracts secured by our trading segment towards the end of the financial year.

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

FINANCIAL POSITION REVIEW (CONT'D)

Statement of Financial Position (Cont'd)

Our Group's total liabilities increased by RM14.95 million or 29.2%, from RM51.12 million as at 31 March 2024 to RM66.08 million as at 31 March 2025 essentially on account of an increase in trade and other payables by RM12.51 million, arising from the purchases to meet the demand from the newly secured major contracts within our trading segment. The increase in total liabilities was also partially due to an increase in net borrowings by RM5.51 million from higher utilisation of bill payables to meeting our working capital requirement.

As a result of higher bank borrowings as at 31 March 2025, our gearing ratio increased slightly to 0.4 times as compared to 0.3 times as at 31 March 2024. Nevertheless, our Group's financial position remains robust, supported by a cash and cash equivalents of RM5.69 million and a healthy current ratio of 1.7 times.

Statement of Cash Flows

	FYE 2025 RM'000	FYE 2024 RM'000
Net cash used in operating activities	(15,204)	(3,315)
Net cash used in investing activities	(2,038)	(7,163)
Net cash generated from financing activities	2,334	9,531
Net changes in cash and cash equivalents	(14,908)	(947)
Effect of foreign exchange translation	(24)	20
Cash and cash equivalents at the beginning of the financial year	20,589	21,516
Cash and cash equivalents at the end of the financial year	5,657	20,589

In FYE 2025, our Group recorded net cash used in operating activities of RM15.20 million, compared to a net cash used of RM3.32 million in FYE 2024. The increase was mainly attributable to higher LBT recorded in FYE 2025 on the back of higher marketing and distribution expenses incurred for the promotion of our fintech application, MoneyX. In addition, the increase in trade and other receivables at the end of the financial year, with the outstanding balances not yet due for collection, further contributed to the higher cash outflow.

In FYE 2025, our Group recorded net cash used in investing activities of RM2.04 million. This was mainly attributable to the spending of development cost amounting to RM13.12 million for the MoneyX and MoneyX Biz platforms, which were recognised as our intangible assets. This cash outflow was partially funded by proceeds of RM8.75 million from the disposal of property, plant and equipment ("PPE") and RM2.52 million from the disposal of unquoted investment.

Our Group recorded net cash generated from financing activities of RM2.33 million in FYE 2025, primarily from net drawdown of bill payables amounting to RM5.51 million. Part of this cash inflow was utilised for the interest payment of RM1.90 million, repayment of lease liabilities and hire purchase instalments totalling RM1.28 million.

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

CAPITAL STRUCTURE, RESERVES AND EXPENDITURE

As at 31 March 2025, the Company's share capital amounted to RM72.40 million, comprising 2,058,384,000 ordinary shares with a NA per share attributable to Owners of the Company of 4.2 sen.

The Group finances its operations with a combination of internally generated funds, available cash and bank balances, credit extended by trade creditors and banking facilities secured from financial institutions. Our banking facilities granted by the financial institutions consist of bills payable and finance leases.

During FYE 2025, our Group incurred a total capital expenditure of RM13.45 million, breakdown as follows: -

Capital Expenditure	RM'000	%
■ Intangible assets (developed software)	13,116	97.5
■ Office equipment, computer and renovation	338	2.5
Total	13,454	100.0

As at 31 March 2025, our Group's capital commitments amounted to RM2.09 million, representing approved and contracted purchases of PPE.

ANTICIPATED OR KNOWN RISK

Our Group is exposed to certain anticipated or known risks that may impact our business operations, financial performance, financial position as well as liquidity. Our approach to managing these potential risks is guided by our risk management framework, which includes processes and policies designed to mitigate risks while sustaining the growth of our Group.

Dependence on the Construction and Property Development Industries

Our Group's revenue from trading segment is largely dependent on the construction and property development sectors. As such, any factors affecting these sectors such as political and economic stability, inflation, labour shortages and fluctuation in raw materials prices can have a direct impact on our business operations and financial performance.

To mitigate this risk, we actively monitor industry developments and regularly review our business strategies to remain agile and responsive to emerging challenges. Furthermore, we have diversified into the technology sector to reduce reliance on our trading segment, thereby creating additional revenue stream that enhance our resilience and support sustainable growth.

Fluctuation in Fuel Costs

Fuel costs represent a substantial portion of our operating costs in the logistics segment. As such, any unfavourable fluctuations in fuel prices can have a direct impact on our profitability.

To mitigate this risk, we have implemented a fuel surcharge mechanism, allowing us to pass on increased costs to customers who have agreed to fixed-rate arrangements. Furthermore, we regularly review fuel price movements and engage in rate renegotiations with customers, opting for shorter contract durations when fuel prices exceed our cost thresholds. This approach helps ensure better cost management and protects our margins.

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

ANTICIPATED OR KNOWN RISK (CONT'D)

Cybersecurity Risks

Given the nature of our technology segment business, we face significant cybersecurity risks, including unauthorised access, data leaks and system disruptions caused by malicious activities and vulnerabilities. These risks compromise the confidentiality, integrity, and availability of our digital assets. Unauthorised access to sensitive information or data breaches could lead to non-compliance with data protection regulations, financial losses and reputational damage.

To mitigate these risks, we have established and implemented several standard of procedures (“SOPs”) to safeguard our data. These include regular assessments of our security protocols and the implementation of advanced access controls, such as user authentication and role-based permissions. We deploy firewalls and intrusion detection systems to monitor network activity and identify potential threats. Furthermore, we conduct regular data backups and test disaster recovery plans to ensure business continuity in the event of data loss.

Technology Asset Protection Risk

The development of our fintech mobile application, MoneyX, and our web-based digital platform, MoneyX Biz, expose us to intellectual property (“IP”) and trademark risks. Failure to adequately protect our IP could result in the loss of competitive advantage, operational disruptions and potential legal issues.

To address this risk, we have implemented comprehensive protection strategies, including applying for trademarks and patents, as well as registering for copyrights. We also engage IP and legal experts to provide guidance on IP protection and enforcement and to keep informed on industry best practices and emerging IP trends.

Competition Risk

The Group operates in a highly competitive environment across all business segments, facing challenges from both new entrants and established players that may adopt more aggressive expansion strategies.

Despite these challenges, we remain committed to maintaining our competitive edge through our established track record, extensive industry expertise, skilled workforce, efficient process management, strong customer relationships, and consistent delivery of high-quality services. Together, these strengths enable us to effectively navigate competitive pressures and sustain our market position.

Credit Risks

Our Group faces credit risk arising from the possibility that counterparties may fail to fulfil their payment obligations related to our trade and other receivables. Significant delays or defaults in payment from our major customers could negatively impact our cash flows and financial position.

To manage this risk, we have implemented a robust credit control system, including credit approval procedures, credit limit settings and background checks for new customers. We also continuously assess the creditworthiness of our customers to enable timely identification and cover some customers under trade credit insurance for the mitigation of potential risks.

MANAGEMENT DISCUSSION & ANALYSIS

(CONTINUED)

FUTURE OUTLOOK AND PROSPECTS

According to Bank Negara Malaysia, the Malaysian economy is projected to grow by 4.5% to 5.5% in 2025, underpinned by favourable labour market conditions, rising global demand and the execution of major investment projects across both the public and private sectors.

In tandem with this positive economic outlook, the construction sector is poised for significant expansion, with the National Construction Policy 2030 (“NCP 2030”) serving as a key driver. The sector is expected to grow at a CAGR of 8.55% from 2025 to 2030, propelled by large-scale infrastructure projects, construction of data centres, mixed-use development projects and others. In addition, with the unveiling of the New Industrial Master Plan (NIMP 2030), which aimed at boosting the manufacturing sector’s GDP by 6.5% each year, both serve as a catalyst for Malaysia’s economic growth for the next 5 years. As a result, the Group expects that ongoing growth in local economic activities will positively impact revenue and earnings from its logistics and trading of building materials businesses, which are strategically positioned to take advantage of the expanding economic landscape in the future.

In response to these growth opportunities, our Group is strengthening the performance of our logistics segment through a fleet replenishment programme aimed at reducing maintenance and operational costs while optimising operational efficiency. By the second quarter of the financial year ending 2026 (“FYE 2026”), we will have an additional six (6) new trucks deployed in the operation while disposing of ageing and damaged trucks. In parallel, we are focusing on expanding our tanker operations while discontinuing certain unprofitable cargo services. We are also actively pursuing new high-margin projects by leveraging our extensive business network to explore untapped markets and strengthen support from our existing customer base.

In addition to strengthening our trading and logistics segments, the Group is strategically prioritising the expansion of our technology segment to capitalise on its significant growth potential. The Malaysian ICT market is projected to grow at a CAGR of 9.15% from 2025 to 2030, propelled by the Malaysia Government’s digital transformation initiatives, including the Digital Free Trade Zone (“DFTZ”) and the Malaysia Digital Hub. These initiatives aimed at attracting foreign investment, fostering innovation and supporting the growth of local businesses. Furthermore, the introduction of MyDigital initiative, which aims to position Malaysia as a digitally-enabled, technology-driven high income nation, and a regional leader in the digital economy by 2030, underscores the immense potential of this sector.

To further support digital adoption, the Government has introduced the BDI initiative, aimed at empowering MSMEs through innovative technology solutions that enhance productivity, operational efficiency and competitiveness. Supported by a RM1.5 billion funding allocation, this initiative is facilitated through collaboration with financial institutions, digital banks, peer-to-peer (“P2P”) lending platforms, and local service providers. In alignment with this national initiative, the Group launched MoneyX Biz in March 2025, strategically leveraging emerging opportunities to drive digital transformation and adoption for MSMEs, support the broader advancement of the nation’s digital economy with the ultimate goal of enhancing their financial performance.

Meanwhile, our existing fintech mobile application, MoneyX, continues to demonstrate strong growth momentum, marked by increased application downloads and engagement from reputable business partners across key industry sectors. To promote sustainable growth, we will continuously upgrade MoneyX by integrating more innovative features, financial and investment modules, and enhancing user interface and experience. Additionally, we aim to expand partnerships with leading market players from various industries to provide a broader range of products and services to our users. We are confident that both MoneyX and MoneyX Biz will continue to scale in terms of user adoption and download growth, driven by our strategic initiatives and reinforced by the value proposition of our revenue-sharing program.

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

FUTURE OUTLOOK AND PROSPECTS (CONT'D)

As part of the Group's strategic shift towards focusing on its technology segment, a decision has been made to exit the warehousing business. In this regard, our wholly owned subsidiary, Channel Legion Sdn Bhd, had on 29 August 2024 entered into a conditional sale and purchase agreement ("SPA") with Pacific Trustees Berhad, who is acting as the trustee for and on behalf of KIP Real Estate Investment Trust, for the disposal of a remaining unexpired lease interest together with the buildings located in Port Klang Free Zone, Pulau Indah, Selangor, for a cash consideration of RM23.70 million. This transaction, which was approved by shareholders at the extraordinary general meeting convened on 24 January 2025, is currently pending regulatory consent for the lease transfer and is expected to be completed in FYE 2026. The proceeds from this disposal will primarily be utilised for the expansion of our technology business, reinforcing our commitment to growth in this key segment.

Subsequent to FYE 2025, two of our wholly owned subsidiaries entered into SPA to dispose of assets to support the expansion of our technology business. On 16 April 2025, Pengangkutan Sekata Sdn Bhd agreed to sell a leasehold property in Pasir Gudang, Johor, for cash consideration of RM16.00 million. The following day, Guper Bonded Warehouse Sdn Bhd entered into a conditional SPA to dispose of four adjoining parcels of vacant freehold industrial lands in Nilai, Negeri Sembilan, for RM31.30 million, to be settled through the issuance of new shares in Widad Group Berhad. Both transactions are expected to be completed within FYE 2026, with proceeds primarily earmarked for growth in our technology segment.

Looking ahead, our Group remains committed on harnessing emerging opportunities across various key sectors to drive sustainable growth. By capitalising on the burgeoning digital economy and aligning our operations with national development goals, we aim to position the Group at the forefront of innovation while consistently delivering value to our stakeholders.

DIVIDEND

At present, the Company does not have a formal dividend policy. Any recommendation or declaration of dividends is at the discretion of the Board and is subject to various factors, including financial performance, business expansion plans, cash flow management, capital expenditure requirements, and other relevant considerations as determined by the Board.

During the financial year, no dividend was declared or paid, as the Company is currently prioritising on business expansion to ensure sustainable growth and to enhance value for our stakeholders in the long run.

PROFILE OF DIRECTORS



**TAN SRI MUHAMMAD
BIN IBRAHIM**

INDEPENDENT NON-EXECUTIVE CHAIRMAN



MALAYSIAN



MALE



65

Tan Sri Muhammad bin Ibrahim (“Tan Sri Muhammad”) 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 2025.

PROFILE OF DIRECTORS (CONTINUED)



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



MALAYSIAN



MALE



47

Dato' Ong Choo Meng ("Dato' Eddie Ong") 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' Eddie 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, food and beverages, and real estate investment trust.

Prior to his appointment to the Board, Dato' Eddie 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.

He has attended all seven (7) Board meetings held during FYE 2025.

PROFILE OF DIRECTORS

(CONTINUED)



CHOO JOON KEONG

GROUP DEPUTY CHIEF EXECUTIVE OFFICER
AND EXECUTIVE DIRECTOR



MALAYSIAN



MALE



55

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

Mr Choo started his banking career as a Management Trainee in 1993 with an international bank. In 2000, he joined a Singapore-based regional bank where he was initially based in Malaysia before being seconded to the leadership team in their China subsidiary from 2002 until 2008.

Upon his return to Malaysia in 2008, Mr Choo took up a leadership role in a local bank where he served as the Head of Wholesale Banking until 2012. As part of his career growth, he then joined 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 extensive 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 2025.

PROFILE OF DIRECTORS (CONTINUED)



RONALD KHOO BOO SOON
EXECUTIVE DIRECTOR



MALAYSIAN



MALE



54

Mr Ronald Khoo Boo Soon (“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 2025.

PROFILE OF DIRECTORS

(CONTINUED)



DATO' ONG CHONG YI
INDEPENDENT NON-EXECUTIVE DIRECTOR



MALAYSIAN



MALE



46

Dato' Ong Chong Yi ("Dato' Ong") was appointed to our 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 CEO of Port Klang Free Zone.

Dato' Ong is currently the Executive Director of the Belt and Road Initiative Caucus for Asia Pacific (BRICAP). He also serves as an external advisory member to Sunway Business School, a Council Member of the United Nations Association of Malaysia, and an Advisor to the Malaysia-China Chamber of Commerce. In addition, Dato' Ong was selected for and successfully completed the Digital Leadership Excellence Programme, a joint initiative by the Malaysian Communications and Multimedia Commission (MCMC) and Huawei.

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 2025.

PROFILE OF DIRECTORS (CONTINUED)



YEOH CHIN HOE
INDEPENDENT NON-EXECUTIVE DIRECTOR



MALAYSIAN



MALE



74

Mr Yeoh Chin Hoe (“Mr Yeoh”) was appointed to our 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 Chin Hin Group Berhad and Senior Independent Non-Executive Director in Hextar Global Berhad.

He has attended all seven (7) Board meetings held during FYE 2025.

PROFILE OF DIRECTORS

(CONTINUED)



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



MALAYSIAN



FEMALE



62

Madam Sujatha Sekhar Naik (“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. She was called to the Bar of England and Wales in 1989, re-qualified as a Solicitor with the Law Society of England and Wales in 1990 and was called to the Malaysian Bar in 1998. She is also a qualified mediator and trainer accredited by the Bar Council’s Malaysian International Mediation Centre.

A seasoned legal and capital markets professional, she brings deep expertise in policy and strategy development, governance, sustainability, compliance, and dispute resolution.

Madam Sujatha is currently a Partner at Messrs Aqran Vijandran and Chairman of the Malaysian Institute of Corporate Governance (MICG). She serves as an independent director on the board of the Financial Markets Ombudsman Service (FMOS), the integrated dispute resolution entity for the financial and capital markets, and as an Independent Non-Executive Director of Metrod Holdings Berhad.

Her career includes leadership roles such as Chief Governance Officer & Group General Counsel at a glove manufacturing company, where she applied her governance and compliance experience to the manufacturing sector. She was also part of the founding team of a fintech start-up and digital asset platform, leading the development of its risk and compliance framework.

She served from 2013 to 2019 as CEO of the Securities Industry Dispute Resolution Center (now part of FMOS), enhancing its dispute resolution services to be aligned with global standards. As a former senior regulator with the Securities Commission Malaysia (SC), she contributed to major policy and regulatory reforms, including spearheading SC’s investor education strategy. She continues to contribute to policy development in the capital market, and currently sits on SC’s Corporate Governance Council and the Institute of Internal Auditors’ Task Force on the SORMIC Revision Project.

She has attended all seven (7) Board meetings held during FYE 2025.

ADDDITIONAL INFORMATION ON BOARD OF DIRECTORS

1. 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.

2. Conflict of Interest

None of the Directors of the Company have any conflict of interest with the Company.

3. 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



50

Mr Tan Eng Kiong (“Mr Tan”) 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,

To Our Respected Stakeholders,

The world is currently facing a range of unprecedented challenges, including rising geopolitical tensions, accelerating impacts of climate change, and persistent economic uncertainties. These intertwined issues are reshaping the global landscape and increasing expectations for corporate accountability and responsibility. The convergence of these challenges creates a complex environment that requires adaptive, forward-looking responses from organisations worldwide.

At HexTech, we view sustainability as a fundamental responsibility. We are fully committed to integrating sustainable practices across all aspects of our operations, including reducing our environmental footprint, ensuring comprehensive regulatory compliance and leveraging innovation to generate long-term value. Our approach not only strengthens our market competitiveness and operational efficiency but also aligns with the evolving expectations of our stakeholders. It fosters a culture of sustainability within our organisation, enabling us to build a foundation for future growth and resilience.

The Board is pleased to present this Sustainability Statement for the FYE 2025, which provides an overview of our sustainability strategies and performance, with emphasis on addressing material risks and opportunities within the context of Economic, Environmental, Social and Governance (“EESG”).



REPORTING SCOPE AND PERIOD

This Sustainability Statement outlines the Group’s sustainability initiatives, strategies and performances across our four (4) major business segments, namely trading, logistics, warehousing and technology, for the period from 1 April 2024 to 31 March 2025, unless otherwise specified.



REPORTING GUIDELINES

This Sustainability Statement was prepared based on all available internal information and in accordance with: -

- Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Main Market Listing Requirement (“MMLR”) relating to sustainability statement
- Sustainability Reporting Guide 3rd Edition
- United Nations’ (“UN”) Sustainable Development Goals (“SDGs”)



STATEMENT OF ASSURANCE

To enhance the credibility of this Sustainability Statement, the disclosures on the material matters namely “Workforce Diversity and Equal Opportunity”, “Energy Conservation” and “Water Management”, have been subjected to an internal review by the Company’s Internal Auditors and the review concluded that the relevant disclosures are properly prepared, presented and well-supported. In addition, this Sustainability Statement has been approved by the AC of the Company.



FEEDBACK

We appreciate feedback from all our stakeholders on this Sustainability Statement or any related sustainability matters, as it supports our ongoing efforts to improve our sustainability practices and reporting standards.

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



SUSTAINABILITY STATEMENT

(CONTINUED)

SUSTAINABILITY GOVERNANCE

In FYE 2025, we formalised and adopted an Environment, Social and Governance (“ESG”) Policy to integrate sustainability into our long-term strategy. This policy guides our operations and decisions, focusing on value creation, community support, social inclusivity, environment protection, and responsible risk management.

To support the effective implementation of our ESG Policy, we have put in place a robust governance structure. The Board holds overall responsibility for setting sustainability goals and strategies that align with our business objectives and stakeholders’ expectations. While the Board sets the strategic direction, the critical task of execution lies with our operational management, led by the Executive Directors and supported by the Management team. Within this structure, the Heads of Departments (“HODs”) are entrusted with implementing sustainability initiatives within their respective operational areas. The Board subsequently reviews the Group’s sustainability performance and provides strategic guidance and advice to the Management to ensure that sustainability efforts remain effective and adaptive to the dynamic business environment.

This decentralised governance approach integrates sustainability into every aspect of our business operations, fostering a culture of shared responsibilities and continuous improvement. It reinforces accountability, drives innovation and positions HexTech to achieve sustainable growth and long-term success.










SUSTAINABILITY STATEMENT

(CONTINUED)

STAKEHOLDERS ENGAGEMENT

At HexTech, we recognise that stakeholders' engagement is crucial to comprehend the needs and expectations of our stakeholders. This process facilitates us in shaping sustainability strategies that support our long-term growth. In FYE 2025, we continued to prioritise the following seven (7) stakeholder groups and engage with them through the following approaches: -

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 Bursa announcements 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 development opportunities Competitive remuneration and benefits packages Occupational safety and health ("OSH") 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 OSH Accurate and transparent disclosures 	<ul style="list-style-type: none"> Periodic visits and inspections Licences and permits renewal Bursa announcements 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 Bursa announcements Annual review
Local Community 	<ul style="list-style-type: none"> Local employment opportunities Environmental impacts from business operations Community wellbeing 	<ul style="list-style-type: none"> Annual report Company's website Community outreach programmes

SUSTAINABILITY STATEMENT

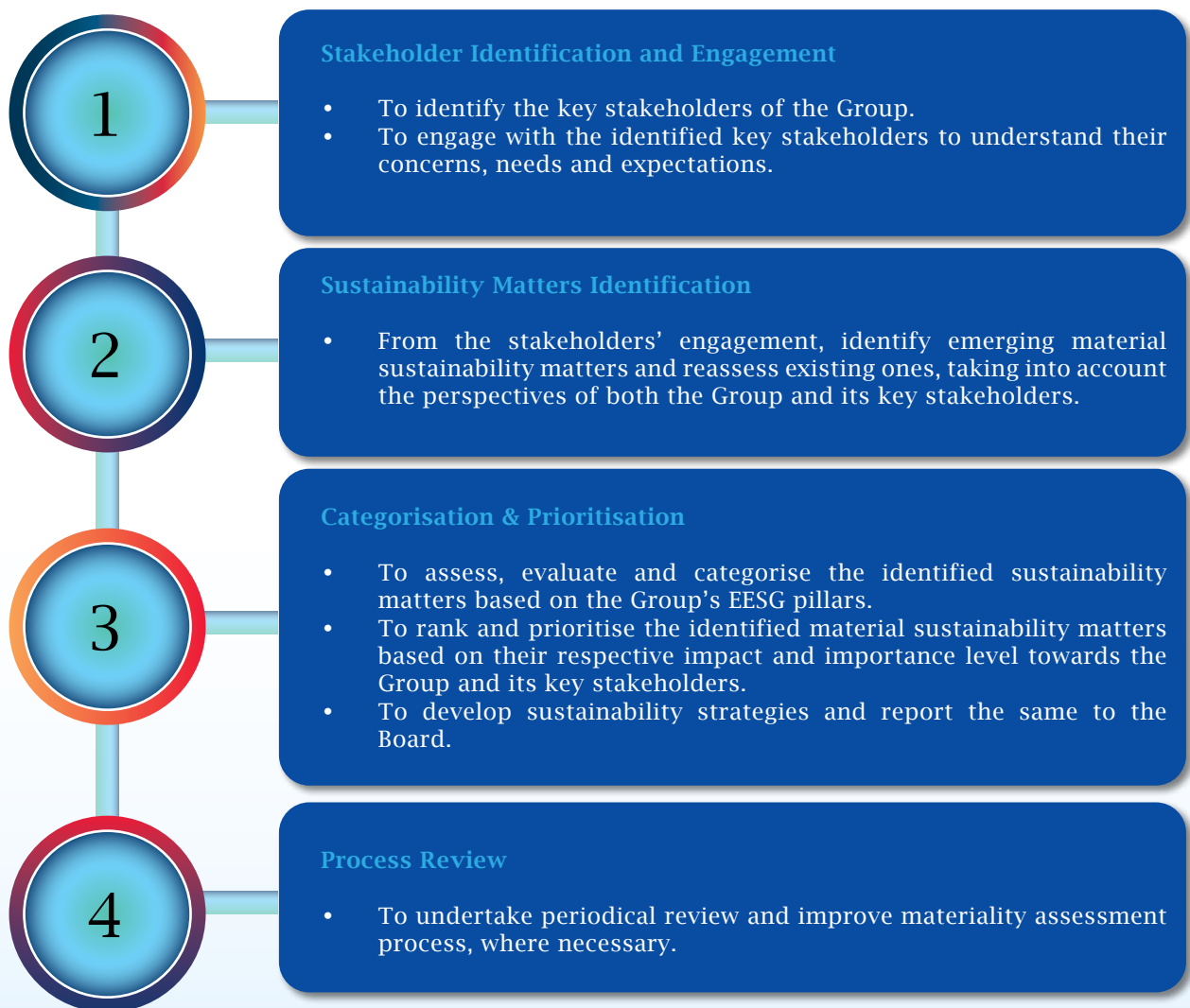
(CONTINUED)

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS

Materiality Assessment Process

In a dynamic business environment, EESG issues vary according to the specific business context. To ensure our sustainability initiatives remain effective, we conduct materiality assessments to identify, prioritise, and address the sustainability risks and opportunities most relevant to our stakeholders and business operations.

