



MYTECH GROUP BERHAD
Registration No.: 198401001418 (113939-U)

ANNUAL REPORT 2023



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Lim Kim Huat
Executive Chairman

Tan Sri Dato' Cheng Joo Teik
Executive Director

Dato' Douglas Cheng Heng Lee
Executive Director

Choo Weng Wah
Executive Director

Datuk Dr Ng Bee Ken
Non-Independent Non-Executive Director

Lim Sze Yean
Senior Independent Non-Executive Director

Chen Keng Sam
Independent Non-Executive Director

Elisa Tan Mun-E
Independent Non-Executive Director
(appointed on 1.6.2023)

NOMINATION COMMITTEE

Chen Keng Sam
Chairman of Nomination Committee
Independent Non-Executive Director

Datuk Dr Ng Bee Ken
Non-Independent Non-Executive Director

Lim Sze Yean
Senior Independent Non-Executive Director

REMUNERATION COMMITTEE

Lim Sze Yean
Chairman of Remuneration Committee
Senior Independent Non-Executive Director

Datuk Dr Ng Bee Ken
Non-Independent Non-Executive Director

Chen Keng Sam
Independent Non-Executive Director

REGISTERED OFFICE

Level 15-2 Bangunan Faber
Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No: 603-26924271
Fax No: 603-27325388

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd
[198901010682 (187984-H)]
Level 15-2 Bangunan Faber
Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No: 603-26924271
Fax No: 603-27325388

AUDITORS

Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants (AF 0737)
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

AUDIT COMMITTEE

Lim Sze Yean
Chairman of Audit Committee
Senior Independent Non-Executive Director

Datuk Dr Ng Bee Ken
Non-Independent Non-Executive Director

Chen Keng Sam
Independent Non-Executive Director

SECRETARIES

Lim Seck Wah
(MAICSA 0799845)
(SSM PC No: 202008000054)

Tang Chi Hoe (Kevin)
(MAICSA 7045754)
(SSM PC No: 202008002054)

PRINCIPAL BANKERS

CIMB Bank Berhad
Maybank Berhad
Public Bank Berhad
RHB Asset Management Sdn Bhd
AHAM Asset Management Bhd

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : MYTECH
Stock Code : 7692

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Ninth Annual General Meeting (“AGM”) of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 29 August 2023 at 12.00 noon for the following purposes:

AGENDA

1. To table the Audited Financial Statements for the financial year ended 31 March 2023 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors’ allowances and benefits up to RM70,000 from this AGM until the Fortieth AGM. **Ordinary Resolution 1**
3. To re-elect the following Directors retiring by rotation pursuant to the Company’s Constitution:
 - (i) Datuk Dr Ng Bee Ken (Article 86) **Ordinary Resolution 2**
 - (ii) Mr Chen Keng Sam (Article 86) **Ordinary Resolution 3**
 - (iii) Ms Elisa Tan Mun-E (Article 92) **Ordinary Resolution 4**
4. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolution:

5. **AUTHORITY TO ISSUE SHARES** **Ordinary Resolution 6**

“THAT pursuant to Section 75 and 76 of the Companies Act 2016 (“Act”), the Directors be and are hereby empowered to issue shares in the Company, at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued does not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT pursuant to Section 85 of the Act to be read together with the Company’s Constitution, approval be and is hereby given for the Company to waive the statutory pre-emptive rights of the shareholders and empowered the Directors of the Company to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Act without offering them to the existing shareholders to maintain their relative voting and distribution right and such new ordinary shares shall rank pari passu in all respects with the existing ordinary shares.”

NOTICE OF ANNUAL GENERAL MEETING

(Cont'd)

BY ORDER OF THE BOARD

LIM SECK WAH (MAICSA 0799845) (SSM PC No: 202008000054)
TANG CHI HOE (KEVIN) (MAICSA 7045754) (SSM PC No: 202008002054)

COMPANY SECRETARIES

31 July 2023
Kuala Lumpur

NOTES:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Thirty-Ninth AGM, the Company shall be requesting the Record of Depositors as at 22 August 2023. Only a depositor whose name appears on the Record of Depositors as at 22 August 2023 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A proxy may but need not be a member of the Company. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy in a poll.
3. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.
6. The Form of Proxy shall be deposited at the Registered Office of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.
7. Explanatory Notes:

Ordinary Resolution 6 **Authority to Issue Shares**

The proposed Ordinary Resolution 6, if passed, will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the total number of issued shares of the Company at the time of submission to the authority and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

NOTES (cont'd):

7. Explanatory Notes (cont'd):

Ordinary Resolution 6 (cont'd)
Authority to Issue Shares (cont'd)

This is the renewal of the mandate obtained from the shareholders at the last AGM (“the previous mandate”). The previous mandate was not utilised and no proceeds were raised.

The purpose of this general mandate sought will provide flexibility to the Company for any possible fund raising activities but not limited for further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

The waiver of pre-emptive rights pursuant to Section 85 of the Act will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under this general mandate.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

MyTech Group Berhad (“MyTech”) is principally engaged in investment holding, provision of management services and rental of properties. The principal activities of its subsidiaries include manufacturing of precision springs and provision of financing services.

The Group disposed of its loss-making subsidiary, Laos-Malaysia Investments Group, which operated a hotel in Laos, on 21 October 2022.

GROUP PERFORMANCE REVIEW

In 2022, the post pandemic global recovery was hindered by the US-China trade tensions and Russia-Ukraine war. These headwinds translated to aggravated inflationary pressure, supply chain disruptions to global markets, interest rate hikes, reduced consumption and slowing down of economic activity.

Amidst this volatile and challenging backdrop, the Group registered lower revenue of RM9.333 million for the financial year ended 31 March 2023 (“FY2023”), as compared to RM10.697 million in the financial year ended 31 March 2022 (“FY2022”).

Despite the lower Group revenue from the disposal of our hotel operations as well as reduced customer orders in the manufacturing segment arising from challenging operating environment, the Group achieved higher pre-tax profit of RM1.935 million, as opposed to RM1.841 million in FY2022.

During the year, MyTech, through a partnership, supplied electric cars to marketing events to create awareness of electric cars in Malaysia, resulting in a net financing incentive fee receivable of RM0.355 million and hence, cushioning the decline in business revenue.

BUSINESS OPERATIONS REVIEW

a) MANUFACTURING SEGMENT

Overview

Wire Master Spring Sdn Bhd (“WMS”) is a leading and established precision springs manufacturer located in Bukit Minyak, Penang with over 30 years of precision wire capabilities. By constantly improving the quality and new approach to work simplification for its customers, WMS has increased the range of wire spring components of various shapes and sizes. The Company is ISO 9001 and ISO 14001 certified.