In FYE 2025, our Executive Directors led the annual materiality assessment to review existing sustainability matters and identify emerging risks and opportunities across the EESG spectrum. The assessment was carried out using a four-step approach as follows: -



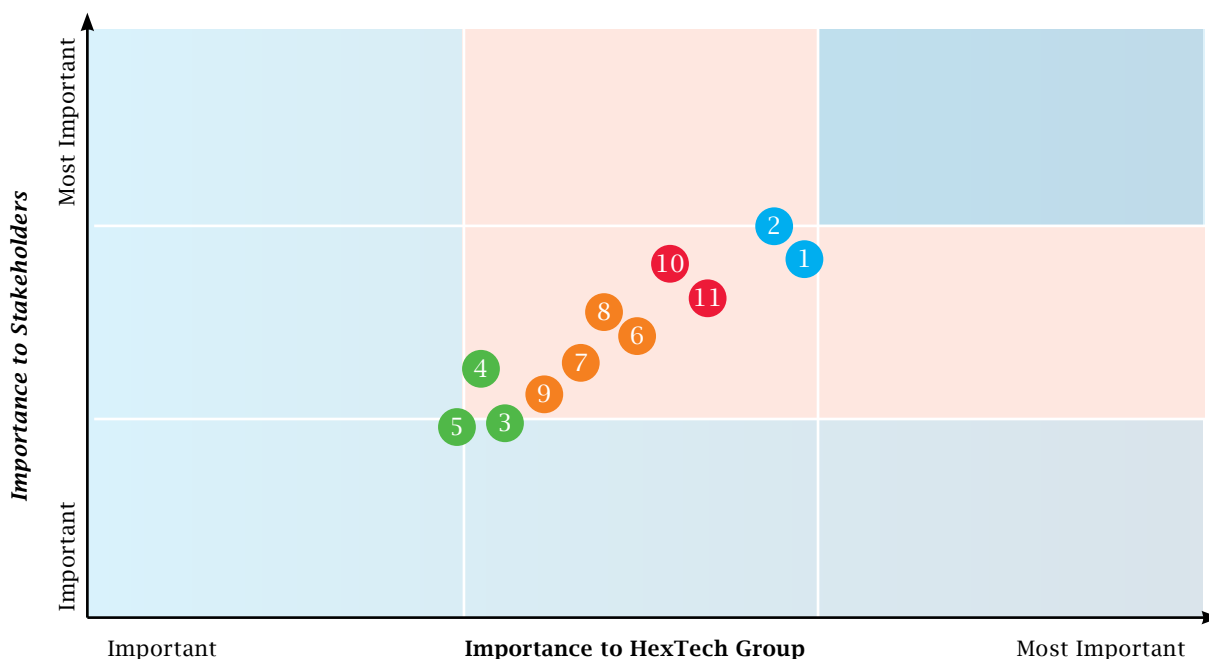
SUSTAINABILITY STATEMENT

(CONTINUED)

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS (CONT'D)

Materiality Matrix

For the materiality assessment in FYE 2025, we reviewed the sustainability matters identified in the previous year and concluded that they remained relevant and important to both our Group and various stakeholders, as illustrated below: -



ECONOMIC		ENVIRONMENT		SOCIAL		GOVERNANCE	
1.	Economic Performance	3.	Energy Conservation and Emission Management	6.	OSH	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 ("CSR")		

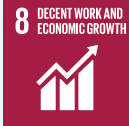

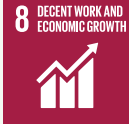






SUSTAINABILITY STATEMENT

(CONTINUED)

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS (CONT'D)

Sustainability Strategies and Mapping of UNSDG

As part of our sustainability commitments, we strive to align our initiatives with the global framework established by the UN. With the material matters identified earlier, we have developed several sustainability strategies to address our Group's sustainability risks and opportunities, and mapped these strategies into seven (7) relevant UNSDGs, as presented in the table below.

	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. Upholding 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 in accordance with applicable environmental regulations. Adopting efficient use of energy and water resources. 	  
SOCIAL	<ul style="list-style-type: none"> OSH Workforce Diversity and Equal Opportunity Employee Welfare and Management 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 enhance employees' engagement and support organisational success. Safeguarding employees' safety, health and rights to ensure their overall wellbeing. 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 uphold strong corporate governance and regulatory compliance. 	

SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC

ENVIRONMENT

SOCIAL

GOVERNANCE

ECONOMIC PERFORMANCE

At HexTech, our economic performance is integral to advancing our sustainability agenda and fostering long-term value creation for our stakeholders. As a priority highlighted in our materiality assessment, we remain focused on generating sustainable economic benefits while aligning with our strategic goals.

In FYE 2025, we reported a LAT of RM22.57 million, mainly attributable to significant expenses spent in advertising and promotional activities as well as the recruitment of talents aimed at accelerating growth within our technology segment, particularly for our MoneyX and MoneyX Biz platforms. These expenditures are viewed as strategic investments to support long-term growth, in alignment with UNSDG Target 8.1. We consider the current LAT position to be a transitional phase, anticipating future returns as these initiatives gradually begin to yield results.

Since the launch of MoneyX in October 2023, it has progressed towards becoming a comprehensive financial ecosystem. During FYE 2025, we upgraded MoneyX to integrate a wider range of financial products and services from our business partners into a single, user-friendly application. With broader products and services available, users are now able to access current and savings accounts, investments, loans, credit cards, insurance, property-related solutions, renewable energy solutions, legal services, credit profile monitoring, motor vehicle services and prepaid top-ups, to name a few. In parallel with this expansion, we carried out a comprehensive revamp of the mobile application to enhance usability, navigation, and design consistency, thereby improving overall user experience and platform functionality.

In addition to upgrading MoneyX, we successfully launched MoneyX Biz in March 2025, a web-based business solution platform designed to complement MoneyX's focus on the B2C market. In line with UNSDG Target 9.5, MoneyX Biz provides solutions to the B2B market, particularly targeting business owners and MSMEs, enhancing business operations and improving cost efficiency. These solutions encompass financing, human resources, marketing and retail, secretarial services, accounting, insurance, tenders and grants, legal services and other operational support.



MoneyX Biz Launching



MoneyX Mascot

SUSTAINABILITY STATEMENT (CONTINUED)

ECONOMIC

ENVIRONMENT

SOCIAL

GOVERNANCE

ECONOMIC PERFORMANCE (CONT'D)

To commemorate the significant milestone, we held a formal signing ceremony with our business partners in conjunction with the official launch on 19 March 2025, which highlighted the strategic partnerships and innovative solutions that MoneyX Biz brings to the market.



Signing Ceremony with Business Partners

To promote the adoption of MoneyX and MoneyX Biz, our Group introduced a revenue-sharing program. This program encourages users of MoneyX and MoneyX Biz to invite businesses, friends and family to sign up for MoneyX application and MoneyX Biz platform and to earn rewards through a robust referral system whenever eligible products or services are purchased or signed up for. Users benefit not only from direct referrals but also from secondary referrals, creating a ripple effect that enhances engagement and drives platform growth.

As at June 2025, MoneyX has achieved over 500,000 downloads and 260,000 registered users, respectively. Additionally, the MoneyX has garnered positive feedback from users, receiving a rating of 4.2 out of 5 on the Google Play Store and 3.6 out of 5 on the Apple App Store. Looking ahead, we remain dedicated to enhancing platform functionalities and enriching the user experience.



On-Ground Promotional Campaigns

Apart from our strategic business initiatives, we support the local economy by engagement with local suppliers, in alignment with UNSDG Target 8.1. During FYE 2025, 97.1% of our procurement was sourced locally. To ensure a reliable and efficient supply chain, we conducted supplier performance assessments during FYE 2025 based on key criteria including quality, delivery, service, pricing and dependability. We are pleased to report that all suppliers assessed demonstrated satisfactory performance across these areas.



SUSTAINABILITY STATEMENT

(CONTINUED)

ECONOMIC

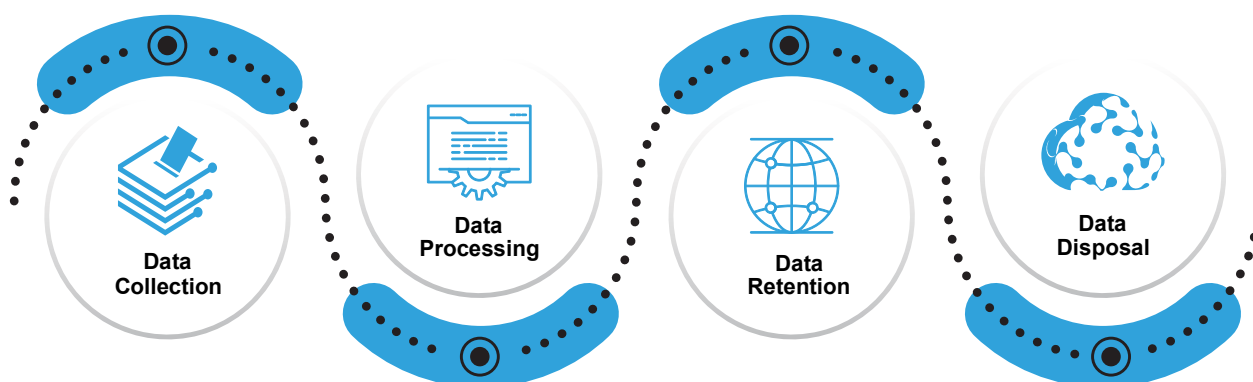
ENVIRONMENT

SOCIAL

GOVERNANCE

CYBERSECURITY AND DATA PROTECTION

Given the nature of our business, particularly in technology segment, cybersecurity is critical for safeguarding information assets, ensuring operational resilience and reinforcing trust in digital systems. Recognising the importance of these elements, we are committed to protecting our stakeholders' personal data from unauthorised access, misuse and breaches. To uphold this commitment, we have implemented several SOPs governing customer data protection on our digital platforms. These SOPs cover key aspects of the data lifecycle, including data collection, processing, retention and disposal, as outlined below: -



At HexTech, only employees who have undergone appropriate training in data handling are permitted to participate in the data collection process. In accordance with the Personal Data Protection Act 2010 and the General Data Protection Regulation, where relevant, we employ secure methods and tools for data collection and storage.

To ensure data security, we implement Role-Based Access Controls ("RBAC") that restrict data access to only the authorised personnel based on their job responsibilities. All physical data is securely stored, while all digital data is encrypted to prevent unauthorised access. Digital data is also backed up regularly to mitigate the risk of data loss. Additionally, we conduct regular training and internal audits within our Information Technology ("IT") function to uphold the highest standards of cybersecurity and data protection. During the data disposal process, we ensure that all information is disposed of to prevent reconstruction or misuse. This is achieved through the usage of paper shredders for physical data and secure data deletion software for digital data.

SUSTAINABILITY STATEMENT (CONTINUED)

ECONOMIC




ENVIRONMENT

SOCIAL

GOVERNANCE

CYBERSECURITY AND DATA PROTECTION (CONT'D)

To further strengthen data protection on our digital platforms, we established an SOP for Application Data Security and Access Control in FYE 2025. This SOP outlines comprehensive security measures for data protection and access control during different stages, as detailed below: -

In Transit 	Data transmitted over internal and external networks is protected through multi-layered security controls. Internal transmissions are protected by firewalls, while external transmissions are secured through Hypertext Transfer Protocol Secure with Transport Layer Security, access controls based on bearer token, and additional authentication measures for external services.
At Rest 	Our data storage is safeguarded through industry-standard encryption mechanisms provided by Amazon Web Services ("AWS"), one-way hashing for passwords, and user-specific encryption keys. Access to sensitive data for analytical purposes is strictly controlled according to established data access and control policies.
In Use 	For data that is actively accessed, processed or generated by applications and users, RBAC is in place to ensure that only authorised personnel have access to the database. Additionally, developers strictly comply with the guideline to log only the information required at appropriate levels to minimise exposure of sensitive data.

Meanwhile, our access control requires requests to be reviewed by data owners and granted by IT personnel or system administrators, with emergency access overseen by the Incident Response Manager. Additionally, our Third-Party Information Security Policy defines security expectations for all external parties interacting with MoneyX systems, ensuring the protection of data integrity and confidentiality.

As a result of the above measures, no substantiated complaints regarding data breaches or privacy violations were reported in FYE 2025. We remain committed to maintaining this record by continuously strengthening our data protection practices and monitoring cybersecurity threats.

To reinforce our commitment to cybersecurity and data protection, we have attained ISO 27001:2022 certification for MoneyX on 14 June 2025, reflecting our alignment with internationally recognised information security standards. In support of this, we are conducting ISO 27001 training across the organisation to ensure employees' awareness and consistent compliance with these standards.



ISO 27001:2022

SUSTAINABILITY STATEMENT

(CONTINUED)

ENVIRONMENT

ECONOMIC

SOCIAL

GOVERNANCE

ENERGY CONSERVATION AND EMISSION MANAGEMENT

With climate change posing increasing environmental and economic challenges, managing energy consumption and reducing emissions remain our key priorities. We are committed to supporting a greener and healthier planet while fostering a sustainable future.

As part of our commitment to energy efficiency and emission reduction, and in line with UNSDG Target 13.2, we regularly monitor and record the carbon footprint generated from our business operations. The following table outlines our total energy consumption for FYE 2024 and FYE 2025: -



	FYE 2024 MW	FYE 2025 MW
Diesel	17,957.62	15,243.53
Electricity	168.26	182.94
Total	18,125.88	15,426.47

In FYE 2025, we recorded a total energy consumption of 15,426.47 megawatt ("MW"), a decrease from 18,125.88 MW in FYE 2024, in line with the overall decrease in revenue during the year.

This reduction primarily corresponds to a decrease in diesel consumption, from 1,638,469 litres in FYE 2024 to 1,390,833 litres in FYE 2025, mainly due to lower demand for truck transportation services resulting from some operation issues experienced by certain major customers.

Conversely, our electricity consumption rose from 168.26 MW in FYE 2024 to 182.94 MW in FYE 2025, driven by full year operation of our technology segment and an additional office rented for trading segment.

The three-year data of our total Greenhouse Gas ("GHG") emission are shown in the table below: -

	FYE 2023 tCO ₂ e	FYE 2024 tCO ₂ e	FYE 2025 tCO ₂ e
Scope 1 (Company vehicles)	3,561.00	4,361.00	3,706.00
Scope 2* (Energy consumption)	Not available	98.43	107.02
Scope 3^ (Category 7: Employee Commuting)	Not available	Not available	110.27
Total	3,561.00	4,459.43	3,923.29

Notes: -

* Data tracking began in FYE 2024.

^ Data tracking began in FYE 2025.

In FYE 2025, we recorded a total emission of 3,923.29 tCO₂ e in FYE 2025, with Scope 1, Scope 2 and Scope 3 emissions accounted for 94.5%, 2.7% and 2.8%, respectively. Scope 1 emission represents direct emission arising from the diesel consumption of the Group's vehicles, while Scope 2 emission is directly associated with the purchased electricity. Scope 3 emission encompasses other indirect emissions that occur as a result of our Group's activities but are not directly owned or controlled by us.

SUSTAINABILITY STATEMENT (CONTINUED)

ENVIRONMENT	ECONOMIC	SOCIAL	GOVERNANCE
-------------	----------	--------	------------

ENERGY CONSERVATION AND EMISSION MANAGEMENT (CONT'D)

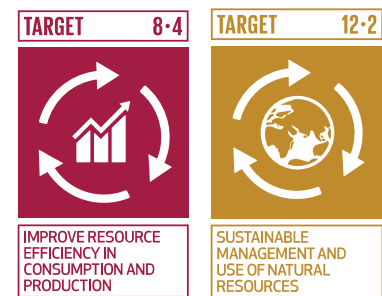
Due to the reduction of diesel consumption in FYE 2025, Scope 1 emission decreased from 4,361 tCO₂ e in FYE 2024 to 3,706 tCO₂ e in FYE 2025. However, Scope 2 emission increased from 98.43 tCO₂ e in FYE 2024 to 107.02 tCO₂ e in FYE 2025, driven by higher electricity consumption to support the expansion of our technology segment.

To reinforce our commitment to climate responsibility, we began monitoring Scope 3 emission in FYE 2025, focusing on employee commuting. During the year, Scope 3 emission was recorded at 110.27 tCO₂ e. This initiative supports our broader commitments of measuring and managing indirect emissions across our value chain, with the aim of reducing their long-term impact.

Recognising the environmental impact of increased emissions, we remain committed to minimising our carbon footprint through closely monitoring the diesel consumption, particularly within our logistics segment. We also monitor the driving speed of each truck to ensure compliance with the designated speed limits, enhancing road safety and improving fuel efficiency.

Aligned with UNSDG Target 8.4 and 12.2, we continue to utilise the “Total Dynamic System” to monitor our vehicles fuel consumption, fuel levels and skid tank activity. Additionally, we deploy Global Positioning System (“GPS”) tracking for our fleet vehicles to enhance operational efficiency, support effective fleet management, and ensure optimal use of fuel resources.

As part of our efforts to enhance fuel efficiency, reduce emissions, and maintain operational reliability, we intend to replace six (6) ageing trucks with newer, more fuel-efficient models in FYE 2026.



In addition to the initiatives above, we reduce our carbon footprint through daily energy-saving practices, such as switching off light and air conditioning when not in use, promoting carpooling among employees and utilising virtual communication tools such as Zoom for meetings and webinars to replace physical travelling.

Our commitment to climate responsibility remains steadfast and we are dedicated to diligently monitoring and managing our carbon footprint.

WASTE MANAGEMENT AND ENVIRONMENTAL COMPLIANCE

Effective waste management is complementing our efforts to reduce emissions and reflects our commitment to environmental stewardship.

Within our logistics segment, we emphasize on the proper collection and disposal of used engine oil generated by our fleet. In FYE 2025, we generated 4.40 metric tonnes of waste oil, which was stored in a clearly labelled 1,000-litre Intermediate Bulk Container in a designated area to prevent leaks and spills. Licensed scheduled waste collectors were engaged monthly or bimonthly to ensure safe handling and disposal in line with environmental regulations.

SUSTAINABILITY STATEMENT

(CONTINUED)

ENVIRONMENT	ECONOMIC	SOCIAL	GOVERNANCE
-------------	----------	--------	------------

WATER MANAGEMENT

In support of UNSDG Target 12.5, we embrace the principles of 4Rs (reduce, reuse, recycle and recover) into our daily operations. Materials such as paper, plastic and aluminium are actively recycled, electronic transactions are encouraged to minimise paper use, and wastepaper is reused for drafting purpose before being recycled. Through these sustainable waste management practices and adherence to strict environmental standards, we strive to minimise our environmental impact and promote resource efficiency for a cleaner and greener future.

TARGET12.5

SUBSTANTIALLYREDUCE WASTEGENERATION

These initiatives are integral to our strategy to minimise environmental impact. We are pleased to report that in FYE 2025, there were zero cases of non-compliance with local environmental laws, and the Group did not incur any environmental fines, penalties or settlements.

In response to the growing global emphasis on preserving water resources and preventing pollution, HexTech recognised water management as one of the key sustainability priorities. In FYE 2025, our total water consumption was recorded at 1.65 megalitres, an increase of 12.2% compared to 1.47 megalitres in FYE 2024. This increase was primarily due to the full year operation of our technology segment and the growth in headcount within the same segment.

Although our business operations have a relatively low reliance on water, we remain committed to continuously improving our water management practices. Through consistent monitoring and the exploration of effective conservation methods, we aim to use water efficiently, reduce environmental impact and contribute positively to global water sustainability efforts.

OTHER ENVIRONMENTAL INITIATIVES

In FYE 2025, our focus on environmental sustainability was further demonstrated through the training programmes designed to enhance awareness and technical competency in key sustainability areas. These efforts underscore our dedication to continuous improvement and alignment with national and global sustainability frameworks.

During the year, we conducted 52 hours of sustainability-related training for the employees, at a total cost of RM1,010. The training topics included the following: -

Sustainability-Related Training
<ul style="list-style-type: none"> Electronic Scheduled Waste Management eSWIS Jabatan Alam Sekitar (Pindaan AKAS 2024) ISSB: Applying the IFRS Sustainability Disclosure Standards CSI Solution Invitation: GHG Emissions Workshop Sustainability Accelerator Programme

SUSTAINABILITY STATEMENT (CONTINUED)

SOCIAL

ENVIRONMENT

ECONOMIC

GOVERNANCE

OSH

In FYE 2025, as part of our commitment to strengthen workplace safety and health, our Group introduced the OSH Policy to ensure a safe and injury-free working environment for our employees, in alignment with UNSDG Target 3.6 and 8.8.

The OSH Policy serves as a comprehensive guide for our employees at all levels, outlining proper measures and practices to safeguard our employees' health and safety. To maintain its effectiveness and compliance, the policy will be regularly reviewed and updated in accordance with evolving legal requirements and industry best practices.



The key objectives of our OSH Policy are depicted as follows: -

OSH Policy
<ul style="list-style-type: none"> To comply with all applicable OSH legislation and regulations To provide a safe working environment for all individuals and ensure sufficient resources are available to establish, implement, and maintain safe work practices To continuously enhance OSH competency by integrating policy requirements and best practices into all aspects of our operations To drive continuous improvement in OSH performance through ongoing education, the adoption of innovative technologies, and effective management systems To identify, assess, and eliminate potential hazards, unsafe practices and behaviours that could lead to accidents, injuries, illnesses, or property damage To provide appropriate information, training, and support on OSH matters to all employees, empowering them to engage in safe work practices To develop and maintain a comprehensive emergency response plan to minimise the impact of untoward events on people, property and operations To set and achieve measurable OSH objectives and targets, and to regularly monitor and review progress to ensure the highest safety standards To foster a work environment that encourages active participation from all staff in safety and health initiatives, promoting a proactive safety culture

To ensure an effective implementation of the OSH Policy, we have established a Safety, Health and Environment ("SHE") Committee to oversee the Group's adherence to OSH regulations and address all OSH-related matters, as follows: -



SUSTAINABILITY STATEMENT

(CONTINUED)

SOCIAL	ENVIRONMENT	ECONOMIC	GOVERNANCE
--------	-------------	----------	------------

OSH (CONT'D)

Our OSH committee is led by our Group Deputy Chief Executive Officer and Executive Director, Mr. Choo Joon Keong, oversees all OSH-related matters across the Group. Supported by the Secretary and the Safety Supervisor, Employer Representative and Employee Representatives, the committee ensures compliance with the Industry Code of Practice, organises OSH-related training, reviews and updates the OSH Policy as needed, and promptly addresses any incidents at the committee level. By integrating insights from both management and employees, our SHE Committee fosters a culture of shared responsibility and prioritises workplace safety.

In FYE 2025, we invested RM17,400 in OSH trainings for employees, with a total of 433 training hours. The training topics included the following: -

OSH Training
<ul style="list-style-type: none"> Incharge of operating practices (“ICOP”) Occupational & Health Administration (“OSHA”) Occupational Safety and Health Coordinator Heavy Vehicle Conference (“HEVTEC 2024”) Fire Drill Briefing Heavy Vehicle Defensive Training

To further reinforce our commitment to workplace safety and well-being, the Group had in FYE 2025 introduced a Prevention and Eradication of Drug, Alcohol, and Substance Abuse Policy. This policy aims to maintain a safe, healthy and productive work environment by prohibiting the use, possession, or distribution of illegal substances and regulating the consumption of alcohol and controlled substances during working hours. Through awareness programs, regular monitoring and support initiatives, the policy seeks to prevent substance abuse-related risks, promote employee health, and uphold a culture of responsibility and professionalism across the organisation.

With rigorous OSH oversight, we achieved zero workplace injuries and fatalities in FYE 2025. Moving forward, we remain committed to strengthening our safety protocols to ensure a secure and supportive work environment for all employees.



Heavy Vehicle Defensive Training



OSHA Training

SUSTAINABILITY STATEMENT (CONTINUED)

SOCIAL

ENVIRONMENT

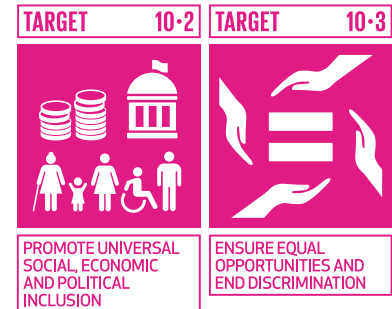
ECONOMIC

GOVERNANCE

WORKFORCE DIVERSITY AND EQUAL OPPORTUNITY

At Hextech, we recognise that a diverse and inclusive workplace not only enriches our organisational culture but also enhances creativity, drives innovation and strengthens problem-solving capabilities by bringing together varied perspectives and experiences. In line with UNSDG Target 10.2 and 10.3, we strive to create a dynamic environment that fosters equal opportunities to support long-term growth and empowers employees to drive sustainable performance.

As at 31 March 2025, our Board comprises seven (7) Directors and our workforce consists of 126 employees, as summarised below: -



	Employee Category				
	Board	Senior Management	Management	Executive	Non-Executive
Total	7	12	31	40	43
<u>Gender</u>					
Male	6 (86%)	10 (84%)	18 (58%)	23 (58%)	37 (86%)
Female	1 (14%)	2 (16%)	13 (42%)	17 (42%)	6 (14%)
<u>Age Group</u>					
< 30	-	-	7 (23%)	28 (70%)	4 (9%)
30 - 50	2 (29%)	7 (58%)	23 (74%)	10 (25%)	25 (58%)
> 50	5 (71%)	5 (42%)	1 (3%)	2 (5%)	14 (33%)
<u>Nationality</u>					
Local	7 (100%)	12 (100%)	31 (100%)	40 (100%)	41 (95%)
Foreign	-	-	-	-	2 (5%)
<u>Ethnicity</u>					
Malay	1 (14%)	-	4 (13%)	15 (38%)	36 (83%)
Chinese	5 (72%)	10 (84%)	25 (81%)	21 (52%)	2 (5%)
Indian	1 (14%)	1 (8%)	1 (3%)	4 (10%)	3 (7%)
Others	-	1 (8%)	1 (3%)	-	2 (5%)
<u>Division</u>					
Trading	N/A	3 (26%)	4 (13%)	17 (43%)	-
Logistics	N/A	1 (8%)	3 (10%)	4 (10%)	41 (95%)
Technology	N/A	4 (33%)	19 (61%)	15 (37%)	-
Corporate Office & Others	7 (100%)	4 (33%)	5 (16%)	4 (10%)	2 (5%)

SUSTAINABILITY STATEMENT

(CONTINUED)

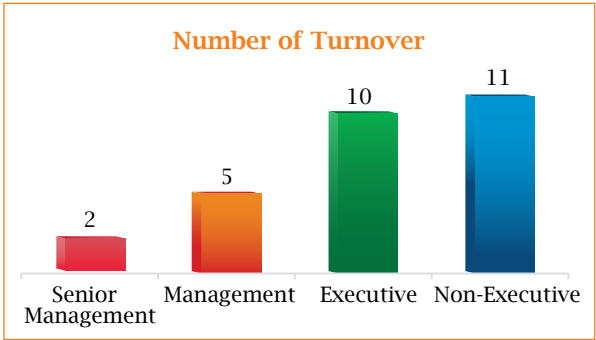
SOCIAL	ENVIRONMENT	ECONOMIC	GOVERNANCE
--------	-------------	----------	------------

WORKFORCE DIVERSITY AND EQUAL OPPORTUNITY (CONT'D)

Given the nature of our business, particularly in logistics services, our workforce composition mainly consists of male employees. Nonetheless, we remain committed to fostering an inclusive environment by ensuring equal opportunities across all operations. To promote equality, we have adopted Diversity Policy for the Board and Senior Management, targeting at least 30.0% women representation on the Board and 20.0% in Senior Management. Although our current composition is yet to meet these targets, we remain strongly committed to achieving them by the end of 2025. Furthermore, we demonstrate our dedication to supporting the local labour market and economy, as evidenced by 98.4% of our workforce comprising local talents.

In line with our business expansion, our total workforce increased from 113 employees as at 31 March 2024 to 126 employees as at 31 March 2025. Correspondingly, our staff cost rose by 39.6%, from RM10.1 million in FYE 2024 to RM14.1 million in FYE 2025, primarily attributed to the recruitment of additional employees for our technology segment.

While increasing the headcount, we place a strong emphasis on employee loyalty and retention, recognising that their continued contributions form the foundation of our sustainable growth. In FYE 2025, our employee turnover rate stood at 23.4%, compared to 29.1% in FYE 2024. This improvement underscores our unwavering commitment to cultivate an empowering environment that nurtures growth, recognises talent and fosters enduring dedication.



We are pleased to note that our entire workforce comprises permanent employees, reflecting the stability and consistency of our employment structure. Looking ahead, we remain resolute in preserving a dynamic and empowering workplace that serves as a foundation for the Group’s continued growth and success.

EMPLOYEE WELFARE AND MANAGEMENT

At HexTech, we cultivate a high-performing workforce by offering benefits and welfare programmes that safeguard employees’ rights, interests and well-being, enabling them to consistently perform at their best.

We also strictly comply with the Malaysian Employment Act 1955 (Amendment 2022) and the Minimum Wages Order 2024 while upholding the following four (4) key principles: -

Fair Recruitment

Selection of candidates for recruitment is conducted in a fair and transparent manner, based on merit and guided by principles of respect, diversity, integrity and accountability. Our recruitment decisions are guided by objective criteria and unbiased assessments, ensuring that every candidate is given a fair chance to demonstrate their abilities and potential.

SUSTAINABILITY STATEMENT (CONTINUED)

SOCIAL

ENVIRONMENT

ECONOMIC

GOVERNANCE

EMPLOYEE WELFARE AND MANAGEMENT (CONT'D)

We also strictly comply with the Malaysian Employment Act 1955 (Amendment 2022) and the Minimum Wages Order 2024 while upholding the following four (4) key principles (cont'd): -



Humane Treatment & Non-Discrimination

All employees are treated equally without any form of discrimination based on race, gender, age, nationality, religion or political opinion. We promote a culture of inclusivity, diversity and respect, ensuring that every individual is valued for their unique contributions and perspectives. Any form of harsh treatment is strictly prohibited within the Group. Furthermore, employees are free to join workers' organisations without interference or restriction.



Employment Freedom

Employees are provided the freedom to choose their desired career path. We support individuals in making choices that align with their career goals and aspirations. With reasonable notice, employees have the freedom and opportunity to explore new career paths within our Group or pursue opportunities outside, fostering a culture of personal and career growth.



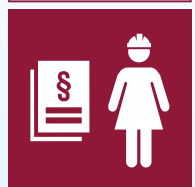
Regulated Working Hours, Wages and Benefits

HexTech adheres to all applicable employment laws in Malaysia at all times. Our employees are entitled to reasonable working hours, breaks and days off, enabling them to maintain a healthy work-life balance. They are also clearly informed about their wages and benefits and are remunerated on a timely basis.

To reinforce our commitment to the key principles above, we established the Labour Rights Policy, Non-Discrimination Policy and Workplace Harassment Policy in FYE 2025, all of which aim to protect the human rights of our employees in alignment with UNSDG Target 8.8 and Target 10.3.

The Labour Rights Policy, Non-Discrimination Policy and Workplace Harassment Policy are published on our Company's website at <https://ir2.chartnexus.com/hextech/corporate-governance.php>.

TARGET 8-8



PROTECT LABOUR RIGHTS AND PROMOTE SAFE WORKING ENVIRONMENTS

SUSTAINABILITY STATEMENT

(CONTINUED)

SOCIAL

ENVIRONMENT

ECONOMIC

GOVERNANCE

EMPLOYEE WELFARE AND MANAGEMENT (CONT'D)

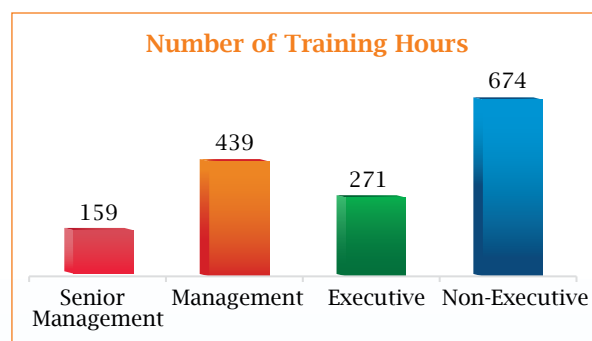
Throughout FYE 2025, our ongoing commitment to fostering a respectful and inclusive work environment resulted in zero reported cases of discrimination, human rights violations, child or forced labour or any infringement on freedom of association. We have also not been imposed with any fines or penalties in relation to human rights violations or non-compliance with labour laws and regulations. This outcome reflects our steadfast dedication to upholding fairness, dignity and ethical standards in the workplace. We remain resolute in sustaining a culture that values employee well-being and rights.



Our commitment to employee welfare extends beyond safeguarding employees' rights, as reflected in the comprehensive benefits package designed to enhance their overall well-being. Employees are entitled to staff discounts on Hextar Group's products, petrol allowances, free health screening and long service awards presented at 5-year intervals. In alignment with UNSDG Target 3.8, we also provide personal accident and medical insurance coverage to all confirmed employees who have completed at least one (1) year of service.

In addition, we encourage continuous development by offering a variety of structured training programmes to our employees. These initiatives are designed to enhance technical skills and professional capabilities, enabling employees to perform effectively in their roles while contributing meaningfully to the Group's overall performance and strategic objectives.

In FYE 2025, we invested a total of RM52,157 in various training and development programmes, recording a total of 1,543 training hours across our workforce.



A summary of the training and development programmes attended by our employees during FYE 2025 is tabled as below: -

Date	Training and Development Programme
04.05.2024	e-Invoice
17 - 19.05.2024	OCBC FX Options Workshop 2024
04 & 05.06.2024	Basic Introduction to Directorship
05 & 06.06.2024	A Basic Introduction to Directorship by Inspiration Training
09 & 23.06.2024	ICOP
20.06.2024	OSHA
03 & 04.07.2024	BFM Brandfest 2024
03.07.2024	Anti-Bribery and Corruption
20.11.2024	
04.07.2024	Electronic Scheduled Waste Management eSWIS
10.07.2024	ISO Awareness Training
17.07.2024	ERP e-Invoice Module Training
19.07.2024	English Language - Workplace Communications

SUSTAINABILITY STATEMENT (CONTINUED)

SOCIAL

ENVIRONMENT

ECONOMIC

GOVERNANCE

EMPLOYEE WELFARE AND MANAGEMENT (CONT'D)

A summary of the training and development programmes attended by our employees during FYE 2025 is tabled as below (cont'd): -

Date	Training and Development Programme
30.07.2024	AWS CXO Coffee Club: Driving Sustainable Growth: Integrating ESG into Your Corporate Strategy
31.07.2024	Trademark2U: Trademark Law and Procedure in Malaysia
19 - 21.08.2024	Occupational Safety and Health Coordinator
21.08.2024	Unlocking the Secrets of a Successful IPO
22 & 23.08.2024	Mastering the Art Science of Problem-Solving and Decision Making
26 & 27.08.2024	Mandatory Accreditation Programme Part II: Leading for Impact
28.08.2024	Know Your Trademark Rights: The Tort of Passing Off
29.08.2024	AWS AI Conclave Road Transport Safety Officer
04.09.2024	HEVTEC 2024
24.09.2024	Jabatan Alam Sekitar (Pindaan AKAS 2024)
30.09.2024	HexTech Legal Training Session
18 - 20.10.2024	The Supercharged Team
29.10.2024	AWS Cloud Day Malaysia
07.11.2024	ISSB: Applying the IFRS Sustainability Disclosure Standards
19.11.2024	SQL e-Invoice Software Implementation Course
25.11.2024	Fire Drill Briefing
11 - 16.12.2024	Refresher Training Course for Marketing Representative 2024 - 45 hours
13.02.2025	CSI Solution Invitation: GHG Emissions Workshop
17.02.2025	Scaling Heights: The IPO Readiness Conference
18.02.2025	Unlocking HR Tax Strategies: From Benefit in Kind to PCB Calculation and Tax-Exempted Allowances
22 & 23.02.2025	Heavy Vehicle Defensive Training
24.02.2025	Sustainability Accelerator Programme
06.03.2024	Oil & Gas Safety Passport
13.03.2025	Preventing Fraud in Daily Activities



The Supercharged Team



Road Transport Safety Officer

SUSTAINABILITY STATEMENT

(CONTINUED)

SOCIAL

ENVIRONMENT

ECONOMIC

GOVERNANCE

CSR

At HexTech, CSR reflects our commitment to encouraging meaningful contributions that benefit the communities we serve. We aim to foster a spirit of giving that supports lasting growth and builds stronger relationships between our company and the people around us.

During the financial year, MoneyX, through its “Satu Rezeki, Seribu Senyuman” campaign and in conjunction with Hari Raya Aidilfitri, collaborated with Rumah Titian Kaseh (“RTK”) and Lions Club Kuala Lumpur Elite to support the underprivileged communities. As part of this initiative, we visited RTK to share the joy of the festive season with its residents, who enjoyed a memorable day filled with engaging activities, food, and gifts. In addition, collective in-kind donations, including basic necessities, were contributed, reflecting our commitment to compassion and community support. Through this initiative, we contributed basic necessities valued at RM1,000 and reached a total of 130 beneficiaries.



SUSTAINABILITY STATEMENT

(CONTINUED)

GOVERNANCE

SOCIAL

ENVIRONMENT

ECONOMIC

REGULATORY COMPLIANCE

In today's dynamic business environment, regulatory compliance goes beyond mere obligation; it is a fundamental pillar of responsible and sustainable business practices. As the business landscape evolves and societal expectations heighten, we remain committed to strict adherence to all applicable laws and regulations, ensuring robust governance and accountability across our operations.

To uphold our compliance obligations, we have implemented SOPs that guide our employees in their day-to-day operations. These SOPs empower our workforce to perform their duties diligently and properly while adhering to applicable legal and ethical standards. Our Group operates within a framework of key laws, rules and regulations, which include, but are not limited to, the following: -

Section	Laws, Rules and Regulations
Labour	<ul style="list-style-type: none"> • Employment Act 1955 (Amendment 2022) • Minimum Wages Order 2024 • 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)

Within our logistics operations, adherence to the RTA 1987 remains a critical priority to ensure the safety and compliance of our drivers and vehicles. In compliance with this regulation, our commercial vehicles undergo routine PUSPAKOM inspections every six (6) months or annually, depending on the vehicle's age. During FYE 2025, all vehicles successfully passed these inspections, including emissions tests that confirmed compliance with the 50% smoke and gas limits.

While these results reflect our commitment to regulatory compliance, we regret to report that several traffic summonses were issued during FYE 2025 due to non-compliance with traffic rules. Aside from these, no other fines, penalties, or settlements were recorded during the year. We remain dedicated to strengthening our compliance measures and addressing any operational shortcomings to prevent future occurrences.

SUSTAINABILITY STATEMENT

(CONTINUED)

GOVERNANCE

SOCIAL

ENVIRONMENT

ECONOMIC

CORPORATE GOVERNANCE

Corporate governance is integral to embedding sustainability across all aspects of our operations and achieving our strategic objectives. It provides a robust framework for governing our Group with integrity, transparency, accountability and ethical conduct. To uphold these principles, we have implemented several company policies designed to promote effective governance and ensure accountability at every level: -

Code of Ethics and Conduct (“the Code”)

The Code sets out the Group’s principles and standards for ethical business conduct, serving as a comprehensive guide for our employees to maintain professionalism, integrity and ethical decision-making that align with our vision and mission. The Code covers three (3) key areas including corporate governance, relationship management with various stakeholders as well as responsibility towards social and environment. It establishes clear expectations for behaviour, reinforcing our commitment to responsible, transparent practices and fostering trust among stakeholders.

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

At Hextech, we have implemented the ABCPP, which reflects our zero-tolerance stance against all forms of bribery and corruption, in alignment with UNSDG Target 16.5. The ABCPP defines the guiding principles and appropriate measures to manage potential bribery and corruption situation while indicating the consequences for non-compliance against the said policy.

To facilitate the effective implementation of the ABCPP, WBP has been established to provide a confidential channel for employees and stakeholders to raise concerns or report any suspected or known misconduct, abuse or corruption. In accordance with the Whistleblower Protection Act 2010, any whistleblower who reports in good faith will be protected from reprisals or retaliation. Upon receiving a whistleblowing report, an independent investigation will be conducted and appropriate actions will be taken thereafter.

In FYE 2025, we conducted a corruption risk assessment that covers 50% of our operations. This assessment evaluated the adequacy of our processes, systems and controls in mitigating the specific corruption risks faced by the Group.



SUSTAINABILITY STATEMENT (CONTINUED)

GOVERNANCE

SOCIAL

ENVIRONMENT

ECONOMIC

CORPORATE GOVERNANCE (CONT'D)

In addition, we provided anti-bribery and corruption training for our employees to enhance awareness and understanding of ethical practices. The percentage of employees who attended the training is presented in the table below: -

Employee Category	Percentage of Employees (%)
Senior Management	75
Management	84
Executive	93
Non-executive	2

We are pleased to report that no whistleblowing reports were received during FYE 2025. There were no disciplinary actions or dismissals related to bribery, corruption, fraud, or non-compliance, nor any public legal actions initiated against the Group or its employees.

Directors' Fit and Proper Policy

Board diversity is essential in today's dynamic business environment to ensure effective governance and decision-making. To uphold strong leadership and corporate governance, we have implemented Directors' Fit and Proper Policy. This policy serves as a formal guideline for the NRC to assess the suitability of Directors for appointment and re-appointment of Directors. This policy outlines a series of criteria, including ethical integrity, experience and competence as well as the commitment required to effectively fulfil their responsibilities.

All the aforementioned policies, including the Code, ABCPP and WBP, and the 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	2025
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.90	97.07
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	59.26	81.40
Executive	Percentage	39.39	92.50
Non-executive/Technical Staff	Percentage	1.89	2.33
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	50.00	50.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	9	102
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	185	598
Executive	Hours	96	271
Non-executive/Technical Staff	Hours	56	674
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	5	7
Executive	Number	7	10
Non-executive/Technical Staff	Number	20	11
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	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	5.56
Management Between 30-50	Percentage	17.70	23.81
Management Above 50	Percentage	4.42	4.76
Executive Under 30	Percentage	20.35	22.22
Executive Between 30-50	Percentage	4.42	7.94
Executive Above 50	Percentage	3.54	1.59
Non-executive/Technical Staff Under 30	Percentage	3.54	3.17
Non-executive/Technical Staff Between 30-50	Percentage	31.86	19.84
Non-executive/Technical Staff Above 50	Percentage	11.51	11.11
Gender Group by Employee Category			
Management Male	Percentage	16.82	22.22
Management Female	Percentage	7.96	11.91
Executive Male	Percentage	15.04	18.25
Executive Female	Percentage	13.28	13.49
Non-executive/Technical Staff Male	Percentage	38.94	29.37
Non-executive/Technical Staff Female	Percentage		

Internal assurance External assurance No assurance

(*) Restated

SUSTAINABILITY STATEMENT

(CONTINUED)

PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2024	2025
Non-executive/Technical Staff Female	Percentage	7.96	4.76
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	85.71	85.71
Female	Percentage	14.29	14.29
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	28.57	28.57
Above 50	Percentage	71.43	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	1,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,100	130
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	18,125.88	15,426.47
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	-	3,706.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	-	107.02
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	110.27
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	-	4.40
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	4.40
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	1.470000	1.650000

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the significance of adopting sound corporate governance practices across the Group as a fundamental responsibility in safeguarding and enhancing shareholder value and stakeholder interests. Corporate governance serves as the foundation of the Group's operations and guides its decision-making processes by aligning with the recommendations outlined in the Malaysian Code on Corporate Governance ("MCCG").