Performance Review

The manufacturing division achieved revenue of RM8.227 million, as compared to RM10.011 million in FY2022. Correspondingly, pre-tax profit decreased from RM2.763 million in FY2022 to RM1.624 million in FY2023.

During the year, this division experienced reduced orders from some major customers due to lower demand of their goods, in addition to overstocking from past orders.

Despite efforts in cost control and efficiency measures, unprecedented inflation on input costs, mainly in higher raw material costs, wages and other key costs, have also impacted its margins.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

BUSINESS OPERATIONS REVIEW (cont'd)

a) MANUFACTURING SEGMENT (cont'd)

Business Strategy and Future Prospects

In the face of rising costs from inflationary pressure and depreciation of the Ringgit, WMS will continue to put a strong emphasis on operational and costs efficiencies and remain vigilant in monitoring its cash flow and financial position for continued growth and stability.

During the year, some of the projects carried out were focusing on operational excellence and cost reductions by improving utilization rate of the production lines, reducing material and energy consumption, upgrading safety and quality conditions of the production lines. We have also invested in new rest areas for staff welfare.

WMS remain committed in maintaining a robust relationship with its customers and suppliers to ensure supply chain resilience and minimize business disruptions in its unwavering focus on delivering quality products.

b) FINANCIAL SERVICES SEGMENT

GW Premium Capital Sdn Bhd ("GWP"), was incorporated in 1993. It is principally engaged in the business of financing via its moneylending activity and insurance agency.

Performance Review

During the year, GWP focused on improving its performance and profitability to the Group's growth. Although contribution from this division is insignificant in FY2023, its borrowings to customers increased from RM0.078 million in FY2022 to RM3.932 million in FY2023. Hence, an improved contribution is expected in the near term.

Business Strategy and Future Prospects

Moving forward, GWP will continue its efforts to explore and leverage on technology and digitalisation to further enhance its financial solutions offer and tap into new growth opportunities to deliver long term sustainable value to our shareholders.

LOOKING FORWARD / STRATEGIC DIRECTION

Our key focus area for the manufacturing segment will be to invest in new machineries with latest technologies to further strengthen our market share to various customers' designs and maintain quality excellence of our products. With the global economy anticipated to remain fragile and volatile in the near term as impact from a multitude of 2022 headwinds, mainly inflationary pressure, interest rate hikes and fear of global recession, continues to weigh on global growth, we will improve our competitive edge by enhancing capability in digitalization & e-commerce.

The Group is mindful of the external headwinds which may pose further challenges to the Group's operations. We will continue to focus on strengthening our operational efficiencies and effectiveness for business sustainability.

The Board will continue to cautiously explore new growth opportunities and potential investments, while simultaneously leveraging our existing capabilities and strengths to enhance shareholders value and future growth.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

OUR GRATITUDE AND APPRECIATION

To our Board members, we would like to express our heartfelt gratitude for their unwavering dedication, insights and guidance in shaping the Group's direction.

It is our pleasure to welcome our newly appointed Board member, Ms Elisa Tan Mun-E. We are confident of her invaluable contributions to the Group's continued growth and success.

To our shareholders, staff, customers, suppliers, business associates and bankers, we wish to express our deep appreciation for their continued support and confidence in the Group. Their commitment has been integral to our success.

PROFILE OF DIRECTORS

DATO' LIM KIM HUAT

*Malaysian, Male, Aged 63
Executive Chairman*

Dato' Lim Kim Huat was appointed to the Board of Directors ("the Board") on 26 February 2004 as Non-Independent Non-Executive Director and subsequently, assumed the position of Executive Chairman on 25 July 2006.

Dato' Lim is a certified public accountant by profession and is a member of The Malaysian Institute of Certified Public Accountants. He started his career with PricewaterhouseCoopers in Kuala Lumpur in 1980 before moving on to the commercial sector. Through his involvement as senior management personnel with various companies in Malaysia, Dato' Lim has extensive exposures and experience in diverse industries such as manufacturing, trading, property development, leisure & entertainment and food services.

Dato' Lim is currently the Managing Director of AbleGroup Berhad, a public listed company and director of the following public companies:-

1. Golden Agro Plantation (Mukah) Berhad
2. Purerich Realty Bhd
3. Lone Pine Resorts Berhad

TAN SRI DATO' CHENG JOO TEIK

*Malaysian, Male, Aged 77
Executive Director*

Tan Sri Dato' Cheng Joo Teik was appointed to the Board on 6 December 2006.

Tan Sri Dato' Cheng has extensive experience in the commercial and service industry, including a remarkable career in a national airline as well as in the hospitality, entertainment and gaming sectors. As Group Executive Director of GPL Group, which specializes in the management of hotels, restaurants, recreational clubs, entertainment and gaming activities both locally and internationally, he was instrumental in implementing various internal controls and risk-controlled procedures for the group of companies in ensuring management and operational efficiency.

Tan Sri Dato' Cheng is an active member of civil society, as he constantly and continuously supports various philanthropic and charitable organizations and has contributed extensively to fund raising and welfare activities to aid vulnerable communities.

Tan Sri Dato' Cheng does not hold any directorship in other public listed corporation. He is director of the following public companies:-

1. Purerich Realty Bhd
2. Lone Pine Resorts Berhad

PROFILE OF DIRECTORS (Cont'd)

DATO' DOUGLAS CHENG HENG LEE

*Malaysian, Male, Aged 47
Executive Director*

Dato' Douglas was appointed to the Board on 16 July 2021.

Dato' Douglas is an advocate and solicitor. He is a graduate of the University of Melbourne, where he attained a Bachelor of Commerce and Law.

He was a former Managing Director of MyTech Group Berhad (formerly known as Widetech (Malaysia) Berhad), a position he held until 6 December 2006. He had previously served as a fund manager to an asset management company, which is part of a local banking group.

Dato' Douglas also serves as a director in several companies, which operates across diverse industries including property management, gaming management and F&B, as well as a regional chain of franchised sport venues.

In addition to the director positions held above, Dato' Douglas is also active in the F&B and lifestyle entertainment segments. He is a key player behind Malaysia's largest integrated lifestyle entertainment hub.

Dato' Douglas does not hold any directorship in other public company or listed corporation.

CHOO WENG WAH

*Malaysian, Male, Aged 41
Executive Director*

Mr Choo Weng Wah was appointed to the Board on 1 June 2021.

Mr Choo graduated from University Malaya and has over 10 years of experience in Private Equity. He was most recently with Iris Corporation Berhad from 2018 - 2021. Prior to that, he was with Caprice Capital from 2013 - 2018.

He started his career as a Management Associate in Hong Leong Group Securities. In 2008, he joined Deloitte Consulting (SEA) specializing in Strategy & Operations management consulting. In 2011, he was attached with Maybank Private Equity as a member of Maybank-MEACP Clean Energy Fund which was the first Clean Energy fund within SEA. He was involved in negotiating and reviewing fund agreements and the incorporation and management of onshore and offshore fund and investment structures. In addition, he was also involved in the divestments of a few investments within Maybank Private Equity.

Mr Choo does not hold any directorship in other public company or listed corporation.

**PROFILE OF DIRECTORS**
(Cont'd)**DATUK DR NG BEE KEN**

Malaysian, Male, Aged 68
Non-Independent Non-Executive Director

Datuk Dr Ng Bee Ken was appointed to the Board on 22 June 2009. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee.

Datuk Dr Ng holds a Bachelor of Law (Honours) from University of Wales, Cardiff, Wales and a Master of Laws from King's College, University of London. He is also a Barrister-at-Law of Lincoln's Inn, London, an Advocate & Solicitor of the High Court of Malaya and a certified mediator. He is presently the managing partner of the law firm Azri, Lee Swee Seng & Co.

He also holds Doctor of Divinity from Millennium International University in conjunction with Asia Pacific Seminary, Master of Science (Corporate Communication) from Universiti Putra Malaysia and is an Associate of the Association of Costs and Executive Accountants, England.

Datuk Dr Ng is currently Independent Non-Executive Director of Yong Tai Berhad.

LIM SZE YEAN

Malaysian, Male, Aged 50
Senior Independent Non-Executive Director

Mr Lim Sze Yeap was appointed to the Board on 1 June 2021. Mr. Lim is the Chairman of the Audit Committee and Remuneration Committee, a member of Nomination Committee.

He graduated with a Master Degree in Business Administration from Rutherford University in 2006. He is a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow Member of The Association of Chartered Certified Accountants. He is also currently an Associate Member of the Chartered Tax Institute of Malaysia (CTIM) and The Institute of Internal Auditors Malaysia (IIA), and a member of ASEAN CPA.

Mr Lim has more than 15 years of experience in various areas of finance, including corporate finance, internal controls and risk management. He started his career as a senior auditor, and in the course of his career, has served several public listed companies as Group Finance General Manager, Group Finance Director and Chief Financial Officer.

In October 2016, Mr Lim joined Cuscapi Berhad as Finance Director and was promoted to Chief Financial Officer on 1 April 2017. He also holds the office of Director in several subsidiaries of Cuscapi Berhad.

Mr Lim does not hold any directorship in other public company or listed corporation.

PROFILE OF DIRECTORS

(Cont'd)

CHEN KENG SAM

*Malaysian, Male, Aged 57
Independent Non-Executive
Director*

Mr Chen Keng Sam was appointed to the Board on 22 May 2017. He is the Chairman of Nomination Committee, a member of the Remuneration Committee and Audit Committee.

Mr Chen holds a Bachelor of Economic from Monash University, Australia. Mr Chen was previously attached to Public Finance Berhad in 1989 before moving on to Hume Industries Berhad and Mesiniaga Berhad. He is well versed in the equities market, having been a remisier since 1996.

Mr Chen does not hold any directorship in other public company or listed corporation.

ELISA TAN MUN-E

*Malaysian, Female, Aged 39
Independent Non-Executive
Director*

Ms Elisa Tan Mun-E was appointed to the Board on 1 June 2023.

Ms Elisa Tan has spent her entire career in the beauty and lifestyle industry, with an extensive portfolio of projects under her belt for the last 10 years. Her vast experience, knowledge and expertise in the beauty & lifestyle industry proved to be a turning point in her illustrious career, as she was subsequently handpicked by Vogue Lounge in 2019. She also gains exclusive access to events such as fashion shows and opening galas. Currently she is the Managing Director at Awesome Lounge Sdn Bhd.

She graduate from The One Academy with Diploma in Graphic Designer.

Ms Elisa Tan does not hold any directorship in other public company except she is currently Independent Non-Executive Director of Excel Force MSC Berhad.

Notes to the Directors' Profile:

1. Save as disclosed above, Tan Sri Dato' Cheng Joo Teik and Dato' Douglas Cheng Heng Lee are father and son, both are substantial shareholders of the Company.
2. None of the Directors of the Company have family relationships with any other Directors and/or major shareholders of the Company.
3. None of the Directors have been charged on any convictions for offences within the past 5 years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.
4. The Group has entered into recurrent related party transactions with a party in which the Directors of the Company, namely, Tan Sri Dato' Cheng Joo Teik and Dato' Douglas Cheng Heng Lee have deemed indirect substantial financial interest as disclosed in note 23 of Financial Statements section of this annual report.
5. Save for the abovementioned disclosure, none of the other Directors have conflict of interest with the Company.
6. The details of Directors' attendance of Board Meetings during the financial year ended 31 March 2023 are disclosed on page 29 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

DATO' LIM KIM HUAT

*Malaysian, Male, Aged 63
Executive Chairman*

Dato' Lim Kim Huat's profile is available on page 9.

FOO TOON CHAI

*Malaysian, Male, Aged 53
Executive Director (Subsidiary)*

Mr Foo Toon Chai started his career in MyTech Group in 1992. In 2003, he was promoted to Deputy General Manager and subsequently to General Manager of the manufacturing division in 2005 before assuming the current position of Executive Director of a subsidiary in 2017.

Mr Foo holds an Advanced Diploma in Marketing from University of Abertay Dundee, Scotland.

He also holds a Master of Business Administration from Southern Pacific University.

Mr Foo has more than 20 years of experience in the senior management of manufacturing industry.

None of the above Key Senior Management has any:-

- directorships in the Company, public companies and public listed companies except for Dato' Lim Kim Huat, who is the Executive Chairman of the Company, Managing Director of AbleGroup Berhad, a public listed company and director of the following public companies:-
 1. Golden Agro Plantation (Mukah) Berhad
 2. Purerich Realty Bhd
 3. Lone Pine Resorts Berhad
- family relationship with any Directors and/or major shareholders of the Company;
- personal interest or conflict of interest with the Company;
- convictions for offences within the past five (5) years other than traffic offences (if any); and
- public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 March 2023.

AUDIT COMMITTEE REPORT

The Board of Directors of MYTECH GROUP BERHAD (“**Board**”) is pleased to present the Audit Committee Report for the financial year ended 31 March 2023.