The Board is delighted to present this Corporate Governance Overview Statement ("CG Statement"), which provides an overview of the Board's key initiatives and commitments to promote good corporate governance throughout the Group during the FYE 2025. This CG Statement offers 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
- Principle C** Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This CG Statement is prepared pursuant to Paragraph 15.25(1) and Practice Note 9 of the MMLR. Shareholders are encouraged to read this CG Statement alongside the Company's Corporate Governance Report 2025 ("CG Report"), which provides detailed disclosures on the implementation of each corporate governance practice. The CG Report can be accessed 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 Group's development and operations, and safeguarding the best interests of its 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 the Group and its business units;
- b. planning, adopting and implementing strategic initiatives across the Group;
- c. overseeing business operations and evaluating their 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 systems; and
- g. reviewing the performance, appointments, training and succession planning of senior management personnel.

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, as clearly defined in their respective Terms of Reference ("TOR"). The TOR of each Board Committee is available on the Company's website at <https://ir2.chartnexus.com/hextech/corporate-governance.php>.

The Independent Non-Executive Chairman, Tan Sri Muhammad Bin Ibrahim, provides overall leadership to the Board by fostering a culture of good governance, facilitating balanced discussions and ensuring informed decision-making. The Board Chairman is not involved in the Group's daily business operations and has no other relationships that could materially impair his objectivity, judgement or independence.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 1: BOARD RESPONSIBILITIES (CONT'D)

1. Board Leadership (Cont'd)

Furthermore, in accordance with Practice 1.3 of the MCCG, the roles of the Board Chairman and Chief Executive Officer (“CEO”) of the Company are held by two (2) different individuals, each with clearly defined responsibilities. At HexTech, Tan Sri Muhammad Bin Ibrahim serves as the Board Chairman, Dato’ Ong Choo Meng holds the position of Group CEO and Mr. Choo Joon Keong acts as the Group Deputy CEO. The distinct and separate roles of the Board Chairman and Group CEO are clearly outlined in the Board Charter to prevent any concentration of decision-making power. The Board Chairman is primarily responsible for leading the Board, while the Group CEO oversees the Group’s day-to-day business operations and implements the policies and strategies approved by the Board.

Additionally, the Board Chairman is not a member of the AC, NRC or RMC to ensure the proper discharge of these Board Committees’ duties and responsibilities. However, the Board Chairman is invited to attend the Board Committees meetings to provide further insights on matters raised. Such attendance is for informational purposes only and does not compromise his objectivity or that of the Board, as the Board Chairman does not participate in any deliberations or decision-making processes at the Board Committee level.

During the FYE 2025, Mr. Ng Heng Hooi resigned as Company Secretary of HexTech on 28 August 2024. To further support the Board, Ms. Lim Li Heong was appointed as Joint Company Secretary in his place. Together with Ms. Wong Mee Kiat, the Board continued to be supported by two (2) well-qualified and competent Company Secretaries, both of whom fulfilled the necessary qualifications and were duly qualified under Section 235(2)(a) of the Companies Act 2016. The Company Secretaries serve in an advisory capacity to the Board, providing guidance on corporate governance matters and ensuring compliance with all applicable laws, rules, procedures and regulatory requirements. They are also responsible for facilitating the proceedings of all Board and Board Committees meetings, as well as ensuring proper documentation and maintenance of the Company’s statutory records and registers.

To ensure optimal Board attendance, meetings of the Board and Board Committees are scheduled well in advance, allowing the Directors ample time to reserve the dates. The 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 before each scheduled meeting. This timeline enables the Directors to thoroughly review the materials and where necessary, seek additional information or clarification in advance. Furthermore, to facilitate the informed decision-making process and the effective discharge of their duties, all Directors have unrestricted access to information concerning the Group’s business and affairs, as well as to the services and advice of the Company Secretaries, Internal Auditors and External Auditors.

During the FYE 2025, the Board convened a total of seven (7) Board meetings, in compliance with the Board Charter, which requires a minimum of four (4) Board meetings annually. The Board meetings covered a range of matters, including the Group’s financial performance, investments, corporate developments, strategic issues and business plan. The 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 Choo Meng	Group CEO and Executive Director	7/7
Choo Joon Keong	Group Deputy CEO and Executive Director	7/7
Dato’ Ong Chong Yi	Independent Non-Executive Director	7/7
Ronald Khoo Boo Soon	Executive Director	7/7
Yeoh Chin Hoe	Independent Non-Executive Director	7/7
Sujatha Sekhar A/P Tan Sri B.C. Sekhar	Independent Non-Executive Director	7/7

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 Company Secretaries play a vital role in recording the deliberations, discussions and decisions made during the Board and Board Committees meetings. Following the conclusion of each meeting, the draft minutes are promptly circulated to all Directors for their review and comment. The minutes are subsequently tabled for confirmation at the next meeting and once approved, are signed and securely maintained in the Company's minutes books by the Company Secretaries.

The Company Secretaries also proactively keep themselves abreast of the latest developments in company law, capital markets, corporate governance, regulatory requirements and other relevant matters through continuous professional development, training and industry updates. Their commitment to ongoing learning ensures they remain well-informed and ensure compliance. This commitment to ongoing learning enables them to remain well-informed and to support the Company in ensuring compliance with all applicable laws and regulations.

The Board is satisfied with the Company Secretaries' performance and the support they have provided throughout the FYE 2025. Their effective fulfilment of duties has greatly contributed to the smooth functioning of the Board and Board Committees, and to upholding the Group's governance standards.

2. Board Charter

The Board has adopted a Board Charter that serves as a guiding framework for good governance, clearly outlining the roles, responsibilities and authority of the Board, its Board Committees, individual Directors and management. The Board Charter ensures a well-defined demarcation of responsibilities, while upholding accountability, transparency and integrity in all decision-making process. To remain aligned with the Group's strategic priorities, as well as evolving standards of corporate governance and applicable legislation and regulations, the Board Charter is reviewed regularly. The Board Charter is available on the Company's website at <https://ir2.chartnexus.com/hextech/corporate-governance.php>.

3. Business Ethics and Integrity

The Board is committed to fostering a corporate culture that upholds the highest standards of ethics and integrity. In compliance with Practice 3.1 of the MCCG, the Board has adopted a formal Code of Ethics and Conduct ("the Code") to ensure that the Group's business is conducted ethically and professionally, guided by principles of integrity and responsible corporate behaviour.

Recognising the importance of maintaining a business environment free from bribery and corruption, the Board has also adopted an Anti-Bribery and Corruption Policy and Procedures ("ABC Policy"), which is aligned with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. This ABC Policy reinforces the Group's zero-tolerance approach towards all forms of bribery and corruption and underscores its commitment to fair, transparent and lawful business dealings. The ABC Policy applies to all Directors and employees across the Group.

In addition to the Code and the ABC Policy, the Board has established a Whistleblowing Policy, which provides a structured channel for all Directors, employees and stakeholders to report any genuine concerns regarding suspected wrongdoing, business misconduct or malpractice without fear of retaliation or victimisation. Reports may be submitted directly to Mr. Yeoh Chin Hoe, the Chairman of the Whistleblowing Committee, via the contact details provided in the Whistleblowing Policy. The Whistleblowing Policy ensures that all reports made in good faith will be treated with strict confidentiality and the whistleblower's identity will be protected.

The Code, ABC Policy and Whistleblowing Policy are available on the Company's website at <https://ir2.chartnexus.com/hextech/corporate-governance.php>.

For the FYE 2025, the Board is pleased to report that the Group has not received any whistleblower reports concerning breaches of the Company's policies or applicable laws.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 1: BOARD RESPONSIBILITIES (CONT'D)

4. Sustainability Management

The Board recognises the importance of sustainable business practices in creating long-term value and building resilience. It is ultimately responsible for overseeing and governing the Group's sustainability agenda, including the formulation of sustainability strategies, priorities and targets. Meanwhile, the Management team is entrusted with implementing sustainability initiatives and monitoring progress across the Group's operations.

The Company regularly engages with stakeholders to identify and assess material sustainability matters, ensuring its sustainability strategies remain aligned with stakeholders' expectations. These strategies, along with the Group's sustainability priorities and performance, are communicated to stakeholders through the Sustainability Statement as part of its ongoing commitment to transparent reporting.

The Board remains vigilant in monitoring industry trends and proactively addressing sustainability challenges to meet stakeholder expectations and enhance long-term value creation. To ensure that Directors remain informed of emerging sustainability issues, they attended sustainability-related training throughout the financial year, with a full list of these programmes provided in Section 5 of this CG Statement.

As part of its ongoing efforts, the Board, through the NRC, conducted a Board evaluation questionnaire relating to ESG or Sustainability during the financial year to assess its sustainability governance and performance. This questionnaire covered key considerations, including the Board's oversight of sustainability strategies implementation, sustainability programme development, progress monitoring of sustainability targets and Directors' understanding of the sustainability risks and opportunities faced by the Group. The feedback gathered from this evaluation assists the Board in further improving its sustainability focus and effectiveness, ensuring continued progress and alignment with the Group's long-term goals.

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:

Director	Directorship
Tan Sri Muhammad Bin Ibrahim	Independent Non-Executive Chairman
Dato' Ong Choo Meng	Group CEO and Executive Director
Choo Joon Keong	Group Deputy CEO 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

The existing Board structure complies with the requirements of Paragraph 15.02 of the MMLR and Practice 5.2 of MCCG, with half of the Board comprising Independent Directors. This ensures objective deliberations and independent decision-making, safeguarding the interests of shareholders and stakeholders.

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 the FYE 2025, the Board has yet to meet the gender diversity target of at least 30% women representation, as recommended by the MCCG and outlined in the Company's Diversity Policy for Board and Senior Management of the Company. The Board currently has one (1) female Director serving on the Board, representing 14.3% of its total composition. Nevertheless, the Board remains committed to improving its gender diversity and is actively identifying suitably qualified female candidates with the relevant skills, expertise and value to contribute as Board members. The Diversity Policy for Board and Senior Management is 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 on the Board for more than nine (9) years. In line with Practice 5.3 of the MCCG, the Board Charter limits the tenure of Independent Directors to a maximum of nine (9) years. Should the Board wish to retain an Independent Director beyond this period, it must provide a clear justification for the Director's continued independence and seek annual shareholders' approval through a two-tier voting process at the Annual General Meeting ("AGM").

The Board, through the NRC, is responsible for reviewing the structure, size and composition of the Board, as well as for continuously assessing the effectiveness of the Board as a whole, its Board Committees and each individual Director in terms of their contributions, skills, experience and other relevant qualifications. To uphold a high level of objectivity and independence, the NRC comprises solely Independent Non-Executive Directors, with the following composition:

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 key activities undertaken by the NRC during the FYE 2025 included the following:

- reviewed the composition and effectiveness of the Board and Board Committees;
- assessed the required mix of skills, experience and contribution of each individual Director;
- evaluated and reviewed the independence of all Independent Directors;
- reviewed the tenure of each Director and recommended those eligible for re-election to the Board for shareholders' approval at the forthcoming AGM;
- reviewed the term of office and performance of AC and each of its members;
- reviewed the Directors' training attended during the year and assessed their ongoing training needs; and
- reviewed and recommended the Directors' remuneration packages for the FYE 2025.

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 support the Group's sustainable growth through a diverse and effective Board, the Company has adopted a Directors' Fit and Proper Policy. This policy outlines formal criteria for the appointment and re-appointment of Directors, in compliance with Paragraph 15.01A of the MMLR, ensuring the Board possesses the appropriate mix of knowledge, skills, experience and industry expertise. The policy also guides the annual review of Board composition and Directors' tenure.

On 22 May 2025, the Board, through the NRC, conducted its annual assessment to evaluate the effectiveness of the Board, Board Committees and individual Directors in relation to their performance during the FYE 2025. Both the Board and the NRC were satisfied that the current composition of the Board and Board Committees remains well-balanced, with the appropriate expertise and business acumen to support the Group's strategic goals.

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)

Pursuant to Article 131.1 of the Company's Constitution, one-third (1/3) of the Directors must retire by rotation at every AGM and all Directors must retire at least once every three (3) years. The NRC, in accordance with its TOR, is responsible for recommending the re-election of the retiring Directors to the Board and seeking shareholders' approval at the forthcoming AGM.

The NRC and the Board (save for the retiring Directors) have reviewed the overall performance and contributions of the following Directors who retire by rotation in accordance with Article 131.1 of the Company's Constitution and being eligible, have offered themselves for re-election at the forthcoming 20th AGM:

- (a) Dato' Ong Choo Meng; and
- (b) Mr. Choo Joon Keong.

The details and profiles of the Retiring Directors, including their age, gender, tenure of service, other directorships, qualifications and working experience, are set out in the Profile of Directors section in the Company's Annual Report to facilitate informed decision making by shareholders.

To further enhance the Board's effectiveness, the Directors attended various training programmes during the FYE 2025 to continuously strengthen their skills and knowledge. The list of training attended by each Director is as follows:

Director	Training Programs/Seminars/ Conferences Attended	Date
Tan Sri Muhammad Bin Ibrahim	• Universiti Malaya: In Preparation for a Career Path; A Guide	30/05/2024
	• Mandatory Accreditation Programme Part II: Leading for Impact	24-25/06/2024
	• Anti-Bribery and Anti-Corruption in Relation to Section 17A MACC Act 2009 - Corporate Liability Provision	05/09/2024
	• International Conference on Marketing, Entrepreneurship and Economics 2024 (ICMEE 2024)	08-10/10/2024
	• MSU Global Talk Series: Challenges, Opportunities, and Impact of Financial Inclusion on Economics, Finance and Accounting	12/11/2024
	• Shah Alam Dialogue: Malaysia's Economic Transformation: Perspectives on Globalization and Geopolitical Developments in Trade, Employment, and Education	05/12/2024
	• Visiting Professional Lecture: Fair and Equitable Tax: A Desirable Tax Regime or An Illusion	23/12/2024
Dato' Ong Choo Meng	• e-Invoice	04/05/2024
	• A Basic Introduction to Directorship by Inspiration Training	05-06/06/2024
	• Mandatory Accreditation Programme Part II: Leading for Impact	26-27/08/2024

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
Choo Joon Keong	• e-Invoice	04/05/2024
	• ISO Awareness Training	10/07/2024
	• AWS CXO Coffee Club: Driving Sustainable Growth: Integrating ESG into your corporate strategy	30/07/2024
	• Trademark2U: Trademark Law and Procedure in Malaysia	31/07/2024
	• Know Your Trademark Rights: The Tort of Passing Off	28/08/2024
	• AWS AI Conclave	29/08/2024
	• AWS Cloud Day Malaysia	29/10/2024
Ronald Khoo Boo Soon	• e-Invoice	04/05/2024
Dato' Ong Chong Yi	• 5G & Intelligent World 2030	17/05/2024
	• AI: Cloud & Big Data	12/06/2024
	• IoT: Green Technology & Data Centre Facility	18/07/2024
	• IR 4.0 Acceleration	15/08/2024
	• Cybersecurity, Ethical Usage & Devices, MCMC	18-19/09/2024
	• Mandatory Accreditation Programme Part II: Leading for Impact	12-13/02/2025
Yeoh Chin Hoe	• Mandatory Accreditation Programme Part II: Leading for Impact	13-14/05/2024
	• ESG Matters @ - ACCA Decoding Greenhouse Gas Emissions ("GHG") Accounting: Scope 1, Scope 2 and Scope 3	27/05/2024
	• Board Ethics: Growing Concerns from New Technology, Stakeholder Interests & Conflict of Interest	16/10/2024
	• Audit Oversight Board Conversation With Audit Committees	19/11/2024
Sujatha Sekhar A/P Tan Sri B.C. Sekhar	• CSIA Global Governance Awards and Panel Discussion on Governance Excellence: Lessons from Industry Leaders	23/04/2024
	• Thriving in Turbulent Times	30/04/2024
	• Caffeine, Conversations, & Connections	08/05/2024
	• Navigating Corporate Governance: The Role Of Company Secretaries	18/05/2024
	• Forum on Mental Capacity Act for Malaysia	21/05/2024
	• HRDC Train the Trainer certification programme	10-11/06/2024
	• SIDC Sustainable and Responsible Investment Conference 2024	20/06/2024
	• MAICSA Regulatory Forum 2024	24/07/2024
	• MICG National Procurement Conference 2024	08/08/2024
	• Integrating the SDGs into Sustainability Reporting	20-23/08/2024
	• Mandatory Accreditation Programme Part II: Leading for Impact	22-23/10/2024
	• ICDMx SAC Advocacy Dialogue & Debate Impact in Action: From Leadership to Stewardship	14/02/2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 2: BOARD COMPOSITION (CONT'D)

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, whereby the Directors reviewed their own performance, that of the Board collectively and that of each Board Committee. The assessment criteria covered a range of factors, including fit and proper status, individual contributions, overall performance and personal calibre.

The assessment also considered the independence of each Independent Director, taking into account their relationships with the Group and any involvement in significant transactions. This process ensures that all Independent Non-Executive Directors remain free from any business or other relationships that could impair their objectivity and ability to exercise independent judgement in the best interests of the Group.

Based on the overall results for the FYE 2025, the Board, through the NRC, is satisfied that the current size and composition of the Board and its Committees are well balanced. The Board and its Committees comprise individuals with high calibre attributes and the necessary skills, qualifications, experience and credibility to provide effective oversight and strategic guidance to the Group.

PART 3: REMUNERATION

7. Remuneration Policy

Guided by its TOR, the NRC is entrusted with the authority to establish an appropriate remuneration framework that supports the Group's business strategies and long-term objectives. This includes reviewing and recommending remuneration packages for Directors and Senior Management. The Board has adopted a Remuneration Policy, which outlines the principles for determining the remuneration of Directors and Senior Management, taking into account their responsibilities, the complexity of their roles, their individual performance, as well as their skills and experience.

On 24 January 2025, the Board, through the NRC, conducted a review of the remuneration packages for the Board for the financial year ending 31 March 2026. The review aimed to ensure that the remuneration structure remains aligned with the Group's long-term goals and core values. To maintain transparency and impartiality, interested Directors abstained from deliberating and voting on matters relating to their own remuneration.

8. Directors and Key Senior Management's Remuneration

The details of the remuneration of the Directors for the FYE 2025 are disclosed as follows:

	Company		Group					
	Fees (RM'000)	Allowance (RM'000)	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits-in-kind (RM'000)	Other Emoluments (RM'000)
Tan Sri Muhammad Bin Ibrahim	240.00	11.25	240.00	11.25	-	-	-	-
Dato' Ong Choo Meng	-	-	-	-	36.00	-	-	5.73
Choo Joon Keong	-	-	-	-	585.00	96.00	-	88.85
Ronald Khoo Boo Soon	-	-	-	12.00	433.50	106.50	-	70.41
Dato' Ong Chong Yi	36.00	7.75	36.00	7.75	-	-	-	-
Yeoh Chin Hoe	36.00	10.50	36.00	10.50	-	-	-	-
Sujatha Sekhar A/P Tan Sri B.C. Sekhar	36.00	7.00	36.00	7.00	-	-	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

8. Directors and Key Senior Management's Remuneration (Cont'd)

The Board is of the opinion that disclosing the detailed remuneration of Senior Management on a named basis would not be in the Company's best interests, given the competitive business environment and the associated risks to talent retention, as well as the sensitivity and confidentiality of such information. Accordingly, after careful consideration, the Board has chosen to disclose the aggregate remuneration and benefits of Senior Management (*including Executive Directors*) for the FYE 2025 in bands of RM50,000 on an unnamed basis in the CG Report, in accordance with the MCCG.

Nevertheless, the Board ensures that Senior Management's remuneration commensurate with their experience, contributions and commitment to fulfilling their responsibilities. This approach takes into account the Company's overall performance and is designed to offer competitive remuneration packages that help attract, retain and motivate key talents.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1: AUDIT COMMITTEE

9. Effective and Independent Audit Committee

The current AC consists solely of 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

In compliance with Practice 9.1 of the MCCG, the positions of Board Chairman and AC Chairman of HexTech are held by different individuals. The AC is chaired by Mr. Yeoh Chin Hoe, 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.

Notwithstanding only one-third (1/3) of the AC members hold professional accounting qualifications, the AC is financially literate and possesses the necessary expertise and knowledge to understand the Group's business, as well as to oversee financial reporting and audit matters. The AC members also actively participate in ongoing professional development programmes to keep abreast of changes in accounting and auditing standards. Details of the training attended by AC members are provided in Section 5 of this CG Statement.

To preserve the independence of the AC, its TOR mandates a cooling-off period of at least three (3) years before any former key audit partner of the Group's external audit firm and / or its affiliate firm can be appointed as a member of the AC. To date, none of the current AC members is a former audit partner who was involved in the audit of the Group.

The AC conducts an annual performance evaluation of the External Auditors to assess their suitability, objectivity and independence. The External Auditors, Messrs. Crowe Malaysia PLT have assured the Board of their independence throughout the audit engagement, in accordance with the independence requirements of the MIA. Furthermore, they have provided confirmation of their continued registration with the Audit Oversight Board. Based on the assessment conducted on 22 May 2025, the Board, through the AC, was satisfied with the suitability and independence of the External Auditors. Accordingly, AR recommended to the Board for the re-appointment of Messrs. Crowe Malaysia PLT for shareholders' approval at the forthcoming AGM of the Company.

Details of the key activities carried out by the AC during the FYE 2025 are set out in the AC Report 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

10. Effective Risk Management and Internal Control Framework

The Board recognises the critical importance of maintaining a robust risk management and internal control system to safeguard shareholders' investments and protect the Group's assets. Risk management and internal controls are embedded into the Group's management processes as an integral component of its operations. However, while these systems cannot entirely eliminate all risks, they are designed to manage and mitigate risks in alignment with the Group's business objectives.

With the support of the AC and RMC, the Board reaffirms its overall responsibility for establishing a sound risk management framework and an effective internal control system. The Management, in turn, is responsible for the ongoing identification, evaluation, management and reporting of the principal risks that may impact the Group's strategic and business plans.

To facilitate smooth business operations and uphold strong governance, the Board has implemented various internal controls across the Group. These include a clearly defined organisational structure and reporting lines, proper Standard Operating Procedures ("SOPs"), periodic reviews of financial results prior to approval, as well as regular external and internal audit engagements.