COMPOSITION AND MEETINGS

Composition

The Audit Committee composition comprising 3 Directors, where 2 members are Independent Non-Executive Directors and 1 member is Non-Independent Non-Executive Director. The chairman of the Audit Committee is an Independent Non-Executive Director and was elected among the member of the Audit Committee. There is no alternate director appointed as member of Audit Committee.

The chairman of the Audit Committee is a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow Member of The Association of Chartered Certified Accountants and possess such qualifications and experience as approved by the Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

To be in line with the Malaysian Code on Corporate Governance, the chairman of Audit Committee is not chairman of the Board. The Chairman of the Board is not a member of the Audit Committee.

As at the date of this Annual Report, the Audit Committee comprises three (3) Directors as follows:

Lim Sze Yean (Chairman)	-	Senior Independent Non-Executive Director
Datuk Dr Ng Bee Ken	-	Non-Independent Non-Executive Director
Chen Keng Sam	-	Independent Non-Executive Director

The Audit Committee members possess a wide range of necessary skills to discharge their duties and are financially literate and have sufficient understanding of the company’s business and operations.

The Audit Committee members have been undertaking continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Meetings

The Audit Committee met five (5) times during the financial year ended 31 March 2023 and the details of attendance of the Audit Committee are as follows:-

Name of Audit Committee	Attendance
Lim Sze Yean	5/5
Datuk Dr Ng Bee Ken	4/5
Chen Keng Sam	4/5

Details of the members of the Audit Committee are contained in the Profile of Directors set out on pages 11 to 12 of this Annual Report.

TERMS OF REFERENCE

The terms of reference of the Audit Committee is made publicly available on the Company’s website at <http://www.mytechgroup.com.my>.

AUDIT COMMITTEE REPORT (Cont'd)

SUMMARY OF WORKS OF THE AUDIT COMMITTEE

In accordance with the terms of reference of the Audit Committee, the following activities were undertaken by the Audit Committee during the financial year ended 31 March 2023, including the deliberation on and review of:-

- (a) the unaudited quarterly financial statements of the Group to ensure that they are in compliance with the requirements of relevant authorities, prior to submission to the Board for their approval and release of the Group's results to Bursa Securities.
- (b) the annual audited financial statements of the Group and of the Company prior to submission to the Board of Directors for consideration and approval.
- (c) the External Auditors' report in relation to audit and accounting issues arising from the audit; matters arising from the audit of the Group in meetings with the External Auditors without the presence of the executive Board members and management.
- (d) the internal audit plan, the internal audit report and the recommendations arising from the reviews conducted by the outsourced internal auditor.
- (e) the related party transactions and potential conflict of interest situation that may have arisen within the Company or Group.
- (f) the re-appointment of External Auditors and their audit fees, before the recommendation to the Board of Directors for approval.

INTERNAL AUDIT FUNCTION

During the financial year ended 31 March 2023, the Group's internal audit function was outsourced to an independent professional firm to review and improve its existing internal control process and to assist in identifying and managing the Group's risks and the control procedures to manage those risks.

During the financial year under review, the Internal Auditors carried out an independent internal audit review on the Inventory Management and Sub-contract Work of the subsidiary, Wire Master Spring Sdn Bhd, based on the approved internal audit plan to assess the adequacy and effectiveness of internal controls within the Group.

The total cost incurred for the internal audit service for the financial year was RM16,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of MyTech Group Berhad (“**MyTech**” or “the **Company**”) is committed to instill corporate conscience through excellence in Corporate Governance (“**CG**”) standards at all times. This includes accountability and transparency which is observed throughout MyTech and its subsidiaries (“the **Group**”). The Board continuously uphold its duties and responsibilities to protect and enhance shareholders value and the financial performance of the Group. The Board is pleased to report on how the Company and the Group have applied the principles set out in the Malaysian Code on Corporate Governance (“**MCCG**”) and the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad.

BOARD LEADERSHIP AND EFFECTIVENESS

1.1 Composition of the Board

The Board currently comprises of eight (8) members; four (4) Executive Directors (including the Executive Chairman), three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The profiles of the Directors are set out on pages 9 to 12 of this Annual Report.

The Board comprises of highly respectable and professional persons and represent a diverse background of knowledge, expertise and experience. With their combined experiences and knowledge, they provide sound advice and judgment for the benefit of the Company and its shareholders. The mixed skills and experience are vital for the successful performance of the Company.

The Executive Directors are responsible for implementing the policies and decisions of the Board and overseeing the operations of the Group. The Non-Executive Directors play a pivotal role in ensuring that the strategies proposed by the executive management are for the benefits of the stakeholders and bring forth a balanced, unbiased and independent judgment on all aspects of the Group’s strategies and performance.

All Board members participated actively at all Board meetings, including the Independent Non-Executive Directors and Non-Independent Non-Executive Director on any proposal brought up by the Management. There is no individual or small group of individuals dominate the Board’s decision.

1.2 Board Responsibilities

1.2.1 Functions of the Board and Management

The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company, and charting the course of the Group’s business operations whilst providing effective oversight of Management’s performance and resources in place, risk assessment and controls over business operations to meet the Company’s goals and objective.

The Board dedicates and confers some of its authorities and discretion to the Chairman, Executive Directors, Management and Board Committees comprising of both Independent Non-Executive Directors and Non-Independent Non-Executive Director. The Chairman is not a member of Audit Committee, Nomination Committee and Remuneration Committee.

There is a clear division of responsibilities between the Chairman and the Executive Directors. The Chairman sets vision and mission, strategic planning at the Board level, whilst the Executive Directors, are responsible for the implementation of the Group’s mission, strategy and policies laid down and execute the decision-making.

The Chairman is responsible for the Group’s future business and strategy plan, setting goal to achieve the mission and vision. He provides leadership and governance of the Board, ensuring its effectiveness and assumes the formal role as the leader in chairing all Board meetings and shareholders’ meetings. He leads the Board in overseeing Management and principally ensures that the Board fulfills its obligations and as required under the relevant legislations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.2 Board Responsibilities (cont'd)

1.2.1 Functions of the Board and Management (cont'd)

Some of the specific responsibilities of the Chairman include:-

- i) Manage Board meetings and boardroom dynamics by promoting the culture of openness and debate where Directors are encouraged to provide their views;
- ii) Work closely with the Executive Directors to ensure provision of accurate, timely and clear information to facilitate the Board to perform effectively, able to make informed decisions and to monitor the effective implementation of the Board's decisions;
- iii) To provide his view and decision objectively;
- iv) Ensure meetings of the shareholders are conducted in an open and proper manner with appropriate opportunity for them to ask questions; and
- v) As Group's official spokesperson.

The duties of Executive Directors include implementation of decisions and policies approved by Board and the daily operational matters. The business issues and decisions are reserved and subject to the Board. The Board oversees and manages the Group's day-to-day business, and make strategic decisions.

The role of Management is to support the Executive Directors to implement and execute the running of the general operations and financial business of the Company, in accordance with the dedicated authority from the Board.

The Board Committees are made up of the Audit Committee ("**AC**"), Nomination Committee ("**NC**") and Remuneration Committee ("**RC**"); and are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference. At each Board meeting, minutes of the Board Committee meetings are presented to keep the Board informed. The Chairman of the relevant Board Committees also reports to the Board on key issues deliberated by the Board Committees at their respective meetings.

In general, the Non-Executive Directors are independent from Management. Their roles are to give a check and balance judgement, to constructively challenge Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have direct access to the Management at all levels, and they engage with the external and internal auditors to address matters concerning Management and oversight of the Company's business and operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.2 Board Responsibilities (cont'd)

1.2.1 Functions of the Board and Management (cont'd)

The following matters reserved for the Board's approval (including changes to any such matters) except where they are expressly dedicated to a Committee of the Board:-

(A) Strategy and Management

1. Responsibility for the overall strategic direction and strategic plans for, and the overall management of the Group.
2. Approval of the Group's long-term objectives and sustainability strategy.
3. Approval of the annual operating and capital expenditure budgets and any material changes thereto.
4. Review of performance in the light of the Group's strategy, objectives, business plans, borrowings from financial institution, budgets and ensuring that any necessary corrective action is taken.
5. Oversight of the Group's operations ensuring:-
 - (a) competent and prudent management
 - (b) sound planning
 - (c) adequate system of internal control
 - (d) adequate accounting and other records
 - (e) compliance with statutory and regulatory obligations
6. Expansion of the Group's activities into new business or geographical areas.
7. Decision to cease the non-sustainable business.
8. Any matters materially affecting the Group's overall reputation, including its brand and values.

(B) Structure and Capital

Changes relating to Group's capital structure including:

1. Share split, capital reduction, issuance of unsecured securities
2. New share issues (except pursuant to approved option scheme)
3. Establishment of employees' share and/or performance option scheme(s)

(C) Financial Reporting and Controls

1. Approval of the announcements of the interim and final results.
2. Approval of MyTech's audited financial statement and annual report.
3. Approval of any significant changes in accounting policies or practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.2 Board Responsibilities (cont'd)

1.2.1 Functions of the Board and Management (cont'd)

The following matters reserved for the Board's approval (including changes to any such matters) except where they are expressly dedicate to a Committee of the Board (cont'd):-

(D) Investment

Approval of major investment proposal, such as expansion of the Group's activities into new business, acquisitions, disposals and other contractual commitments entered into by the Group (not in the ordinary course of business).

(E) Communication

1. Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
2. Approval of all circulars, prospectuses and listing particulars.

(F) Board Membership and Other Appointments

1. Following recommendations from the Nomination Committee, changes to the structure, size and composition of the Board (including appointment, re-designation, resignation and removal).
2. Establishment of Board committees, membership and terms of reference.
3. Review the continuation in office of directors at the end of their term of office, when they are due for retirement by rotation and consider recommendation of Nomination Committee on the continuation of office of directors.
4. Appointment or removal of Company Secretary.
5. Appointment, reappointment or removal of external auditors and determination of their remuneration, upon recommendation from the Audit Committee.

(G) Remuneration

Review and approve the remuneration package for the Executive Directors upon recommendation from Remuneration Committee.

(H) Internal Controls and Governance

1. Review of the Group's internal controls and risk management, including the effectiveness of the system of internal controls, and consider significant risk issues referred to it.
2. Review of the Group's compliance with the Code on Corporate Governance.
3. Approve prosecution, defence and settlement of major litigation involving more than 10% of the Group's latest audited net profit or otherwise material to the interests of the Group.
4. Review of the performance of the Board, its Committees and individual Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.2 Board Responsibilities (cont'd)

1.2.2 Roles and Responsibilities in Discharging Fiduciary and Leadership Functions

The Board has discharged its responsibilities in the best interests of the Company. The following are among the key responsibilities of the Board:

(a) Reviewing and Adopting the Company's Strategic Plans

The Board has in place a strategy planning process, whereby the Executive Director presents and proposes to the Board the Management's business plans for the ensuing year for the Board's review and approval. The Board will deliberate both Management's and its own perspectives, and challenge the Management's views and assumptions to ensure the best outcome.

(b) Overseeing the Conduct of the Company's Business

Executive Directors are responsible for the day-to-day management of the business and operations of the Group in respect of both its regulatory and commercial functions. They are supported by the Management.

The Management's performance, under the leadership of the Executive Directors, is assessed by the Board through monitoring of the success in delivering the approved targets and business plans against the performance of the Group.

(c) Identifying Principal Risks and Ensuring the Implementation of Appropriate Internal Controls and Mitigation Measures

The AC, with the assistance from the internal audit, advises the Board to beef up the internal control system through a check and balance and highlighted on the high risk register faced by the Group and the adequacy of risk monitoring and control throughout the organisation. The AC reviews the action plan implemented and makes relevant recommendations to the Board to manage risks and improve the internal control system.

(d) Succession Planning

The Board has entrusted the NC and RC with the responsibilities to review candidates for the Board and key management positions and to determine remuneration packages for these appointments, as well as to formulate nomination, selection, remuneration and succession policies for the Group.

(e) Overseeing the Development and Implementation of a Shareholder Communications Policy for the Company

The Company strongly believes that effective and timely communication is essential in maintaining good relations with the shareholders, investors and investment community.

In addition to the above, shareholders and investors can make inquiries about investor relations matters with designated management personnel directly responsible for investor relations matters via dedicated e-mail addresses available at the corporate website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.2 Board Responsibilities (cont'd)

1.2.2 Roles and Responsibilities in Discharging Fiduciary and Leadership Functions (cont'd)

The Board has discharged its responsibilities in the best interests of the Company. The following are among the key responsibilities of the Board (cont'd):

- (f) Reviewing the Adequacy and Integrity of Management Information and Internal Control System of the Company

The Board is ultimately responsible for the adequacy and integrity of the Company's internal control system. Details pertaining to the Company's internal control system and the reviews of its effectiveness are set out in the Statement on Risk Management and Internal Control of this Annual Report.

1.3 Company Secretaries

The Company Secretaries are qualified officers and meets the provision in Companies Act, 2016. The Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and apprised by the Company Secretaries on relevant regulatory requirements, codes or new statutes issued from time to time, issued by the regulatory authorities. The Company Secretaries are MAICSA member, experienced and competent on statutory and regulatory requirements.