A more detailed overview of the Group's risk management and internal control practices is provided in the Statement on Risk Management and Internal Control, which forms part of this Annual Report.

11. Internal Audit Function

The Board is committed to ensuring an independent and effective internal audit function to strengthen the Group's risk management and internal control processes. To this end, the Board has outsourced its internal audit function to Eco Asia Governance Advisory Sdn Bhd ("Internal Auditors"), an independent professional firm, to assess the adequacy and effectiveness of the Group's internal control system. The Internal Auditors report directly to the AC and present findings, along with corrective action plans, for the AC's review.

The internal audit engagement team is led by Ms. Janeeta Salim, the Head of Department of Eco Asia Governance Advisory Sdn Bhd. She is an Associate Member of the Institute of Internal Auditors Malaysia ("IIA"). During the FYE 2025, she was supported by one (1) Assistant Manager, two (2) Senior Consultants and two (2) Junior Consultants in conducting two (2) cycles of internal audit reviews. The internal audit reviews were conducted in accordance with the International Professional Practices Framework ("IPPF"). The Internal Auditors remain independent, free from conflicts of interest and any relationships that could impair their objectivity.

The Internal Auditors are granted full and unrestricted access to all relevant information and resources, allowing them to conduct their work effectively. Upon completion of each review, the Internal Auditors will submit a report to the AC outlining the audit findings, root causes analysis, potential risks, implications and recommended corrective measures. Follow-up audits are subsequently carried out to ensure that the Management implements the corrective action plans within the agreed timelines.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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 is committed to ensuring transparent, timely and effective communication with all stakeholders. Beyond delivering accurate and up-to-date information, the Board actively welcomes and values stakeholders' feedback, views and concerns as part of its ongoing commitment to continuous improvement.

To facilitate effective communication, the Company utilises the following primary channels to disseminate information promptly and reliably:

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

By leveraging these communication channels, the Company ensures stakeholders have convenient access to relevant information, while fostering transparency, engagement and constructive dialogue between the Company and its stakeholders.

PART 2: CONDUCT OF GENERAL MEETINGS

13. Effective General Meetings

The AGM serves as the primary forum for direct communication between the Board and shareholders. At this meeting, the Board reports on the Group's progress and performance, while shareholders have the opportunity to raise questions and seek clarifications on the Company's financial results, operations and strategic direction.

In accordance with Practice 13.1 of the MCGG, the Company ensures that shareholders receive the notice of AGM at least 28 days in advance, allowing them ample time to review the agenda, resolutions, financial reports and other relevant information in order to make informed decisions and arrange their attendance and participation at the AGM.

To encourage greater shareholder participation, both the 19th AGM and Extraordinary General Meeting ("EGM"), held on 28 August 2024 and 24 January 2025, respectively, were conducted virtually via the remote participation and voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") through its TIIH Online website at <https://tiih.online>. All Directors, External Auditors, Senior Management and Company Secretaries attended these meetings to address any queries from shareholders. Throughout the meetings, the Board Chairman ensured ample opportunity for shareholders to submit questions in real-time via typed texts.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

PART 2: CONDUCT OF GENERAL MEETINGS (CONT'D)

13. Effective General Meetings (Cont'd)

Tricor was also appointed as the poll administrator to conduct the voting in a secure manner that safeguarded shareholders' personal data and privacy. To maintain robust cybersecurity and good cyber hygiene practices, Tricor adopted and implemented an Information Technology Policy, an Information Security Policy, endpoint controls and data classification protocols. In addition, the TIH Online meeting platform is hosted on a secure cloud platform at a data centre certified by ISO 27001, further ensuring the integrity and security of the voting process.

To uphold transparency and fairness, an independent scrutineer was engaged to verify the poll results of the general meetings. Following the conclusion of the meetings, the minutes were published on the Company's website at <https://ir2.chartnexus.com/hextech/general-meeting.php> within 30 business days for public viewing, providing a clear record of the 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 15 July 2025.

AUDIT COMMITTEE REPORT

Pursuant to Paragraph 15.15(1) of the MMLR, the Board is pleased to present the AC Report, outlining the functions and activities of the AC in fulfilling its duties and responsibilities during the FYE 2025.

A. COMPOSITION AND MEETINGS

The primary function of the AC is to support the Board in fulfilling its fiduciary duties, particularly in overseeing the integrity of the Group's corporate accounting, financial reporting, risk management and internal control systems. The AC is governed by its TOR, which outlines its composition, objectives, responsibilities, authority and meeting proceedings. The TOR of the AC is available on the Company's website at <https://ir2.chartnexus.com/hextech/corporate-governance.php>.

During the FYE 2025, the composition of the AC and meeting attendance of each AC member are tabled as follows:

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

The AC is chaired by Mr. Yeoh Chin Hoe, 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 does not serve as the Chairman of the Board, thereby fulfilling the requirement under Practice 9.1 of the MCCG and ensuring a clear separation of roles. The AC comprises solely Independent Non-Executive Directors, and its overall composition complies with Paragraph 15.09(1) of the MMLR and Practice 9.4 of the MCCG.

In addition, none of the AC members are alternate Directors of the Company or former partners of the Group's external audit firm, Crowe Malaysia PLT.

In accordance with its TOR, the AC shall meet at least four (4) times in each financial year. During the FYE 2025, the AC convened a total of six (6) AC meetings. The Group CEO, Group Deputy CEO, Executive Director and Financial Controller were invited to attend all AC meetings to facilitate discussions by providing additional information on the Group's business operations, financial performance and audit-related matters. The representatives from External Auditors, outsourced Internal Auditors and Senior Management were also invited to attend AC meetings, as and when necessary, to provide input on matters within their respective areas of expertise. The AC maintains ongoing engagement with the External Auditors and outsourced Internal Auditors to stay informed of developments in accounting standards, auditing practices and matters affecting the Group.

The AC meetings were convened in an orderly manner and guided by a well-structured meeting agenda. The meeting agenda and materials were distributed to the AC members at least five (5) business days prior to each meeting, to ensure the AC members had sufficient time to review the relevant matters and make informed decisions. The Company Secretary attended all AC meetings to record the minutes, which were subsequently tabled for confirmation at the next AC meeting.

The AC Chairman provides the Board with updates on principal matters and key issues discussed during the AC meetings, including any recommendations made by the AC for the Board's further deliberation, discussion and approval.

AUDIT COMMITTEE REPORT

(CONTINUED)

B. SUMMARY OF ACTIVITIES OF THE AC

The activities undertaken by the AC in discharging its functions and duties during the FYE 2025 are summarised as follows:

- a) Reviewed the unaudited quarterly financial results and annual audited financial statements, and recommended them 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 28 May 2024, 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 the AGM.
- h) Reviewed and approved the internal audit review plan presented by the outsourced Internal Auditors, which outlined the proposed audit scope and coverage of the Group's activities, and recommended the proposed internal audit fee to the Board.
- i) Reviewed and deliberated on the internal audit review report presented by the outsourced Internal Auditors, 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 Auditors 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 2024.
- l) Reviewed the draft Circular 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 additional RRPT, and the draft Statement to Shareholders 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") 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)

- n) 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 COI situations that may arise within the Group in accordance with the Company’s RRPT Policies and Procedures.

During the FYE 2025, the AC ensured that all RPT were conducted on an arm’s length basis and on normal business terms, with adequate disclosure made to Bursa Securities. The AC also monitored the aggregate value of all RRPT on a quarterly basis to ensure they were in accordance with the mandate approved by shareholders.

- o) Reviewed and discussed the corporate proposal relating to the proposed disposal of the remaining unexpired period of the lease on a part of the leasehold land together with the buildings erected thereon to Pacific Trustees Berhad (*acting solely in its capacity as trustee for and on behalf of KIP Real Estate Investment Trust*), and recommended to the Board for approval.

C. SUMMARY OF INTERNAL AUDIT FUNCTIONS AND ACTIVITIES

The Board recognises the internal audit function as an integral component of the Group’s governance framework. To this end, the Group has appointed an independent professional firm, Eco Asia Governance Advisory Sdn. Bhd. as its outsourced Internal Auditors to undertake the internal audit function. The outsourced Internal Auditors assist the AC by providing objective and independent reviews on the Group’s internal controls and risk management system. They operate independently, free from any relationships or conflicts of interest that could impair their objectivity.

To maintain the highest standards of independence and integrity, the outsourced Internal Auditors report directly to the AC. The Internal Auditors have performed their audit in accordance with the IPPF for Internal Auditing published by the IIA. During the FYE 2025, the outsourced Internal Auditors conducted two (2) internal audit reviews in the following areas, in accordance with the approved internal audit review plan:

Internal Audit Review	Period of Review
Credit Control Review	Quarter 3, FYE 2025
E-Commerce Management	Quarter 4, FYE 2025

After completing the internal audit reviews, the outsourced Internal Auditors presented their audit findings, including root-cause analyses and corresponding recommendations for improvement to the AC for review and deliberation during scheduled AC meetings. A follow-up on the previous internal audit review was also conducted and reported to the AC to ensure that corrective actions were implemented by the Management within the target timeframe.

Based on the internal audit reviews performed during the FYE 2025, the AC is pleased to report that no significant weaknesses were identified that would result in material losses, contingencies or uncertainties requiring separate disclosure in this Annual Report.

The total professional fee incurred for the Group’s internal audit function for the FYE 2025 amounted to RM29,000. For more information on the Group’s internal audit function, please refer to the Statement on Risk Management and Internal Control in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant with Paragraph 15.26(b) of the MMLR , the Board is pleased to present the Statement on Risk Management and Internal Control (“Statement”), which outlines the scope and nature of the Group’s risk management and internal control system for the FYE 2025. This Statement has been prepared in compliance with Principle B of the MCCG, and is guided by the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers”.

BOARD’S RESPONSIBILITY

The Board recognises that an effective risk management and internal control system is essential in driving the Group’s long-term success. In this regard, the Board acknowledges its responsibility for maintaining a sound, effective and efficient risk management and internal control to safeguard 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.

To ensure an effective risk management and internal control system is in place, the Board has delegated the responsibility to review the Group’s risk management and internal control reports and processes to the AC and RMC. In addition, the Board has integrated an ongoing risk management process into the Group’s business operations, conducts periodic systematic reviews to evaluate the overall effectiveness of the risk management and internal control system, regulatory compliance and adaptability to changes in the business environment.

Given the inherent limitations in any risk management and internal control system, it should be noted that such risk management and internal control system is designed to manage risks within an acceptable level rather than eliminate them entirely. Therefore, the risk management and internal control system provides reasonable assurance, but not absolute assurance against material financial misstatement, fraud, loss, or unanticipated disruptions.

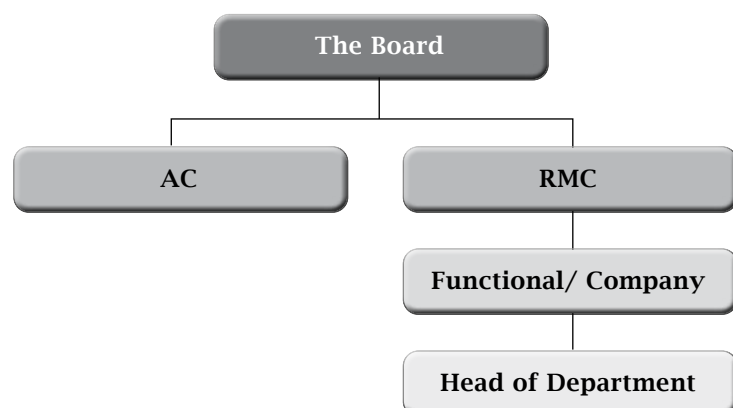
Notwithstanding that, the Board is of the view that the Group’s risk management and internal control system in place for the period under review and up to the approval of this Annual Report operates adequately and effectively, in all material aspects, and it is subject to regular reviews.

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Group maintains a risk management and internal control system aimed at proactively identifying and mitigating risks to safeguard the Group’s assets, optimise operational effectiveness and maintain stakeholders’ confidence. The key elements of the Group’s risk management system are as follows: -

1. RISK MANAGEMENT SYSTEM

While the Board holds the ultimate responsibility for the Group’s risk management, it is supported by the AC and RMC, to which the Board has delegated the responsibility of overseeing the effectiveness of the Group’s risk management and internal control.



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 2025 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	2/2

The Group has adopted a decentralised approach to risk management by delegating responsibility to various HODs. Each HOD is responsible for identifying, evaluating and managing significant risks within their respective areas of supervision and control. They are also responsible for assessing the existing and any emerging risks within their respective department and to determine the most appropriate mitigation controls. They shall report the findings to the RMC, thereby update the Group's Risk Register accordingly. This decentralised approach ensures that risk management framework is embedded into the Group's daily operations, with each department taking ownership of its respective risk responsibilities.

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



The Risk Management Policy serves as an official record of the Group's intentions, objectives and commitments in addressing risk. Given the evolving of business environment, the Board recognises the importance of striking the right balance between risks and opportunities, thereby safeguarding shareholders' investments and interests while pursuing satisfactory returns.

To enhance our strategic business planning, the Group engages both internal and external stakeholders to understand their needs and expectations. Through this engagement, relevant risks are identified and documented into the Group's Risk Register and Management Plan, including detailed information on their likelihood and impact of the identified risks.

To address the identified risks, our risk management framework outlines four (4) approaches, including avoid, reduce, share or accept the risk. Depending on the nature, likelihood and impact of the risk, 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 regularly monitored and reviewed to maintain the effectiveness of the 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 robust 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 is vital in supporting the effective functioning of the Group's business. In this context, the Group places significant emphasis on internal control system to support the Group's overall operational efficiency and uphold sound corporate governance across all business functions.

At HexTech, the Management is entrusted with the responsibility to ensure the implementation of internal control within the Group and to monitor continuously. Any material deficiencies in internal control that may affect the Group's strategic or business plans shall be reported 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. ("Eco Asia"), 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 internal audit function is led by Ms. Janeeta Salim, the Head of Department of Eco Asia. She is an Associate Member of the Institute of Internal Auditors ("IIA") and has vast experience and exposure in the internal audit field. During FYE 2025, Ms. Janeeta was assisted by one (1) Assistant Manager, two (2) Senior Consultants and two (2) Junior Consultants. 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 engagement was conducted based on the approved internal audit plan and was performed in compliance with the globally recognised framework, International Professional Practice Framework ("IPPF").

In FYE 2025, the activities carried out by the Internal Auditors are summarised as follows: -

- (i) prepared the risk based internal audit plan for the review and approval of the AC;
- (ii) 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
Credit Control Review	Quarter 3, FYE 2025
E-Commerce Management Review	Quarter 4, FYE 2025

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

INTERNAL AUDIT FUNCTION (CONT'D)

- (iii) presented audit findings, along with root-cause analysis, Management's response and proposed action plans to the AC; and
- (iv) performed follow-up review on previous internal audit findings to ensure that the recommended actions were implemented accordingly within the stipulated timeframe.

Based on the internal audit review conducted during FYE 2025, 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 2025 amounted to RM29,000.

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 this Annual Report 2025. 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 Auditors' 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, on behalf of Management, have provided the Board with reasonable assurance that the Group's risk management and internal control system is adequately designed and effectively implemented, in all material aspects, to safeguard stakeholders' interests, protect shareholders' investments and preserve the Group's assets during FYE 2025 and up to the approval of this Annual Report. This assurance is based on the risk management and internal control adopted by the Group and similar assurance received from the respective HODs.

CONCLUSION

The Board remains committed to enhancing and upholding a sound risk management and internal control framework across the Group, ensuring alignment with business growth and the evolving business environment. Moving forward, the Board will continue to 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.

For the FYE 2025, no significant internal control deficiencies or material weaknesses resulting in material losses, contingencies or uncertainties were identified that would require separate disclosure in this Annual Report. The Board is of the opinion that the Group's risk management and internal control system is satisfactory and sufficient to safeguard the shareholders' investments, stakeholders' interest and the Group's assets.

The Statement was approved by the Board on 15 July 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act 2016 ("CA 2016") to prepare the financial statements for each financial year and to ensure that the financial statements are prepared in accordance with the applicable Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The Directors are responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year, as well as the financial performance and cash flows for the financial year then ended.

In preparing the financial statements for the FYE 2025, the Directors have: -

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

The Directors are also responsible to ensure that the Group and the Company keep proper accounting records and other records that disclose the financial position of the Group and of the Company with reasonable accuracy at all times in compliance with the requirements of the CA 2016.

In addition, the Directors have overall responsibility for taking reasonable steps to safeguard the assets of the Group and of the Company to minimise fraud and other irregularities.

This statement was approved by the Board on 15 July 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

Disposal of Subsidiaries

The Company had on 7 May 2021 entered into two (2) conditional sales and purchase agreements for the disposal of the entire interests in two (2) subsidiaries, Guper Resources Sdn Bhd and Ultra Trinity Sdn Bhd for a cash consideration of RM16,946,000 and RM5,506,000 respectively. The disposals were completed on 30 November 2021 and the proceeds were fully utilised as at 31 March 2025, as follows: -

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

* 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 entire equity interests in Guper Resources Sdn Bhd and Ultra Trinity Sdn Bhd to Dolphin Assets Sdn Bhd.

Disposal of Leasehold Land

Sin Hiap Hoe Trading & Transport Sdn Bhd, a wholly owned subsidiary of the Company, had on 12 March 2024 entered into a SPA with Dataran Ehsan Sdn Bhd for the disposal of a piece of 99 years leasehold land expiring on 24 February 2097, held under HS(D) 119778, PT 121658, Mukim Klang, Daerah Klang, Negeri Selangor for a cash consideration of RM8,781,284. The disposal was completed on 31 July 2024 and the gross proceeds of RM8,781,284 had been fully utilised in the following manner as at 31 March 2025: -

Purpose	Intended Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimated Timeframe for Utilisation
Business expansion for technology segment:				
Development costs of application	4,000	4,000	-	Within 6 months
Marketing and promotion costs	4,000	4,000	-	Within 6 months
Staff costs	631	631	-	Within 6 months
Estimated expenses	150	150	-	Within 1 month
Total	8,781	8,781	-	

ADDITIONAL COMPLIANCE INFORMATION

(CONTINUED)

2. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's External Auditors by the Group and the Company for FYE 2025 are as follows: -

	Company RM	Group RM
Audit Fee	60,000	249,000
Non-Audit Fee		
- Statement on Risk Management and Internal Control	5,000	5,000
Total	65,000	254,000

3. DEVIATION IN RESULTS

The variance in the results between the audited financial statements for the FYE 2025 and the previously announced unaudited results for the same period was less than 10%.

4. PROFIT GUARANTEE

In FYE 2025, the Company did not provide any profit guarantee in any public document.

5. MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts entered into by the Company and its subsidiaries, involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year: -

Channel Legion Sdn Bhd, a wholly owned subsidiary of the Company, had on 29 August 2024 entered into SPA with Pacific Trustees Berhad, acting solely in its capacity as the trustee for and on behalf of KIP Real Estate Investment Trust ("KIP REIT") for the disposal of the remaining unexpired period of the lease on a part of the leasehold land, together with a single-storey detached factory with a single-storey office annexed and a single-storey detached factory with an integral single-storey office, a refuse chamber and a guard house. The property is held under Title PN 7324, Lot 67894, Mukim Klang, Daerah Klang, Negeri Selangor, and bears the postal address of Part of Plot P823 and Plot P825, Jalan FZ1-P8, Port Klang Free Zone/KS12, 42920 Pulau Indah, Selangor Darul Ehsan. The total cash consideration for the disposal is RM23,700,000.

Dato' Ong Choo Meng, being the Group Chief Executive Officer, Executive Director and major shareholder of HexTech, is also a major unitholder of KIP REIT by virtue of his interest and directorship in Hexstar Rubber Sdn Bhd.

This proposed disposal had obtained the approval from the shareholders at an extraordinary general meeting held on 24 January 2025 and is now pending the fulfilment of the remaining conditions precedent outlined in the SPA for the transfer of the lease.

6. MATERIAL CONTRACTS RELATING TO LOANS

During FYE 2025, there was no material contract relating to loans entered into by the Company and / or its subsidiaries involving Directors' and major shareholders' interests.

ADDITIONAL COMPLIANCE INFORMATION

(CONTINUED)

7. RECURRENT RELATED PARTY TRANSACTIONS (“RRPT”) OF REVENUE OR TRADING NATURE

The following are the details of RRPT entered into between the Company and its subsidiaries with their related parties during FYE 2025 pursuant to the Shareholders’ Mandate obtained by the Company at the last AGM held on 28 August 2024: -

No.	Transacting Parties	Interested Parties	Nature of Relationship	Nature of Transaction with HexTech Group	Aggregate Value (RM’000)
1.	Hextar Capital Berhad (“HCB”) and its subsidiaries (“HCB Group”)	Dato’ Ong Choo Meng (“OCM”)	OCM is a major shareholder of HCB	Provision of logistic services	68
				Sales of building materials	2,658
2.	Hextar Healthcare Berhad (“HHB”) and its subsidiaries (“HHB Group”)	OCM	OCM is a major shareholder of HHB via his substantial shareholding and directorship in Hextar Rubber Sdn Bhd	Provision of logistic services	30
3.	Hextar Industries Berhad (“HIB”) and its subsidiaries (“HIB Group”)	OCM	OCM is a major shareholder of HIB via his substantial shareholding and directorship in Hextar Holdings Sdn Bhd	Provision of logistic services	1,205
4.	Hextar Global Berhad (“HGB”) and its subsidiaries (“HGB Group”)	OCM	OCM is a major shareholder of HGB via his substantial shareholding and directorship in Hextar Holdings Sdn Bhd	Provision of logistic services	454
				Provision of professional services including IT related, sales consultation, management, etc	991
5.	BTS Buildtrade Supply Sdn Bhd (“BTSB”)	Leow Fook Wee (“LFW”)	LFW is a director and person connected to the major shareholder of BTSB. He is also a director of CIBC Technology Sdn Bhd, a subsidiary of HexTech	Rental office from BTSB	36



FINANCIAL STATEMENTS

74	Directors' Report
79	Statement by Directors
79	Statutory Declaration
80	Independent Auditors' Report
86	Statements of Financial Position
88	Statements of Profit or Loss and Other Comprehensive Income
89	Statements of Changes in Equity
90	Statements of Cash Flows
92	Notes to the Financial Statements

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 2025.

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	(22,568,328)	(19,215,563)
Attributable to:-		
Owners of the Company	(22,027,890)	(19,215,563)
Non-controlling interests	(540,438)	-
	(22,568,328)	(19,215,563)

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) there were no changes in the issued and paid-up share capital of the Company; and
- (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 all known bad debts had been written off 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 further 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.