The Company Secretaries' roles are to:-

- a) Support the Board and Board Committees;
- b) Update and advise the Board and its Committees on the Companies Act 2016, Company's Constitution, corporate governance and compliance with MMLR;
- c) Maintenance of statutory records;
- d) Serve notice to Directors and principal officers reminding them on trading in the Company's shares, during closed period in accordance with the MMLR;
- e) Ensure the quarterly financial results and all other relevant announcements are released to Bursa Securities on a timely basis;
- f) Play an important role in the annual general meeting and extraordinary general meetings in ensuring that the due processes and proceedings are in place and properly managed. During the meeting, the Company Secretaries will assist the Chairman and the Board in the conduct of the meetings and ensure the minutes are properly recorded, particularly questions and issues raised by the shareholders; and
- g) Attend all Board and Board Committee meetings and ensure that all meetings are properly convened, accurate and proper records of the proceedings, and resolutions passed are taken and maintained in the statutory register of the Company.

The Company Secretaries also work closely with the Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees. The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees and the Senior Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1.4 Supply of Information

The Board is supplied with timely information in the form and of a quality appropriate to enable it to discharge its duties. A structured agenda and comprehensive Board papers are circulated to all Directors at least three (3) days before meetings. Exceptions may be made for certain ad-hoc or urgent instances when Directors consent to shorter notice.

The Board recognizes that the decision-making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group. All the Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and effective discharge of Board's responsibilities. Where necessary, the Board may seek independent professional advice and information in the furtherance of their duties at the Company's expenses, so as to ensure the Directors are able to make independent and informed decisions. Minutes of each Board and Board Committee meeting and circular resolutions of the Board are kept at the registered office and are accessible by any Director during office hours.

BOARD CHARTER

The Board has adopted a Board Charter which defines the roles and responsibilities of the Board, its Committees, individual Directors and the Management. It also serves as a guide to Board members and senior management on the functions of the Board.

The Board Charter also defines the issues and decisions that are reserved for the Board. The Board Charter is available on the Company's corporate website at <http://www.mytechgroup.com.my>.

The Board Charter which was last reviewed on 4 July 2022, shall be reviewed regularly or where the need arises, and/or updated from time to time to reflect changes to the Board's practices and amendments to the relevant rules, requirements and regulations.

CODE OF CONDUCT AND ETHICS

The Code of Conduct and Ethics was last reviewed on 4 July 2022 and will be reviewed periodically.

The Code of Conduct and Ethics is available on the Company's corporate website at <http://www.mytechgroup.com.my>.

WHISTLEBLOWING POLICY

The Whistleblowing Policy was last reviewed on 4 July 2022 and will be reviewed periodically.

The Whistleblowing Policy is available on the Company's corporate website at <http://www.mytechgroup.com.my>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ANTI-BRIBERY & ANTI-CORRUPTION POLICY

The Anti-Bribery & Anti-Corruption Policy was last reviewed on 4 July 2022 and will be reviewed periodically.

The Anti-Bribery & Anti-Corruption Policy is available on the Company's corporate website at <http://www.mytechgroup.com.my>.

BOARD COMMITTEE

Nomination Committee ("NC")

The NC was established on 26 February 2004 and comprises 2 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director.

The composition of NC and their attendance records of NC meeting is as follows:-

Name of Director	Position	Meeting Attendance
Chen Keng Sam <i>(Independent Non-Executive Director)</i>	Chairman	0/1
Datuk Dr Ng Bee Ken <i>(Non-Independent Non-Executive Director)</i>	Member	1/1
Lim Sze Yeap <i>(Senior Independent Non-Executive Director)</i>	Member	1/1

The terms of reference of NC are uploaded on the corporate website at <http://www.mytechgroup.com.my>.

The main duties of NC as follows:-

1. Develop, Maintain and Review Criteria for Recruitment and Appointment

The NC is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis.

The Board will have the ultimate responsibility and final decision on the appointment. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company while it determines the skills matrix needed to support the strategic direction and needs of the Company.

Management shall then engage broadly to develop a pool of interested potential candidates meeting the skills, expertise, personal qualities and diversity requirements for both the Board and the Committee appointments.

The NC evaluates and matches the criteria of the candidate based on Fit & Proper Policy, include the balance mix of skills and diversity, including gender, where appropriate, and recommend to the Board for appointment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

BOARD COMMITTEE (cont'd)

Nomination Committee (“NC”) (cont'd)

The main duties of NC as follows:- (cont'd)

1. Develop, Maintain and Review Criteria for Recruitment and Appointment (cont'd)

Consideration will be given to those individuals possessing the identified skill, talent and experience.

The NC will contact those persons identified to determine the interest in serving the Company. This communication will ensure that prospective Board members have clarity regarding the nominating process as well as Director/ Board profiles, roles and responsibilities, expectations of time commitments and other information as required.

According to the Constitution of the Company, all Directors are required to submit themselves for re-election at intervals of not more than three (3) years. The Constitution also state that one-third (1/3) of the Board members shall retire from office at the Annual General Meeting (“AGM”) and shall be eligible for re-election at the same AGM.

Any person appointed as a Director, either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the conclusion of the next annual general meeting, and shall be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

The Company shall then provide orientation and on-going education to the Board.

In making the selection, the Board is assisted by the NC to consider the following aspects and will not be limited to Directors’ Fit and Proper Policy:-

1. Probity, personal integrity and reputation – the person must have the personal qualities such as honesty, integrity, diligence and independence of mind and fairness.
2. Competence and capability – the person must have the necessary skills, ability and commitment to carry out the role.

The NC has evaluated the skills, competency, knowledge, social exposure, experience, professionalism and integrity of Ms Elisa Tan Mun-E, and recommended to the Board for her appointment as Independent Non-Executive Director to comply the Listing Requirements of at least one (1) woman director in the Board.

The appointment of Ms Elisa Tan Mun-E as the Independent Non-Executive Director was recommended by the existing Director.

Upon recommendation by the NC, the Board has approved the appointment of Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

BOARD COMMITTEE (cont'd)

Nomination Committee (“NC”) (cont'd)

The main duties of NC as follows (cont'd):-

2. Annual Assessment

The Board with assistance of NC, to review and evaluate the Board performance, Board composition, Directors' fit and proper criteria, performance and contribution of each Director and Board Committees on annual basis.

The NC will review performance and contribution of each member of Audit Committee and Audit Committee as a whole on an annual basis.

The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board and the Board Committees, and the Chairman's role and responsibilities.