DIRECTORS' REPORT

(CONTINUED)

ITEMS OF AN UNUSUAL NATURE (CONT'D)

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

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
 Choo Joon Keong
 Dato' Ong Chong Yi
 Sujatha Sekhar A/P Tan Sri B.C. Sekhar
 Tan Sri Muhammad Bin Ibrahim
 Yeoh Chin Hoe

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:-

Tan Eng Kiong
 Ong Soon Lim
 Leow Fook Wee (Resigned on 15 April 2025)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors 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 1.4.2024	Bought	Sold	At 31.3.2025
The Company				
<i>Direct interests</i>				
Dato' Ong Choo Meng	186,688,000	23,000,900	(105,112,000)	104,576,900
<i>Indirect interests</i>				
Dato' Ong Choo Meng*	1,118,660,000	-	(1,300,000)	1,117,360,000

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

By virtue of his 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 26 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:-

	From the Company RM	From the Subsidiaries RM	Total RM
Fees	348,000	-	348,000
Salaries, bonuses and other benefits	36,500	1,282,787	1,319,287
Defined contribution benefits	-	151,200	151,200
	384,500	1,433,987	1,818,487

INDEMNITY AND INSURANCE COST

During the financial year, the amount of insurance effected for the directors and officers of the Company and its subsidiaries was RM10,000,000. No indemnity was given to or insurance effected for the auditors of the Company.

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 31 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 32 to the financial statements.

DIRECTORS' REPORT

(CONTINUED)

HOLDING COMPANY

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

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	249,000	60,000
Non-audit fees	5,000	5,000
	254,000	65,000

Signed in accordance with a resolution of the directors dated 15 July 2025.

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 86 to 142 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2025 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 15 July 2025.

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 86 to 142 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 15 July 2025

Tan Eng Kiong

Before me

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 2025 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 86 to 142.

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 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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)

Performance of Technology Segment Refer to Note 10 and Note 27 to the financial statements	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>As of the reporting date, the Group recognised development expenditures amounted to RM17.77 million (disclosed in Note 10 to the financial statements), relating to the Technology Segment as set out in Note 27 to the financial statements.</p> <p>On the other hand, the segment recorded minimal revenue of RM0.03 million and a loss after taxation of RM25.14 million during the financial year. The loss was primarily attributable to marketing expenses totalling RM12.98 million, which comprised promotional campaigns, brand awareness initiatives, and user acquisition activities in support of the Group's launched applications. These significant losses and minimal revenue raise concerns regarding the recoverability of the development expenditures.</p> <p>In addition, the segment's modest performance to date indicates potential challenges in generating sufficient cash flows to meet its working capital requirements. The long-term sustainability of its revenue streams will be a key factor in determining the viability of the segment and its ongoing operations.</p> <p>We focused on this area due to the significant judgments involved in estimating the recoverable amounts, which required the involvement of an independent professional valuer ("valuer"). Furthermore, the Group's capacity to continue investing in this segment without compromising the performance of other business segments remains an important consideration.</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 the 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 the valuer to verify the assumptions and valuation techniques used in deriving the fair value of the development expenditures; 4. Reviewed the adequacy of disclosures in the financial statements; and 5. Enquired with management regarding their plans to meet the working capital requirements of the Technology Segment and considered the reasonableness of those plans.

INDEPENDENT AUDITORS' REPORT

(CONTINUED)

Key Audit Matters (Cont'd)

Impairment assessment of trade receivables Refer to Note 12 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 RM73.51 million is stated net of allowance for impairment losses of RM6.80 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 debts 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.

Revenue recognition Refer to Note 20 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 RM137.63 million represent 76% of the Group's revenue for the financial year ended 31 March 2025.</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>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 on sampling basis so as to ascertain the proof of the service rendering and sale of goods; 5. Reviewed contracts with customer on sampling basis and the satisfaction of performance obligation as specified in the contracts; and 6. Tested on sampling 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)

Key Audit Matters (Cont'd)

Revenue recognition (Cont'd) Refer to Note 20 to the financial statements	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><u>Rendering of Services</u></p> <p>Revenue from rendering of services amounting to RM43.39 million represent 24% of the Group's revenue for the financial year ended 31 March 2025.</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 recorded 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>	

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, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT

(CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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.

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

Lou Hoe Yin
03120/04/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	68,000,657	68,000,557
Property, plant and equipment	7	16,712,174	30,013,430	-	-
Right-of-use assets	8	3,761,523	19,546,125	-	-
Other investments	9	-	2,570,800	-	2,570,800
Intangible assets	10	17,767,304	7,132,345	-	-
Deferred tax assets	11	399,130	-	-	-
		38,640,131	59,262,700	68,000,657	70,571,357
CURRENT ASSETS					
Trade and other receivables	12	78,614,609	68,254,891	66,445,272	67,999,932
Current tax assets		1,092,151	1,374,531	94,599	165,358
Cash and cash equivalents	13	5,687,090	20,618,989	373,170	5,687,702
		85,393,850	90,248,411	66,913,041	73,852,992
Assets classified as held for sale	14	25,813,152	7,950,155	-	-
		111,207,002	98,198,566	66,913,041	73,852,992
TOTAL ASSETS		149,847,133	157,461,266	134,913,698	144,424,349
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	72,397,926	72,397,926	72,397,926	72,397,926
Retained earnings		14,377,004	36,404,894	48,108,659	67,324,222
Equity attributable to owners of the Company		86,774,930	108,802,820	120,506,585	139,722,148
Non-controlling interests		(3,006,773)	(2,466,335)	-	-
TOTAL EQUITY		83,768,157	106,336,485	120,506,585	139,722,148
NON-CURRENT LIABILITIES					
Lease liabilities	16	-	15,842,149	-	-
Hire purchase payables	17	958,127	1,318,377	-	-
Deferred tax liabilities	11	-	761,918	-	-
		958,127	17,922,444	-	-

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

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CURRENT LIABILITIES					
Trade and other payables	18	28,224,029	15,718,076	4,289,838	142,344
Contract liabilities		-	23,232	-	-
Lease liabilities	16	19,377	1,138,718	-	-
Hire purchase payables	17	360,250	335,209	-	-
Borrowings	19	21,508,227	15,987,102	10,117,275	4,559,857
		50,111,883	33,202,337	14,407,113	4,702,201
Liability associated to assets held for sale	14	15,008,966	-	-	-
		65,120,849	33,202,337	14,407,113	4,702,201
TOTAL LIABILITIES		66,078,976	51,124,781	14,407,113	4,702,201
TOTAL EQUITY AND LIABILITIES		149,847,133	157,461,266	134,913,698	144,424,349

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 2025

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
REVENUE	20	181,093,849	189,007,953	4,833,200	-
COST OF SALES	21	(171,278,551)	(182,335,137)	-	-
GROSS PROFIT		9,815,298	6,672,816	4,833,200	-
OTHER INCOME		2,750,289	3,327,275	2,503,322	2,891,535
SELLING AND MARKETING EXPENSES		(15,257,852)	(6,877,761)	-	-
ADMINISTRATIVE EXPENSES		(15,695,934)	(11,695,754)	(1,105,885)	(1,691,419)
OTHER EXPENSES		(1,492,969)	(5,034,271)	(24,494,113)	(13,796,127)
FINANCE COSTS		(1,907,116)	(1,414,174)	(430,314)	(128,162)
LOSS BEFORE TAXATION	22	(21,788,284)	(15,021,869)	(18,693,790)	(12,724,173)
INCOME TAX EXPENSE	23	(780,044)	(1,593,554)	(521,773)	(488,222)
LOSS AFTER TAXATION		(22,568,328)	(16,615,423)	(19,215,563)	(13,212,395)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR		(22,568,328)	(16,615,423)	(19,215,563)	(13,212,395)
LOSS AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(22,027,890)	(14,844,037)	(19,215,563)	(13,212,395)
Non-controlling interests		(540,438)	(1,771,386)	-	-
		(22,568,328)	(16,615,423)	(19,215,563)	(13,212,395)
TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:-					
Owners of the Company		(22,027,890)	(14,844,037)	(19,215,563)	(13,212,395)
Non-controlling interests		(540,438)	(1,771,386)	-	-
		(22,568,328)	(16,615,423)	(19,215,563)	(13,212,395)
LOSS PER SHARE (SEN)					
Basic	24	(1.1)	(0.7)		
Diluted	24	(1.1)	(0.7)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Share Capital RM	Share Option Reserve RM	Retained Earnings RM	Attributable to Owners of the Company RM	Non- controlling Interests RM	Total Equity RM
The Group						
Balance at 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/ 1.4.2024	72,397,926	-	36,404,894	108,802,820	(2,466,335)	106,336,485
Loss after taxation/Total comprehensive expenses for the financial year	-	-	(22,027,890)	(22,027,890)	(540,438)	(22,568,328)
Balance at 31.3.2025	72,397,926	-	14,377,004	86,774,930	(3,006,773)	83,768,157

	Share Capital RM	Share Option Reserve RM	Retained Earnings RM	Total Equity RM
The Company				
Balance at 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 31.3.2024/1.4.2024	72,397,926	-	67,324,222	139,722,148
Loss after taxation/Total comprehensive expenses for the financial year	-	-	(19,215,563)	(19,215,563)
Balance at 31.3.2025	72,397,926	-	48,108,659	120,506,585

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

		The Group		The Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FOR OPERATING ACTIVITIES					
Loss before taxation		(21,788,284)	(15,021,869)	(18,693,790)	(12,724,173)
Adjustments for:-					
Amortisation of intangible assets	10	2,481,250	476,558	-	-
Bad debts		7,200	-	-	-
Depreciation of property, plant and equipment	7	1,692,290	2,764,198	-	-
Depreciation of right-of-use assets	8	913,218	1,541,927	-	-
Dividend income from unquoted shares	20	(73,200)	-	(73,200)	-
Dividend income from a subsidiary	20	-	-	(4,760,000)	-
Gain on disposal of assets held for sale	22	(560,816)	-	-	-
Gain on disposal of property, plant and equipment	22	(231,078)	(28,500)	-	-
Gain on lease termination	22	(79,132)	-	-	-
Impairment losses on:					
- property, plant and equipment	7	-	842,480	-	-
- trade receivables	12(d)	1,349,903	1,496,274	-	-
- amount owing by related parties	12(e)	18,524	2,646,357	-	-
- amount owing by subsidiaries	12(f)	-	-	24,435,744	8,779,991
- investment in subsidiaries		-	-	-	5,016,136
Interest expense		1,907,116	1,407,646	430,314	128,162
Interest income		(76,950)	(606,078)	(2,503,311)	(2,890,818)
Loss on disposal of unquoted investment		51,416	-	51,416	-
Net loss on disposal of subsidiaries		-	-	98	-
Net unrealised loss/(gain) on foreign exchange		23,184	(20,832)	-	-
Property, plant and equipment written off	7	72,078	49,160	-	-
Reversal of impairment losses on:-					
- trade receivables	12(d)	(748,770)	-	-	-
- amount owing by related parties	12(e)	(13,104)	-	-	-
Operating loss before working capital changes		(15,055,155)	(4,452,679)	(1,112,729)	(1,690,702)
(Increase)/Decrease in trade and other receivables		(10,973,017)	(2,262,398)	11,303	(17,622)
Increase in trade and other payables		12,506,350	5,418,076	4,120,826	11,835
Decrease in contract liabilities		(23,232)	-	-	-
CASH (FOR)/FROM OPERATIONS		(13,545,054)	(1,297,001)	3,019,400	(1,696,489)
Tax paid		(1,683,579)	(2,180,158)	(461,774)	(389,650)
Tax refunded		24,867	161,777	10,760	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(15,203,766)	(3,315,382)	2,568,386	(2,086,139)

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

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of intangible assets	10	(13,116,209)	(6,668,250)	-	-
Additional investment in an existing subsidiary		-	-	-	(4,999,999)
Advances to subsidiaries		-	-	(22,892,387)	(45,306,662)
Dividend received		73,200	-	4,833,200	-
Interest received		76,950	428,228	2,503,311	2,890,818
Investment in newly incorporated subsidiaries		-	-	(200)	-
Proceeds from disposal of assets held for sale		8,510,971	-	-	-
Proceeds from disposal of property, plant and equipment		234,850	28,500	-	-
Proceeds from capital reduction in an existing subsidiary		-	-	-	250,000
Proceeds from disposal of subsidiaries		-	-	2	-
Proceeds from disposal of unquoted shares		2,519,384	-	2,519,384	-
Purchase of property, plant and equipment	13(c)	(337,572)	(951,709)	-	-
Repayment from subsidiaries		-	-	-	42,821,173
NET CASH FOR INVESTING ACTIVITIES		(2,038,426)	(7,163,231)	(13,036,690)	(4,344,670)
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of bills payable	13(d)	65,162,958	37,020,344	23,300,000	12,000,000
Interest paid	13(d)	(1,900,762)	(1,235,888)	(346,228)	(68,305)
Repayment of bills payable	13(d)	(59,648,187)	(25,052,000)	(17,800,000)	(7,500,000)
Repayment of lease liabilities	16	(944,472)	(1,039,622)	-	-
Repayment of hire purchase payables	17	(335,209)	(161,046)	-	-
NET CASH FROM FINANCING ACTIVITIES		2,334,328	9,531,788	5,153,772	4,431,695
NET DECREASE IN CASH AND CASH EQUIVALENTS		(14,907,864)	(946,825)	(5,314,532)	(1,999,114)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(24,035)	20,225	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		20,588,989	21,515,589	5,687,702	7,686,816
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	13	5,657,090	20,588,989	373,170	5,687,702

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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 7, Mercu 3, No 3, Jalan Bangsar, KL Eco 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 15 July 2025.

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"), IFRS Accounting 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)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

4. BASIS OF PREPARATION (CONT'D)

- 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
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	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 except as follows:

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

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 on 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 2025 (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 on 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, Right-of-use Assets and Intangible Assets

The Group determines whether an item of its property, plant and equipment, right-of-use assets and intangible 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 are 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, right-of-use assets and intangible assets as at the reporting date are disclosed in Notes 7, 8 and 10 to the financial statements respectively.

(d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. 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. The carrying amount of trade receivables as at the reporting date is disclosed Note 12 to the financial statements.

(e) 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 and the Company to assess whether there is a significant increase in credit risk of the non-trade financial assets at the reporting date. The Group and the Company use 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 12 to the financial statements.

(f) Income Tax

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on their 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

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.

(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.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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.

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	20% - 33%
Motor vehicles	20%
Office equipment	20%
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 recognises 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.6 INTANGIBLE ASSETS

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

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
MoneyX Biz	5 years

Capital work-in-progress is not amortised until such time when the asset is available for use.

6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025 RM	2024 RM
Unquoted shares, at cost	32,424,762	37,424,662
Redeemable convertible preference shares	46,850,000	46,850,000
	79,274,762	84,274,662
Accumulated impairment losses	(11,274,105)	(16,274,105)
	68,000,657	68,000,557

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
		2025	2024	
Subsidiaries of the Company				
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
Hextar Supplies Sdn. Bhd. (formerly known as 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 2025 (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
		2025	2024	
Subsidiaries of the Company (Cont'd)				
Pengangkutan Sekata Sdn. Bhd.	Malaysia	100%	100%	Lorry transport operator
CIBC Technology Sdn. Bhd.	Malaysia	65%	65%	Trading via operating E-commerce
Sin Hiap Hoe Trading & Transport Sdn. Bhd.	Malaysia	100%	100%	Lorry transport operator
Hextech Vision Sdn. Bhd.	Malaysia	-	100%	Provision of technology related services
Hextech Management Sdn. Bhd.	Malaysia	100%	100%	Provision of management and marketing services, computer consultancy and insurance agents
Hextar Marketing Sdn. Bhd.	Malaysia	100%	100%	Trading of building materials and other general items
Hextech AI Innovations Sdn. Bhd.	Malaysia	100%	-	Investment holding
Subsidiary of Pengangkutan Sekata Sdn. Bhd.				
Dian Pahlawan Sdn. Bhd.	Malaysia	100%	100%	Lorry transport operator
Subsidiaries of Hextech AI Innovations Sdn. Bhd.				
Hextech Vision Sdn. Bhd.	Malaysia	100%	-	Provision of technology related services
Hextech Business Sdn. Bhd.	Malaysia	100%	-	Provision of technology related services

- (a) On 21 June 2024, the Company incorporated Hextech Business Sdn. Bhd. consisting of 100 ordinary shares for a total consideration of RM100.
- (b) On 25 September 2024, the Company incorporated Hextech AI Innovations Sdn. Bhd. consisting of 100 ordinary shares for a total consideration of RM100.
- (c) On 19 November 2024, the Company disposed the entire shareholdings in Hextech Vision Sdn. Bhd. and Hextech Business Sdn. Bhd. to Hextech AI Innovations Sdn. Bhd..

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2025	2024	2025	2024
	%	%	RM	RM
CIBC Technology Sdn. Bhd. ("CTSB")	35	35	(3,006,773)	(2,466,335)

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

	CTSB	
	2025	2024
	RM	RM
<u>At 31 March</u>		
Non-current assets	76,830	196,116
Current assets	20,766,269	20,877,021
Current liabilities	(29,424,954)	(28,110,884)
Net liabilities	(8,581,855)	(7,037,747)
<u>Financial year ended 31 March</u>		
Revenue	55,665,629	54,957,553
Loss for the financial year/Total comprehensive expenses	(1,544,108)	(5,061,102)
Total comprehensive expenses attributable to non-controlling interests	(540,438)	(1,771,386)
Net cash from/(for) operating activities	2,093,898	(456,953)
Net cash (for)/from investing activities	(7,421)	1,989
Net cash (for)/from financing activities	(4,825,625)	890,472

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.4.2024 RM	Additions (Note 13) RM	Transfer to Assets Held for Sale (Note 14) RM	Write Off RM	Disposal RM	Depreciation Charges RM	At 31.3.2025 RM
2025							
Carrying Amount							
Freehold land	6,014,462	-	-	-	-	-	6,014,462
Buildings	18,797,935	-	(11,822,984)	-	-	(342,383)	6,632,568
Computer and peripherals	367,840	192,326	-	-	-	(212,594)	347,572
Motor vehicles	178,120	-	-	-	-	(59,373)	118,747
Office equipment	365,484	38,345	-	-	(3,772)	(94,458)	305,599
Operating equipment	4,013,308	-	-	-	-	(926,035)	3,087,273
Renovation	149,717	101,201	(47,704)	(72,078)	-	(29,773)	101,363
Signboard	126,564	5,700	-	-	-	(27,674)	104,590
	30,013,430	337,572	(11,870,688)	(72,078)	(3,772)	(1,692,290)	16,712,174

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

The Group	At 1.4.2023 RM	Additions (Note 13) RM	Transfer to Intangible Asset (Note 10) RM	Write Off RM	Depreciation Charges RM	Impairment Losses RM	At 31.3.2024 RM
2024*							
Carrying Amount							
Freehold land	6,014,462	-	-	-	-	-	6,014,462
Buildings	19,452,624	-	-	-	(654,689)	-	18,797,935
Computer and peripherals	771,584	175,924	-	-	(579,668)	-	367,840
Motor vehicles	237,493	-	-	-	(59,373)	-	178,120
Office equipment	133,496	309,224	-	-	(77,236)	-	365,484
Operating equipment	4,494,476	1,776,000	-	(49,160)	(1,365,528)	(842,480)	4,013,308
Renovation	15,024	153,161	-	-	(18,468)	-	149,717
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

* Certain comparative figures have been restated to reflect the revised carrying amounts of property, plant and equipment to the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

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

The Group	Accumulated Cost RM	Impairment Depreciation RM	Carrying Loss RM	Amount RM
2025				
Freehold land	6,014,462	-	-	6,014,462
Buildings	8,002,241	(729,673)	(640,000)	6,632,568
Computer and peripherals	2,081,321	(1,733,749)	-	347,572
Motor vehicles	670,487	(551,740)	-	118,747
Office equipment	763,759	(458,160)	-	305,599
Operating equipment	22,152,339	(18,222,586)	(842,480)	3,087,273
Renovation	119,829	(18,466)	-	101,363
Signboard	141,500	(36,910)	-	104,590
	39,945,938	(21,751,284)	(1,482,480)	16,712,174
2024				
Freehold land	6,014,462	-	-	6,014,462
Buildings	21,386,752	(1,948,817)	(640,000)	18,797,935
Computer and peripherals	1,888,994	(1,521,154)	-	367,840
Motor vehicles	1,284,286	(1,106,166)	-	178,120
Office equipment	735,934	(370,450)	-	365,484
Operating equipment	22,273,639	(17,417,851)	(842,480)	4,013,308
Renovation	171,789	(22,072)	-	149,717
Signboard	135,800	(9,236)	-	126,564
	53,891,656	(22,395,746)	(1,482,480)	30,013,430

8. RIGHT-OF-USE ASSETS

The Group	At 1.4.2024 RM	Termination RM	Transfer to Asset Held for Sale (Note 14) RM	Depreciation Charges RM	At 31.3.2025 RM
2025					
<i>Carrying Amount</i>					
Leasehold land under Sale and Purchase Agreements	3,849,587	-	-	(106,686)	3,742,901
Leasehold land and building under Lease Agreements	15,696,538	(928,920)	(13,942,464)	(806,532)	18,622
	19,546,125	(928,920)	(13,942,464)	(913,218)	3,761,523

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

8. RIGHT-OF-USE ASSETS (CONT'D)

The Group	At 1.4.2023 RM	Additions (Note 13) RM	Transfer to Asset Held for Sale (Note 14) 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 and building under Lease Agreements	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

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2025			
Leasehold land under Sale and Purchase Agreements	4,605,280	(862,379)	3,742,901
Leasehold land and building under Lease Agreements	213,721	(195,099)	18,622
	4,819,001	(1,057,478)	3,761,523
2024			
Leasehold land under Sale and Purchase Agreements	4,814,766	(965,179)	3,849,587
Leasehold land and building under Lease Agreements	18,930,772	(3,234,234)	15,696,538
	23,745,538	(4,199,413)	19,546,125

The leasehold land and building under Lease Agreements of the Group at the reporting period are used in operations and their lease terms are nil and 2 years (2024: 30 years and 2 years) respectively. The Lease Agreements include 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 2025 (CONTINUED)

9. OTHER INVESTMENTS

INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Non-current</u>				
Unquoted ordinary shares, at fair value	-	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 2024/1 April 2024	6,661,538	947,365	7,608,903
Additions during the financial year	-	13,116,209	13,116,209
Reclassification	14,063,574	(14,063,574)	-
At 31 March 2025	20,725,112	-	20,725,112
Accumulated amortisation:-			
At 1 April 2023	-	-	-
Amortisation during the financial year (Note 22)	(476,558)	-	(476,558)
At 31 March 2024/1 April 2024	(476,558)	-	(476,558)
Amortisation during the financial year (Note 22)	(2,481,250)	-	(2,481,250)
At 31 March 2025	(2,957,808)	-	(2,957,808)
Carrying Amount:-			
At 31 March 2024	6,184,980	947,365	7,132,345
At 31 March 2025	17,767,304	-	17,767,304

The developed software are in respect of software development of the MoneyX Application and MoneyX Biz, belong to the Technology segment. The amortisation charges are recognised in profit of loss under the "Cost of Sales" line item.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

11. DEFERRED TAX ASSETS/(LIABILITIES)

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

The Group	2025 RM	2024 RM
At 1 April	(761,918)	(1,034,724)
Recognised in profit or loss (Note 23)	1,161,048	272,806
At 31 March	399,130	(761,918)
Presented after appropriate offsetting:-		
Deferred tax assets	1,051,176	320,984
Deferred tax liabilities	(652,046)	(1,082,902)
	399,130	(761,918)

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

The Group	At 1.4.2024 RM	Recognised in Profit or Loss RM	At 31.3.2025 RM
<i>Deferred tax assets</i>			
Unused tax losses	149,267	-	149,267
Unabsorbed capital allowances	171,717	25,449	197,166
Provisions	-	704,743	704,743
	320,984	730,192	1,051,176
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(1,082,902)	430,856	(652,046)
	(761,918)	1,161,048	399,130

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

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

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

The Group	At 1.4.2023 RM	Recognised in Profit or Loss RM	At 31.3.2024 RM
<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
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(1,963,037)	880,135	(1,082,902)
	(1,034,724)	272,806	(761,918)

- (c) At the end of the reporting period, deferred tax assets of certain subsidiaries have not been recognised as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised:-

	The Group	
	2025 RM	2024* RM
Intangible assets	(11,329,485)	(3,697,291)
Property, plant and equipment	(1,272,671)	(1,798,193)
Provisions	5,613,894	5,268,671
Unutilised tax losses	36,511,405	13,844,300
Unabsorbed capital allowances	15,527,723	6,326,306
	45,050,866	19,943,793

- * Certain comparative figures have been restated to reflect the revised tax losses carry-forward and other temporary differences available to the Group.

Subject to the agreement of the Inland Revenue Board, certain subsidiaries have unabsorbed capital allowances and unutilised tax losses amounting to approximately RM15,527,000 (2024 - RM6,326,000) and RM36,511,000 (2024 - RM13,844,000) respectively which are available to offset against their future taxable profits.

Based on the current legislation, the unutilised tax losses up to the year of assessment ("YA") 2018 can be carried forward until the YA 2028 and the unutilised tax losses for YA 2019 onwards are allowed to be utilised for 10 consecutive YAs immediately following that YA; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

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

- (c) At the end of the reporting period, deferred tax assets of certain subsidiaries have not been recognised in respect of the following items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised (Cont'd):-

The unutilised tax losses will expire in the following YAs:

	The Group	
	2025 RM	2024 RM
YAs:-		
- 2029	324,280	346,447
- 2030	31,639	31,639
- 2031	-	71,989
- 2032	999,527	1,454,219
- 2033	2,468,732	2,468,732
- 2034	9,471,274	9,471,274
- 2035	23,215,953	-
	36,511,405	13,844,300

12. TRADE AND OTHER RECEIVABLES

		The Group		The Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables					
Third parties		79,010,686	58,763,643	-	-
Related parties		1,297,723	7,975,786	-	-
	12(a)	80,308,409	66,739,429	-	-
Allowance on impairment losses:-					
Third parties	12(d)	(5,949,902)	(3,547,086)	-	-
Related parties	12(e)	(850,094)	(2,646,357)	-	-
		73,508,413	60,545,986	-	-
Other receivables					
Subsidiaries	12(c)	-	-	103,212,712	80,320,325
Allowance for impairment losses	12(f)	-	-	(36,816,911)	(12,381,167)
		-	-	66,395,801	67,939,158
Other receivables		3,612,665	5,995,465	-	-
Related party	12(b)	10,800	28,500	-	-
Deposits		907,808	720,658	2,000	2,000
Prepayments		574,923	964,282	47,471	58,774
		5,106,196	7,708,905	66,445,272	67,999,932
		78,614,609	68,254,891	66,445,272	67,999,932

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 90 (2024 - 30 to 90) days.
- (b) Amount owing by a related party represents payment made on behalf, which are unsecured, interest-free and repayable on demand.
- (c) Amounts owing by subsidiaries represent advances and 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	2025 RM	2024 RM
At 1 April	(3,547,086)	(2,039,810)
Written off	-	(11,002)
Addition (Note 22)	(1,349,903)	(1,496,274)
Reversal (Note 22)	748,770	-
Reclassification from a related party	(1,801,683)	-
At 31 March	(5,949,902)	(3,547,086)

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

The Group	2025 RM	2024 RM
At 1 April	(2,646,357)	-
Addition (Note 22)	(18,524)	(2,646,357)
Reversal (Note 22)	13,104	-
Reclassification to third party	1,801,683	-
At 31 March	(850,094)	(2,646,357)

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

The Company	2025 RM	2024 RM
At 1 April	(12,381,167)	(3,601,176)
Addition (Note 22)	(24,435,744)	(8,779,991)
At 31 March	(36,816,911)	(12,381,167)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

13. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed deposit with a licensed bank	30,000	30,000	-	-
Short-term investments	45,822	3,016,172	45,822	3,016,172
Cash and bank balances	5,611,268	17,572,817	327,348	2,671,530
	5,687,090	20,618,989	373,170	5,687,702
Less: Fixed deposit pledged to a licensed bank	(30,000)	(30,000)	-	-
As per Statements of Cash Flows	5,657,090	20,588,989	373,170	5,687,702

- (a) The fixed deposit with a licensed bank of the Group at the end of the reporting period bore effective interest rate at 4.61% (2024 – 2.05%) per annum. The fixed deposit has maturity periods of 12 (2024 - 12) months.
- (b) Short-term investments are investments in cash funds which are designated as fair value through profit or loss.
- (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	
	2025 RM	2024 RM
Property, Plant and Equipment		
Cost of property, plant and equipment purchased (Note 7)	337,572	2,550,109
Less: Acquired through hire purchase arrangement (Note 17)	-	(1,598,400)
	337,572	951,709
Right-of-use Assets		
Cost of right-of-use assets acquired (Note 8)	-	44,693
Less: Additions of new lease liabilities (Note 16)	-	(44,693)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

13. CASH AND CASH EQUIVALENTS (CONT'D)

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

The Group	Hire Purchase Payables RM	Bill Payables RM	Lease Liabilities RM	Total RM
At 1 April 2024	1,653,586	15,987,102	16,980,867	34,621,555
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	-	65,162,958	-	65,162,958
Repayment of principal	(335,209)	(59,648,187)	(944,472)	(60,927,868)
Repayment of interests	(100,164)	(984,144)	(816,454)	(1,900,762)
	(435,373)	4,530,627	(1,760,926)	2,334,328
<u>Other Changes</u>				
Interest expenses recognised in profit or loss (Note 22)	100,164	990,498	816,454	1,907,116
Termination of lease (Note 16)	-	-	(1,008,052)	(1,008,052)
	100,164	990,498	(191,598)	899,064
At 31 March 2025	1,318,377	21,508,227	15,028,343	37,854,947
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 22)	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 2025 (CONTINUED)

13. CASH AND CASH EQUIVALENTS (CONT'D)

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

The Company	Bills Payables	
	2025 RM	2024 RM
At 1 April	4,559,857	-
<u>Changes in Financing Cash Flows</u>		
Proceeds from drawdown	23,300,000	12,000,000
Repayment of principal	(17,800,000)	(7,500,000)
Repayment of interests	(346,228)	(68,305)
	5,153,772	4,431,695
<u>Other Changes</u>		
Interest expenses recognised in profit or loss (Note 22)	403,646	128,162
At 31 March	10,117,275	4,559,857

14. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITY ASSOCIATED TO ASSETS HELD FOR SALE

On 29 August 2024, the Group announced the disposal of the remaining unexpired period of a leasehold land, which includes a single-storey detached factory with an annexed single-storey office, another single-storey detached factory with an integral single-storey office, a refuse chamber and a guard house for a cash consideration of RM23,700,000. The disposal is yet to be completed as at the reporting period.

The carrying amount of the asset held for sale after netting off with the liability associated to assets held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

The breakdown of assets classified as held for sale and liability associated to assets held for sale are as follows:-

The Group	2025 RM	2024 RM
<u>Assets classified as held for sale</u>		
Transfer from property, plant and equipment (Note 7)	11,870,688	-
Transfer from right-of-use assets (Note 8)	13,942,464	7,950,155
	25,813,152	7,950,155
<u>Liability associated to assets held for sale</u>		
Transfer from lease liabilities (Note 16)	15,008,966	-

The disposal of the asset classified as held for sale in the previous financial year was duly completed in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

15. SHARE CAPITAL

	The Group/The Company			
	2025	2024	2025	2024
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 April	2,058,384,000	128,649,000	72,397,926	72,397,926
Bonus Issue	-	1,929,735,000	-	-
At 31 March	2,058,384,000	2,058,384,000	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.

In the last financial year, 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.

16. LEASE LIABILITIES

	The Group	
	2025	2024
	RM	RM
At 1 April	16,980,867	17,975,796
Additions (Notes 8 and 13(d))	-	44,693
Termination (Note 13(d))	(1,008,052)	-
Interest expense recognised in profit or loss (Note 22)	816,454	879,008
Repayment of principal	(944,472)	(1,039,622)
Repayment of interest expense	(816,454)	(879,008)
	15,028,343	16,980,867
Transfer to liability associated to assets held for sale (Note 14)	(15,008,966)	-
At 31 March	19,377	16,980,867
Analysed by:-		
Current liabilities	19,377	1,138,718
Non-current liabilities	-	15,842,149
	19,377	16,980,867

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

17. HIRE PURCHASE PAYABLES

	The Group	
	2025 RM	2024 RM
At 1 April	1,653,586	216,232
Additions (Note 13(d))	-	1,598,400
Interest expense recognised in profit or loss (Note 22)	100,164	53,792
Repayment of principal	(335,209)	(161,046)
Repayment of interest expense	(100,164)	(53,792)
At 31 March	1,318,377	1,653,586
Analysed by:-		
Current liabilities	360,250	335,209
Non-current liabilities	958,127	1,318,377
	1,318,377	1,653,586

18. TRADE AND OTHER PAYABLES

		The Group		The Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables					
Third parties		21,172,407	9,571,138	-	-
Related parties		-	82,832	-	-
	18(a)	21,172,407	9,653,970	-	-
Other payables					
Other payables	18(c)	2,968,299	3,354,538	-	8,220
Related parties	18(b)	-	3,223	-	-
Subsidiaries		-	-	4,213,846	-
Accruals		4,083,323	2,706,345	75,992	134,124
		7,051,622	6,064,106	4,289,838	142,344
		28,224,029	15,718,076	4,289,838	142,344

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 14 to 90 (2024 - 14 to 90) days.
- (b) Amounts owing to related parties represent payments made on behalf which are unsecured, interest-free and repayable on demand.
- (c) Included in other payables are deposit received of RM1,897,816 (2024 - Nil) for disposal of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

19. BORROWINGS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current				
Bills payables	21,508,227	15,987,102	10,117,275	4,559,857

- (a) The effective interest rates of bills payables ranging from 4.58% to 7.07% (2024 - 4.58% to 7.07%) per annum. The bills payables are secured by corporate guarantee issued by the Company and one of its subsidiaries, Complete Logistic Specialists Sdn. Bhd..
- (b) Certain bill payables totalling RM2,847,000 (2024 - RM4,822,000) are secured by a negative pledge that imposes certain covenants on the subsidiary that have bill payables. The significant covenant of the bills payable is the subsidiary's gearing ratio shall not exceed 3.0 times.
- (c) There is no indicator that the Group would has difficulties complying with the upcoming covenant assessments.

20. REVENUE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from Contracts with Customers				
<u>Recognised over time</u>				
Rendering of services	43,359,635	37,347,094	-	-
<u>Recognised at a point in time</u>				
Rendering of services	30,288	1,348		
Sale of goods	137,630,726	151,659,511	-	-
Dividend income from unquoted shares	73,200	-	73,200	-
Dividend income from a subsidiary	-	-	4,760,000	-
	137,734,214	151,660,859	4,833,200	-
	181,093,849	189,007,953	4,833,200	-
Revenue from Other Sources				
Interest income	76,950	606,078	2,503,311	2,890,818
Rental income	4,705,761	2,439,618	-	-
	4,782,711	3,045,696	2,503,311	2,890,818

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

20. REVENUE (CONT'D)

(a) Sale of goods

Revenue from the 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 is 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.

Revenue from providing technology related services is measured based on the consideration specified in a contract with a customer for services. The Group recognises revenue at a point in time when services are rendered.

(c) Dividend income

Dividend income is recognised when the right to receive dividend payment is established.

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

Interest income

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

Rental income

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

21. COST OF SALES

	The Group	
	2025 RM	2024 RM
Purchase of goods	131,153,179	144,877,349
Services rendered	40,125,372	37,457,788
	<u>171,278,551</u>	<u>182,335,137</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

22. LOSS BEFORE TAXATION

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Loss before taxation is arrived at after (charging)/crediting:-				
Auditors' remuneration:-				
Statutory audit:-				
- current year	(248,200)	(231,800)	(60,000)	(60,000)
- under provision in prior years	(800)	-	-	-
Other audit services	(5,000)	(5,000)	(5,000)	(5,000)
Directors' remuneration:-				
Directors of the Company				
- fees	(348,000)	(342,871)	(348,000)	(342,871)
- other emoluments	(1,319,287)	(1,251,778)	(36,500)	(41,750)
- defined contribution benefits	(151,200)	(142,560)	-	-
Directors of the subsidiaries				
- salaries and other benefits	(103,074)	(230,684)	-	-
- defined contribution benefits	(12,156)	(27,300)	-	-
Material (Expenses)/Income				
Amortisation of intangible assets (Note 10)	(2,481,250)	(476,558)	-	-
Bad debts	(7,200)	-	-	-
Depreciation of:-				
- property, plant and equipment (Note 7)	(1,692,290)	(2,764,198)	-	-
- right-of-use assets (Note 8)	(913,218)	(1,541,927)	-	-
Dividend income from:-				
- unquoted shares (Note 20)	73,200	-	73,200	-
- a subsidiary (Note 20)	-	-	4,760,000	-
Gain on disposal of:-				
- assets held for sale	560,816	-	-	-
- property, plant and equipment	231,078	28,500	-	-
Gain on lease termination	79,132	-	-	-
Gain/(Loss) on foreign exchange:-				
- realised	85,253	(2,212)	-	-
- unrealised	(23,184)	20,832	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

22. LOSS BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Loss before taxation is arrived at after (charging)/crediting (Cont'd):-				
Material (Expenses)/Income (Cont'd)				
Impairment losses on:-				
- trade receivables (Note 12)	(1,349,903)	(1,496,274)	-	-
- amount owing by subsidiaries (Note 12)	-	-	(24,435,744)	(8,779,991)
- amount owing by related parties (Note 12)	(18,524)	(2,646,357)	-	-
- investment in subsidiaries	-	-	-	(5,016,136)
- property, plant and equipment (Note 7)	-	(842,480)	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:-				
- loan from a subsidiary	-	-	(26,668)	-
- bills payable (Note 13)	(990,498)	(474,846)	(403,646)	(128,162)
- hire purchase (Note 17)	(100,164)	(53,792)	-	-
Interest expense on lease liabilities (Note 16)	(816,454)	(879,008)	-	-
Interest income from:-				
- short-term investments	20,205	89,010	20,205	89,010
- subsidiaries	-	-	2,465,603	2,787,347
- others	56,745	517,068	17,503	14,461
Loss on disposals of:-				
- unquoted shares	(51,416)	-	(51,416)	-
- subsidiaries	-	-	(98)	-
Property, plant and equipment written off (Note 7)	(72,078)	(49,160)	-	-
Rental income from:-				
- offices	91,548	81,376	-	-
- factory building	4,614,213	1,334,542	-	-
Reversal of impairment losses on:-				
- trade receivables (Note 12)	748,770	-	-	-
- amount owing by subsidiaries (Note 12)	13,104	-	-	-
Short-term lease	(172,500)	(36,000)	-	-
Staff costs:-				
- wages, salaries and bonuses	(8,624,750)	(5,192,265)	-	-
- defined contribution plans	(1,276,254)	(829,644)	-	-
- other benefits	(2,641,583)	(2,512,674)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

23. INCOME TAX EXPENSE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense:-				
- current financial year	1,940,782	1,681,966	509,196	488,222
- underprovision in the previous financial year	310	184,394	12,577	-
	1,941,092	1,866,360	521,773	488,222
Deferred tax (Note 11):-				
- current financial year	(76,289)	(272,806)	-	-
- overprovision in the previous financial year	(1,084,759)	-	-	-
	(1,161,048)	(272,806)	-	-
	780,044	1,593,554	521,773	488,222

A reconciliation of income tax expense applicable to the loss 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Loss before taxation	(21,788,284)	(15,021,869)	(18,693,790)	(12,724,173)
Tax at the statutory rate of 24% (2024 - 24%)	(5,229,188)	(3,605,249)	(4,486,510)	(3,053,802)
Tax effects of:-				
Non-taxable income	(1,366,538)	(678,168)	(1,159,968)	(673,658)
Non-deductible expenses	2,434,521	1,926,773	6,155,674	4,215,682
Deferred tax assets not recognised during the financial year	6,306,262	3,765,804	-	-
Utilisation of unrecognised deferred tax assets in prior year	(280,564)	-	-	-
Under/(Over)provision in previous financial year:-				
- income tax	310	184,394	12,577	-
- deferred tax	(1,084,759)	-	-	-
	780,044	1,593,554	521,773	488,222

Income Tax Expense Recognised in Profit or Loss

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024 - 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

24. LOSS PER SHARE

(a) Basic Loss Per Share

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

	The Group	
	2025 RM	2024 RM
Loss after taxation attributable to owners of the Company	(22,027,890)	(14,844,037)
Weighted average number of ordinary shares in issue	2,058,384,000	2,058,384,000
Basic loss per ordinary share (sen)	(1.1)	(0.7)

(b) Diluted Loss Per Share

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

25. 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	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Executive Directors</u>				
Non-fee emoluments	1,282,787	1,210,028	-	-
Defined contribution benefits	151,200	142,560	-	-
<u>Executive Directors of the Subsidiaries</u>				
Non-fee emoluments	103,074	230,684	-	-
Defined contribution benefits	12,156	27,300	-	-
<u>Non-executive Directors</u>				
Fees	348,000	342,871	348,000	342,871
Other emoluments	36,500	41,750	36,500	41,750
	1,933,717	1,995,193	384,500	384,621

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

26. 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.

(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:-

	2025 RM	2024 RM
The Group		
<u>Companies in which former Directors of a subsidiary have indirect interests</u>		
Revenue from sales of goods	272,356	7,165,808
Purchase of goods payable	(14,892)	(82,832)
Rental expenses payable	(36,000)	(36,000)
<u>Companies in which a major shareholder has interests</u>		
Revenue from sales of goods	2,658,266	-
Revenue from services rendered	1,757,129	1,311,656
Information technology software consultancy	990,662	200,684
Purchase of goods payable	(41,440)	(56,400)
The Company		
Dividend income from a subsidiary	4,760,000	-
Interest expense charged by a subsidiary	(26,668)	-
Interest income charged to subsidiaries	2,465,603	2,787,347
Management fee payable to a subsidiary	(166,000)	(154,000)

(c) Key Management Personnel Compensation

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

	The Group	
	2025 RM	2024 RM
Short-term employee benefits	287,605	248,169
Defined contribution plans	34,080	29,400
	321,685	277,569

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

27. 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 and related technology services
- All others segments - Investment holding, insurance agency and others

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

27. OPERATING SEGMENTS (CONT'D)

27.1 BUSINESS SEGMENTS

2025	Logistics Segment RM	Warehousing Segment RM	Trading Segment RM	Technology Segment RM	All Others Segments RM	Elimination RM	Total RM
Revenue							
External revenue	39,112,134	3,248,532	138,628,960	30,288	73,935	-	181,093,849
Intersegment revenue	-	-	-	-	6,546,000	(6,546,000)	-
	39,112,134	3,248,532	138,628,960	30,288	6,619,935	(6,546,000)	181,093,849
Results							
Segment results	5,158,778	2,764,747	3,310,909	(8,712,225)	3,243,841	(4,759,901)	1,006,149
Amortisation	-	-	-	(2,481,250)	-	-	(2,481,250)
Depreciation	(1,385,293)	(342,474)	(136,408)	(725,622)	(15,711)	-	(2,605,508)
Selling and marketing expenses	(1,774,357)	-	(417,168)	(12,978,427)	(87,900)	-	(15,257,852)
Net impairment losses	(35,638)	-	(584,019)	-	(24,435,744)	24,435,744	(619,657)
Interest income	24,267	-	9,909	-	2,474,581	(2,431,807)	76,950
Finance costs	(179,931)	(1,127,373)	(2,942,916)	(46,740)	(1,477,966)	3,867,810	(1,907,116)
Profit/(Loss) before taxation	1,807,826	1,294,900	(759,693)	(24,944,264)	(20,298,899)	21,111,846	(21,788,284)
Tax credit/(expenses)	436,832	(541,654)	(2,873)	(198,519)	(473,830)	-	(780,044)
Profit/(Loss) after taxation	2,244,658	753,246	(762,566)	(25,142,783)	(20,772,729)	21,111,846	(22,568,328)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

27. OPERATING SEGMENTS (CONT'D)

27.1 BUSINESS SEGMENTS (CONT'D)

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	3,637,290	360,608	3,709,358	(3,524,886)	(1,750,588)	-	2,431,782
Amortisation	-	-	-	(476,558)	-	-	(476,558)
Depreciation	(1,909,222)	(1,017,881)	(542,374)	(824,288)	(12,360)	-	(4,306,125)
Selling and marketing expenses	(1,411,793)	-	(405,722)	(5,060,246)	-	-	(6,877,761)
Net impairment losses	(931,080)	-	(4,054,031)	-	(13,779,990)	13,779,990	(4,985,111)
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	(650,584)	(1,437,480)	(3,877,999)	(9,978,613)	(12,857,183)	13,779,990	(15,021,869)
Tax (expenses)/credit	(576,400)	42,372	(395,149)	(180,122)	(484,255)	-	(1,593,554)
(Loss)/Profit after taxation	(1,226,984)	(1,395,108)	(4,273,148)	(10,158,735)	(13,341,438)	13,779,990	(16,615,423)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

27. OPERATING SEGMENTS (CONT'D)

27.2 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.

27.3 MAJOR CUSTOMERS

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

	Revenue		Segment
	2025 RM	2024 RM	
Customer #1	-	31,630,391	Trading

During the financial year, there is no single customer that contributed 10% or more to the Group's revenue.

28. FINANCIAL GUARANTEE CONTRACTS

	The Company	
	2025 RM	2024 RM
Secured		
Corporate guarantee given to licensed banks for banking and credit facilities granted to certain subsidiaries (representing outstanding credit facilities of the subsidiaries at the end of the reporting period)	2,847,000	4,822,000
Corporate guarantee given to suppliers for purchase of goods by a subsidiary	6,279,276	2,312,048
	9,126,276	7,134,048
Bank guarantee given to suppliers for purchase of goods by a subsidiary	500,000	500,000
	9,626,276	7,634,048

29. CAPITAL COMMITMENTS

	The Group	
	2025 RM	2024 RM
Purchase of property, plant and equipment	2,092,200	-

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

30. 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.

30.1 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

	United States Dollar RM
The Group	
2025	
<u>Financial assets</u>	
Trade and other receivables	87,394
Cash and cash equivalents	302,304
	<hr/>
	389,698
	<hr/>
<u>Financial liability</u>	
Trade and other payables	(19,869)
	<hr/>
Net financial assets/Currency exposure	369,829
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The policies in respect of the major areas of treasury activity are as follows (cont'd):-

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM
2024	
<u>Financial assets</u>	
Trade and other receivables	7,173
Cash and cash equivalents	370,848
	378,021
<u>Financial liability</u>	
Trade and other payables	(13,602)
Net financial assets/Currency exposure	364,419

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 and the Company do 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 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The policies in respect of the major areas of treasury activity are as follows (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 based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 19 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	
	2025 RM	2024 RM
Effects on loss after taxation		
Increase of 100 basis points	163,463	121,502
Decrease of 100 basis points	(163,463)	(121,502)

	The Company	
	2025 RM	2024 RM
Effects on loss after taxation		
Increase of 100 basis points	76,891	34,655
Decrease of 100 basis points	(76,891)	(34,655)

(iii) Equity Price Risk

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The policies in respect of the major areas of treasury activity are as follows (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 (2024 - 4) customers which constituted approximately 48% (2024 - 58%) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The policies in respect of the major areas of treasury activity are as follows (cont'd):-

(b) Credit Risk (Cont'd)

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

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.

Trade Receivables

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables including related parties have been grouped based on shared credit risk characteristics and the days past due.

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 (2024 - 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The policies in respect of the major areas of treasury activity are as follows (Cont'd):-

(b) Credit Risk (Cont'd)

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

Trade Receivables (Cont'd)*Allowance for Impairment Losses*

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

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2025				
Current (not past due)	27,778,662	(38,568)	(96,715)	27,643,379
1 to 30 days past due	13,854,426	-	(93,946)	13,760,480
31 to 60 days past due	7,508,258	-	(106,602)	7,401,656
61 to 90 days past due	5,007,996	-	(171,582)	4,836,414
91 to 120 days past due	2,087,720	-	(95,805)	1,991,915
Over 120 days past due	24,071,347	(431,635)	(5,765,143)	17,874,569
	80,308,409	(470,203)	(6,329,793)	73,508,413
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

The movements in the loss allowances in respect of trade receivables are disclosed in Note 12 to the financial statements.

Trade receivables 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 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 that impacted on the allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The policies in respect of the major areas of treasury activity are as follows (Cont'd):-

(b) Credit Risk (Cont'd)

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

Other Receivables and Amount Owing By Related Parties

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

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 delays 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 an individual basis. The remaining receivables are grouped based on shared credit risk characteristics and assessed on a 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 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The policies in respect of the major areas of treasury activity are as follows (Cont'd):-

(b) Credit Risk (Cont'd)

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

Other Receivables and Amount Owing By Related Parties (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 Deposit with A Licensed Bank, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are 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 an 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 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The policies in respect of the major areas of treasury activity are as follows (Cont'd):-

(b) Credit Risk (Cont'd)

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

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

Allowance for Impairment Losses

The Company	Gross Amount RM	Lifetime loss Allowance RM	Carrying Amount RM
2025			
Low credit risk	35,054,821	-	35,054,821
Significant increase in credit risk	68,157,891	(36,816,911)	31,340,980
	103,212,712	(36,816,911)	66,395,801
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

The movements in the loss allowances are disclosed in Note 12 to the financial statements.

Financial Guarantee Contracts

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

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 by 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 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The policies in respect of the major areas of treasury activity are as follows (Cont'd):-

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practice 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
2025						
Lease liabilities	6.95	19,377	20,000	20,000	-	-
Hire purchase payables	2.04 - 3.65	1,318,377	1,473,883	435,372	1,038,511	-
Borrowings	4.58 - 7.07	21,508,227	21,508,227	21,508,227	-	-
Trade and other payables	-	28,224,029	28,224,029	28,224,029	-	-
		51,070,010	51,226,139	50,187,628	1,038,511	-
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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

The policies in respect of the major areas of treasury activity are as follows (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
2025				
Trade and other payables	-	4,289,838	4,289,838	4,289,838
Borrowings	5.80 - 7.07	10,117,275	10,117,275	10,117,275
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries *	-	-	9,126,276	9,126,276
		14,407,113	23,533,389	23,533,389
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 *	-	-	7,134,048	7,134,048
		4,702,201	11,836,249	11,836,249

* The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities and trade payables of the said subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements because their fair values on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 CAPITAL RISK MANAGEMENT

The Group and the Company manage 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 manage 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 include 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Lease liabilities	19,377	16,980,867	-	-
Hire purchase payables	1,318,377	1,653,586	-	-
Borrowings	21,508,227	15,987,102	10,117,275	4,559,857
Trade and other payables	28,224,029	15,718,076	4,289,838	142,344
	51,070,010	50,339,631	14,407,113	4,702,201
Less: Cash and cash equivalents	(5,687,090)	(20,618,989)	(373,170)	(5,687,702)
Net debts/(Net cash)	45,382,920	29,720,642	14,033,943	(985,501)
Total equity	83,768,157	106,336,485	120,506,585	139,722,148
Debt-to-equity ratio	0.54	0.28	0.12	*

* 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 complied with this covenant, and there are no instances of non-compliance during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Cash and cash equivalents	45,822	3,016,172	45,822	3,016,172
(short-term investments)				
Unquoted equity investment	-	2,570,800	-	2,570,800
	45,822	5,586,972	45,822	5,586,972
<u>Amortised Cost</u>				
Trade and other receivables	78,039,686	67,290,609	66,397,801	67,941,158
Cash and cash equivalents	5,641,268	17,602,817	327,348	2,671,530
	83,680,954	84,893,426	66,725,149	70,612,688
Financial Liabilities				
<u>Amortised Cost</u>				
Trade and other payables	28,224,029	15,718,076	4,289,838	142,344
Borrowings	21,508,227	15,987,102	10,117,275	4,559,857
Hire purchase payables	1,318,377	1,653,586	-	-
Lease liabilities	19,377	16,980,867	-	-
	51,070,010	50,339,631	14,407,113	4,702,201

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Interest income on:-				
- Short term investments	20,205	89,010	20,205	89,010
<u>Amortised Cost</u>				
Interest income	56,745	517,068	2,483,106	2,801,808
Impairment losses on trade receivables	(1,349,903)	(1,496,274)	-	-
Impairment losses on amount owing by related parties	(18,524)	(2,646,357)	-	-
Impairment losses on amount owing by subsidiaries	-	-	(24,435,744)	(8,779,991)
Reversal of impairment losses on trade receivables	748,770	-	-	-
Reversal of impairment losses on related parties	13,104	-	-	-
	(549,808)	(3,625,563)	(21,952,638)	(5,978,183)
Financial Liabilities				
<u>Amortised Cost</u>				
Interest expenses	(1,907,116)	(1,414,174)	(430,314)	(128,162)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and the Company 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	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
2025								
<u>Financial Asset</u>								
Cash and cash equivalents [#]	45,822	-	-	-	-	-	45,822	45,822
<u>Financial Liability</u>								
Borrowings	-	-	-	-	21,508,227	-	21,508,227	21,508,227
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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 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		
2025								
<u>Financial Asset</u>								
Cash and cash equivalents [#]	45,822	-	-	-	-	-	45,822	45,822
<u>Financial Liability</u>								
Borrowings	-	-	-	-	10,117,275	-	10,117,275	10,117,275
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

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 2025 (CONTINUED)

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are 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.
- (b) On 31 July 2024, Sin Hiap Hoe Trading & Transport Sdn. Bhd., a wholly owned subsidiary of the Company has completed 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 to Dataran Ehsan Sdn. Bhd.
- (c) On 29 August 2024, Channel Legion Sdn. Bhd., a wholly owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Pacific Trustees Berhad, acting solely in its capacity as the trustee for and on behalf of KIP Real Estate Investment Trust ("KIP REIT") in respect of the disposal of the remaining unexpired period of the lease on a part of the leasehold land held under document of title PN 7324, Lot 67894, Mukim Klang, Daerah Klang, Negeri Selangor measuring approximately 25,899.88 square metres (equivalent to 6.4 acres or 278,784 square feet) together with a single-storey detached factory with a single-storey office annexed and a single-storey detached factory with an integral single-storey office, a refuse chamber and a guard house bearing postal address of Part of Plot P823 and Plot P825, Jalan FZ1-P8, Port Klang Free Zone/KS12, 42920 Pulau Indah, Selangor Darul Ehsan with lettable area of 193,365 square feet expiring on 11 November 2049 for a cash consideration of RM23,700,000 only, subject to and upon all the terms and conditions as stipulated in the SPA.

Subsequently, on 25 February 2025, the Company and KIP REIT had mutually agreed to extend the conditional period of the SPA from 28 February 2025 until 28 May 2025 to fulfill the remaining conditions precedent of the SPA. Thereafter, on 27 May 2025, both parties further agreed to extend the conditional period from 28 May 2025 to 28 August 2025.

- (d) On 11 September 2024, Guper Bonded Warehouse Sdn. Bhd. (the "Vendor"), a wholly owned subsidiary of the Company, has entered into a Heads of Agreement ("HOA") with Widad Group Berhad ("WIDAD") (collectively referred to as the "Parties" and individually as a "Party"). The Parties have agreed to exclusively negotiate the disposal of five (5) adjoining parcels of vacant industrial land, measuring approximately 56,231 square metres in aggregate and the purchase price ("Purchase Price") will be determined later by the Parties. The Purchaser will settle the Purchase Price by issuing new ordinary shares ("Shares") of WIDAD to the Vendor or its nominee(s), in accordance with the terms and conditions outlined in the HOA.

On 10 March 2025, the Parties had mutually agreed to extend the negotiation period for the proposed disposal until 10 May 2025. The payment mode was revised to allow WIDAD to issue new WIDAD's shares at a mutually agreed price. Additionally, new clauses were introduced to reserve negotiation rights and outline the negotiation scope. All other terms remain unchanged.

On 17 April 2025, the Vendor has entered into a conditional Sales and Purchase Agreement with Widad Development (Nilai) Sdn. Bhd. (formerly known as Widad Rail Sdn. Bhd.) (the "Purchaser"), a wholly owned subsidiary of WIDAD, whereby the Vendor agreed to sell and the Purchaser agreed to purchase the four (4) adjoining parcels of vacant freehold industrial land for RM31,300,000 ("Disposal Consideration") and the Disposal Consideration shall be settled by the Purchaser through procuring the issuance and allotment by WIDAD to Vendor or its nominees of 993,650,794 new ordinary shares in WIDAD at an issue price of RM0.0315 per share.

- (e) On 25 September 2024, the Company has incorporated Hextech AI Innovations Sdn. Bhd. ("HASB") consisting of 100 ordinary shares for a total consideration of RM100. The principal activity of HASB is investment holding.
- (f) On 30 September 2024, the Company entered into a Share Sale Agreement ("Agreement") with TN Engineering Sdn. Bhd., in respect of the disposal of 73,200 ordinary shares in Guper Integrated Logistics Sdn. Bhd., representing 2.44% of the issued share capital of Guper Integrated Logistics Sdn. Bhd. for a sale consideration of RM2,570,799.96 only, subject to and upon all the terms and conditions as stipulated in the Agreement.

Subsequently, the disposal was completed on the 2 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2025 (CONTINUED)

32. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is as follow:-

- (a) On 16 April 2025, Pengangkutan Sekata Sdn. Bhd., a wholly owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Airique Property Sdn. Bhd. for the proposed disposal of a piece of leasehold industrial land measuring approximately 1.214 hectares (equivalent to approximately 3.00 acres or 130,674 square feet) together with a single-storey warehouse, a two-storey office, a guard house, and a garbage house situated at Pasir Gudang, Johor for a cash consideration of RM16,000,000, subject to the terms and conditions set out in the SPA.

33. COMPARATIVE FIGURES

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

	As Previously Reported RM	Reclassification RM	As Restated RM
Statements of Profit or Loss and Other Comprehensive Income (Extract):-			
The Group			
Administrative expenses	(9,209,201)	(2,486,553)	(11,695,754)
Other expenses	(7,520,824)	2,486,553	(5,034,271)
The Company			
Administrative expenses	(584,417)	(1,107,002)	(1,691,419)
Other expenses	(14,903,129)	1,107,002	(13,796,127)

LIST OF PROPERTIES

AS AT 31 MARCH 2025

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 @ 31.03.2025 (RM)
1.	Guper Bonded Warehouse Sdn. Bhd. ("GBWSB")	(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
		(i) 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

LIST OF PROPERTIES (CONTINUED)

AS AT 31 MARCH 2025

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 @ 31.03.2025 (RM)
2.	Pengangkutan Sekata Sdn. Bhd. ("PSSB")	(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	- 4	3,742,901 6,632,568
3.	Channel Legion Sdn. Bhd. ("CLSB")	(i) Part of P823 & Part of P825) ^{\$} Port Klang Free Zone/ KS12, 42920 Pulau Indah, Selangor Darul Ehsan.	Land Lease Agreement (Expiring on 11.11.2049)	Factory	25,900/ 193,400	31.03.2021	4	11,822,984

* GBWSB had on 17 April 2025 entered into a Sale and Purchase Agreement with Widad Development (Nilai) Sdn. Bhd. (formerly known as Widad Rail Sdn. Bhd.), a wholly owned subsidiary of Widad Group Berhad, for the disposal of four (4) adjoining parcels of vacant freehold industrial land for a disposal consideration of RM31.30 million. The disposal consideration shall be settled through the issuance of 993,650,794 new ordinary shares of Widad Group Berhad at an issue price of RM0.0315 per share. The disposal has yet to be completed as at 31 March 2025.

PSSB had on 16 April 2025 entered into a Sale and Purchase Agreement with Airique Property Sdn. Bhd. for the disposal of the leasehold industrial land together with the buildings erected thereon for a cash consideration of RM16.00 million. The disposal has yet to be completed as at 31 March 2025.

\$ CLSB had on 29 August 2024 entered into a Sale and Purchase Agreement with Pacific Trustees Berhad, acting solely in its capacity as the trustee for and on behalf of KIP Real Estate Investment Trust for the disposal of the remaining unexpired period of the lease together with the buildings erected thereon for a cash consideration of RM23.70 million. The disposal has yet to be completed as at 31 March 2025.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2025

ORDINARY SHARE

Issued Share Capital	:	RM72,397,926 comprising 2,058,384,000 ordinary shares
Voting Rights	:	One (1) vote per ordinary share
Number of Shareholders	:	1,007

ANALYSIS BY SIZE OF SHAREHOLDINGS

	No. of Shareholders	%	No. of Shares Held	%
1 – 99	26	2.58	884	0.00
100 – 1,000	90	8.94	45,816	0.00
1,001 – 10,000	301	29.89	1,395,500	0.07
10,001 – 100,000	304	30.19	10,494,300	0.51
100,001 and 102,919,199 (*)	284	28.20	1,262,957,500	61.36
102,919,200 and above (**)	2	0.20	783,490,000	38.06
	1,007	100.00	2,058,384,000	100.00

Notes:

- * 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	103,698,900	5.04	⁽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

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	103,698,900	5.04	⁽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 30 JUNE 2025

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of Shares	%
1	Hextar Tech Sdn Bhd	672,700,000	32.68
2	AI Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account for Hextar Tech Sdn Bhd (Acct 2)	110,790,000	5.38
3	AI Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account for Agilevest Sdn Bhd (Acc 2)	101,392,000	4.93
4	CGS International Nominees Malaysia (Tempatan) Sdn Bhd Pledged Securities Account for Hextar Tech Sdn Bhd (M3918C)	95,550,000	4.64
5	AI Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account for Exsim Holdings Sdn Bhd	88,540,800	4.30
6	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Hextar Holdings Sdn Bhd (PB)	86,000,000	4.18
7	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Ong Choo Meng (6000478)	73,400,000	3.57
8	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hextar Tech Sdn Bhd (MGN - OCM0001M)	67,320,000	3.27
9	AI Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account for Tone Development Sdn Bhd	54,657,000	2.66
10	AI Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account for JT Momentum Sdn Bhd	54,400,000	2.64
11	AI Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account for Legion Management Sdn Bhd (Acc 1)	47,357,000	2.30
12	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hextar Tech Sdn Bhd (MGN-OTC0005M)	30,000,000	1.46
13	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hextar Tech Sdn Bhd (MGN-LWY0001M)	30,000,000	1.46
14	AI Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account for Villagio Holding Sdn Bhd	29,423,400	1.43
15	AI Rajhi Banking & Investment Corporation (Malaysia) Bhd Pledged Securities Account for Hextar Tech Sdn Bhd	25,000,000	1.21
16	Anglo Asia Investments Limited	21,502,500	1.05
17	Lim Jee Gin	20,253,000	0.98
18	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2)	19,700,800	0.96
19	Mok Yau Choy	12,616,400	0.61
20	Tan Seio Beng	12,176,000	0.59
21	HSBC Nominees (Asing) Sdn Bhd Exempt an for The Hongkong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	11,804,400	0.57
22	CGS International Nominees Malaysia (Asing) Sdn Bhd CGS International Securities Singapore Pte Ltd (Prop A/C)	11,761,900	0.57
23	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Ong Choo Meng (M&A)	11,607,000	0.56
24	M & A Nominee (Asing) Sdn Bhd For Winfields Development Pte Ltd	11,390,000	0.55
25	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Tzu Chuen (7003145)	10,159,300	0.49
26	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Dato' Ong Choo Meng (Smart)	10,000,000	0.49
27	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Kook Liong (MGN-OKL0003M)	10,000,000	0.49
28	Phillip Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Tzu Chuen	9,569,000	0.47
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	0.36
Total		1,755,058,500	85.26

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth (20th) Annual General Meeting ("AGM") of Hextar Technologies Solutions Berhad ("Company") will be held on **Tuesday, 26 August 2025 at 10.30 a.m.** or at any adjournment thereof, at the Hextar Hall, Level 17, Hextar Tower, Hextar World Empire City, No. 8, Jalan PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan 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 2025 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 RM400,000 for the financial year ending 31 March 2026 (2025:RM348,000); *Ordinary Resolution 1 Please refer to Explanatory Note (2)*
 - (ii) Meeting allowance for the Non-Executive Directors for the period from 27 August 2025 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 Choo Meng *Ordinary Resolution 3*
 - (ii) Mr. Choo Joon Keong *Ordinary Resolution 4 Please refer to Explanatory Note (3)*
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 (5)(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 Ten Percent (10%) of its Total Number of Issued Shares ("Proposed Renewal of Share Buy-Back Authority")
- Ordinary Resolution 7
Please refer to Explanatory Note (5)(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 (5)
(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 2025, 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."

6. 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

Wong Mee Kiat (MAICSA 7058813) (SSM PC No. 202008001958)
Lim Li Heong (MAICSA 7054716) (SSM PC No. 202008001981)
Secretaries

Kuala Lumpur

Dated: 29 July 2025

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 RM400,000 for the financial year ending 31 March 2026 (2025: 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 27 August 2025 until the next AGM of the Company. The meeting allowance will only be paid on the actual attendance of meetings by the Directors.

3. Re-election of Directors

Ordinary Resolutions 3 & 4 – Re-election of Directors

Dato' Ong Choo Meng and Mr. Choo Joon Keong are retiring in accordance with Article 131.1 of the Company's Constitution and, being eligible, have offered themselves for re-election. Their profiles are available in the Directors' Profile section of the Annual Report 2025.

In assessing the eligibility of the Directors to stand for re-election at the 20th Annual General Meeting, the Nomination and Remuneration Committee ("NRC") has taken into consideration the following factors:

- (i) their satisfactory performance and compliance with the Company's Fit and Proper Policy, including criteria such as character, experience, integrity, competence, and commitment in discharging their duties and responsibilities; and
- (ii) in the case of Independent Directors, the extent of their independence and their ability to act in the best interests of the Company, supported by their annual declaration of independence.

The Board, having considered the recommendation of the NRC, has endorsed the re-election of Dato' Ong Choo Meng and Mr. Choo Joon Keong as Directors of the Company. The retiring Directors abstained from all deliberations and voting on matters concerning their own re-election.

4. Proxy Form

- (i) In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 August 2025 shall be eligible to attend the AGM.
- (ii) 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.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) 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 Drop-in Box located 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 AGM 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 the Proxy Form.
- (vii) Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions set out in this Notice will be put to a vote by way of a poll.

5. 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 is set out in the Statement to Shareholders of the Company dated 29 July 2025 which is dispatched together with the Company's 2025 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 2025 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 19th AGM.

Further information on the Proposed Shareholders' Mandate for RRPT is set out in the Circular to Shareholders of the Company dated 29 July 2025, which is dispatched together with the Company's 2025 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 Twentieth 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 (5)(i) of the Notice of Twentieth AGM.

This page is intentionally left blank.



PROXY FORM

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

I/We, _____
of _____
(FULL NAME IN CAPITALS)
(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 Twentieth (20th) Annual General Meeting ("AGM") of Hextar Technologies Solutions Berhad ("the Company") will be held on Tuesday, 26 August 2025 at 10.30 a.m. or at any adjournment thereof, at the Hextar Hall, Level 17, Hextar Tower, Hextar World Empire City, No. 8, Jalan PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan 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 RM400,000 for the financial year ending 31 March 2026		
Ordinary Resolution 2	To approve meeting allowance for Non-Executive Directors from 27 August 2025 until the next AGM of the Company		
Ordinary Resolution 3	Re-election of Dato' Ong Choo Meng as Director pursuant to Article 131.1 of the Constitution of the Company		
Ordinary Resolution 4	Re-election of Mr. Choo Joon Keong 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 _____ 2025

Signature: _____



Fold this flap for sealing

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 August 2025 shall be eligible to attend the AGM.*
2. *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.*
3. *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.*
4. *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.*
5. *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.*
6. *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 Drop-in Box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur. Alternatively, the Proxy Form may also be lodged electronically via the TIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holding the AGM 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 the Proxy Form.*
7. *Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions set out in this Notice will be put to a vote by way of a poll.*

Then fold here

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

1st fold here



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

No. 64, Jalan Bayu Laut 4/KS09,
Kota Bayuemas, 41200 Klang,
Selangor Darul Ehsan, Malaysia.
Tel No. : +603-3003 3333
Fax No. : +603-3003 3330

www.hextartech.com