For Individual (Self & Peer) Assessment, the assessment criteria include integrity and ethics, governance, strategic perspective, adding value, judgment and decision-making, teamwork, communication and commitment.

The NC reviews and assess annually the tenure of each Director, independence and re-election of Director. The review and assessment shall be based on fit and proper criteria, contingent on satisfactory evaluation of the Director's performance and contribution to the Board, and will not limited to the Directors' Fit and Proper Policy.

The results of the assessment would form the basis of the NC's recommendation to the Board for the re-election of Directors at the next AGM.

Upon recommendation by the NC, the Board has approved and recommended the re-election of Directors for the shareholders' approval at the forthcoming AGM.

3. Gender Diversity Policy

The Board acknowledges the recommendations of the MCCG on the establishment of a gender diversity policy.

Currently, the Board has one (1) woman Director, representing 12.50% of the total Board members. This is part of the Board's gender diversity that serves to bring value to the Board's discussions from different perspectives and approaches from gender diversity.

The Board has yet to formalize the gender diversity policy on senior management but will advocate non-discrimination of any form, whether based on age, race, religion or gender, throughout the group. This includes the selection of Board members and senior management. The Company believes in providing equal opportunity to candidates with merit.

The Board, through the NC will consider the female representation when a vacancy arises. However, the appointment of a new Board member and senior management will not be guided solely by gender but will take into account the skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

BOARD COMMITTEE (cont'd)

Remuneration Committee ("RC")

The composition of RC and their attendance records of RC meeting is as follows:-

Name of Director	Position	Meeting Attendance
Lim Sze Yean (Senior Independent Non-Executive Director)	Chairman	1/1
Datuk Dr Ng Bee Ken (Non-Independent Non-Executive Director)	Member	1/1
Chen Keng Sam (Independent Non-Executive Director)	Member	0/1

The terms of reference of RC are uploaded on the corporate website at <http://www.mytechgroup.com.my>.

The main duties and responsibilities of RC as follows:-

1. Remuneration Policies and Procedures

The RC and the Board ensure that the Company's remuneration policy remains supportive of the Company's corporate objectives and is aligned with the interest of shareholders, and that the remuneration packages of Directors and key Senior Management Officers are sufficiently attractive to attract and to retain persons of high calibre.

The RC is responsible to recommend to the Board the remuneration framework for Directors necessary to attract, retain and motivate the Directors which are reflective of the Directors' experience and level of responsibilities.

It is the ultimate responsibility of the entire Board to approve the remuneration of the Executive Directors and none of the Executive Directors participate in any way in determining their individual remuneration. The remuneration and entitlements of the Non-Executive Directors is a matter of the Board of Directors as a whole, with individual Directors abstaining from decisions in respect of their remuneration.

Details of the Directors' remunerations, fees and benefits payable to the Directors for the financial year ended 31 March 2023 are as follows:

MYTECH	Salary	Bonus	Fee	Allowance	Benefit-in-kind	Total
Executive Director						
Dato' Lim Kim Huat	-	-	-	-	-	-
Tan Sri Dato' Cheng Joo Teik	-	-	-	-	-	-
Dato' Douglas Cheng Heng Lee	-	-	-	-	-	-
Choo Weng Wah	-	-	-	-	-	-
Non- Executive Director						
Datuk Dr Ng Bee Ken	-	-	-	18,000	-	18,000
Chen Keng Sam	-	-	-	12,000	-	12,000
Lim Sze Yean	-	-	-	12,000	-	12,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

BOARD COMMITTEE (cont'd)

Remuneration Committee ("RC") (cont'd)

The main duties and responsibilities of RC as follows (cont'd):-

1. Remuneration Policies and Procedures (cont'd)

Details of the Directors' remunerations, fees and benefits payable to the Directors for the financial year ended 31 March 2023 are as follows (cont'd):-

	Salary	Bonus	Fee	Allowance	Benefit-in-kind	Total
SUBSIDIARIES						
Executive Director						
Dato' Lim Kim Huat	-	-	-	96,000	-	96,000
Tan Sri Dato' Cheng Joo Teik	-	-	-	96,000	-	96,000
Dato' Douglas Cheng Heng Lee	-	-	-	96,000	-	96,000
Choo Weng Wah	237,902	42,500	-	-	-	280,402
Foo Toon Chai	298,175	48,900	-	-	-	347,075
Total	536,077	91,400	-	330,000	-	957,477

The senior management comprises of Dato' Lim Kim Huat and Mr Foo Toon Chai. Details of the key senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000 for the financial year ended 31 March 2023 are as follows:

Range of Remuneration (RM)	Name
50,000 and below	-
50,001 to 100,000	Dato' Lim Kim Huat
100,001 to 150,000	-
150,001 to 200,000	-
200,001 to 250,000	-
250,001 to 300,000	-
300,001 to 350,000	Foo Toon Chai

Reinforce Independence

1. Annual Assessment of Independence

The Board, through the NC, shall assess the independence of Independent Directors annually. The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Company and his involvement in any significant transaction with the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

BOARD COMMITTEE (cont'd)

Reinforce Independence (cont'd)

2. Tenure of Independent Directors

The tenure of an independent director does not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director.

If the Board intends to retain an independent director beyond nine (9) years, will provide justification and seek annual shareholders' approval through a two-tier voting process.

The NC will assess the independence of the Independent Director based on the assessment criteria developed by the NC, and recommend to the Board for shareholders' approval. Justification for the Board's recommendation would be provided to shareholders.

3. Separation of the Positions of the Chairman and the Chief Executive Officer ("CEO")

Currently, the Company does not have a CEO. The Chairman leads the Board to ensure its effectiveness whereas the Executive Directors are responsible for the efficient and effective management of the business and operations of the Company.

Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social, health and safety, staff welfare and governance aspects are taken into consideration. The Board takes heed of go green and energy saving by implementing several measures on sustainability.

The Board together with the Management takes responsibility for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets.

The Board works with the management on the sustainable business practices that will have a positive impact on the economy, environment, the community, employees, shareholders and other stakeholders. The Board and the management also oversee the Group's sustainability practices and is assisted by the respective Head of Department of the Group.

Access to Information and Advice

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and effective discharge of Board's responsibilities.

Good practices have been observed for timely dissemination of meeting agenda, including the relevant Board and Board Committee papers to all Directors prior to the Board and Board Committee meetings, to give effect to Board decisions and to deal with matters arising from such meetings. The Executive Directors and/or other relevant Board members furnish comprehensive explanation on pertinent issues and recommendations by Management. The issues are then deliberated and discussed thoroughly by the Board prior to decision making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

BOARD COMMITTEE (cont'd)

Access to Information and Advice (cont'd)

In addition, the Board members are updated on the Company's activities and its operations on a regular basis. All Directors have access to all information of the Company on a timely basis in an appropriate manner and quality necessary to enable them to discharge their duties and responsibilities.

Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda as and when required. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in furtherance of their duties.

Foster Commitment

1.1 Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board Meetings, as set out in the table below:-

Name of Director	Attendance (As at 31/3/2023)
Dato' Lim Kim Huat	4/4
Tan Sri Dato' Cheng Joo Teik	4/4
Dato' Douglas Cheng Heng Lee	4/4
Choo Weng Wah	4/4
Datuk Dr Ng Bee Ken	3/4
Chen Keng Sam	3/4
Lim Sze Yean	4/4
Elisa Tan Mun-E (appointed on 1.6.2023)	N/A

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, the Directors must not hold directorships in more than five (5) public listed companies and shall notify the Chairman before accepting any new directorship.

To facilitate the Directors' time planning, an annual meeting schedule is prepared, prearranged in the final quarter of each year and circulated to the Board, as well as the tentative closed periods for dealings in securities by Directors based on the targeted date of announcements of the Group's quarterly results.

1.2 Training

In compliance with MMLR, the Directors are mindful that they shall attend appropriate training which may be required from time to time to keep abreast with the current developments of the industry as well as the new statutory and regulatory requirements. The Board identifies the training needs of the Company's Directors based on feedback provided by the NC during the annual board evaluation. The Directors will continue to attend appropriate training or education to fulfill the MMLR.

All Directors had completed the Mandatory Accreditation Programme ("MAP") as prescribed by Bursa Securities. The Company will continue to identify suitable training for the Directors to equip and update themselves with the necessary knowledge in discharging their duty and responsibilities as Directors.

The Directors are encouraged to attend briefing, conferences, forums, trade fairs (locally and internationally), seminars and training to keep abreast with the latest developments in the industry and to enhance their skills and knowledge.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

BOARD COMMITTEE (cont'd)

Foster Commitment (cont'd)

1.2 Training (cont'd)

During the financial year, the Board members have been continuously updated by the Company Secretaries on changes to MMLR, statutory and regulatory requirements. The Board was also briefed by the External Auditors on changes to the Malaysian Financial Reporting Standards that may affect the Group's financial statements.

The training attended by the Directors during the financial year are summarised as follows:-

- i) Anti-Monetary Laundering and Financial Crime in the Age of COVID
- ii) Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
- iii) AOB Conversation with AC
- iv) Welcome to How to Master NFTs in 7 Days

The Board of Directors will continue to evaluate and determine the training needs that will assist the Directors in discharging their duties.

EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Compliance with Applicable Financial Reporting Standards

The Board is committed to providing a balanced, clear and meaningful assessment of the financial performance and prospects of the Company via all disclosures and announcements made.

The Board is assisted by the AC to oversee and scrutinise the process and quality of the financial reporting which includes reviewing and monitoring the integrity of the financial statements and the appropriateness of the Company's accounting policies to ensure accuracy, adequacy and completeness of the report, as well as in compliance with the relevant accounting standards.

2. Assessment of Suitability and Independence of External Auditors

The AC is responsible for reviewing audit, recurring audit-related and non-audit services provided by the external auditors. These recurring audit-related and non-audit services comprise regulatory reviews and reporting, interim reviews, tax advisory and compliance services.

The terms of engagement for services provided by the external auditors are reviewed by the AC prior to submission to the Board for approval.

The AC has reviewed the provision of non-audit services by the external auditors during the year and concluded that the provision of these services did not compromise the external auditors' independence and objectivity as the amount of the fees paid for these services was not significant when compared to the total fees paid to the external auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

2. Assessment of Suitability and Independence of External Auditors (cont'd)

Details of statutory audit, audit-related and non-audit fees paid/payable in the financial year ended 31 March 2023 to the external auditors are set out below:-

Fees paid/payable to Grant Thornton Malaysia PLT (RM)			
Description	Company	Subsidiary	Total
Audit Fees	24,500	30,200	54,700
Non-Audit Fees	5,000	-	5,000
Total	29,500	30,200	59,700

Having satisfied itself with Messrs Grant Thornton Malaysia PLT's performance, the AC will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

3. Framework to Manage Risks

The Board oversees, reviews and monitors the operation, adequacy and effectiveness of the Group's system of internal controls.

The AC oversees the risk management framework of the Group and advises the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation. The AC also reviews the action plan implemented and makes relevant recommendations to the Board to manage residual risks.

The Company continues to maintain and review its internal control procedures to ensure the protection of its assets and its shareholders' investment.

4. Internal Audit Function

The Company has outsourced its internal audit function to a professional service firm namely PKF Risk Management Sdn Bhd to assist the AC in discharging its duties and responsibilities in respect of reviewing the adequacy and effectiveness of the Group's risk management and internal control systems.

The Statement on Risk Management and Internal Control set out on page 33 of this Annual Report provides the overview of the internal control framework adopted by the Company during the financial year ended 31 March 2023.

CORPORATE REPORTING AND RELATIONSHIP WITH SHAREHOLDERS

Corporate Disclosure Policy and Procedures

The Board shall ensure that all communications to the public are timely, factual, accurate, complete, broadly disseminated and where necessary, filed with regulators in accordance with applicable laws.

The Executive Directors and the management team are responsible for determining the materiality of the information and ensuring timely, complete and accurate disclosure of material information to the investing public in accordance with securities laws and stock exchange rules and regulations, monitoring compliance with this policy and overseeing the disclosure controls and procedures.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

CORPORATE REPORTING AND RELATIONSHIP WITH SHAREHOLDERS (cont'd)

Corporate Disclosure Policy and Procedures (cont'd)

Sufficient information would be provided to the Company Secretary for drafting of the necessary announcement.

The Board is mindful that information which is expected to be material must be announced immediately, and that the confidential information should be handled properly to avoid leakage and improper use of such information.

Leverage on Information Technology for Effective Dissemination of Information

MyTech's website provides all the relevant corporate information and it is accessible by the public. The Company's website includes all announcements made by MyTech as well as its financial results.

Through the Company's website, the stakeholders are able to direct queries to the Company.

Relationship between Company and Shareholders

1. Encourage Shareholder Participation at General Meetings

In an effort to encourage greater shareholders' participation at general meetings, the Board takes cognisance in serving longer than the required minimum notice period for AGMs, when possible. The Chairman shall ensure that the Board is accessible to shareholders and an open channel of communication is cultivated.

MyTech prepares the Annual Report and Notice of AGM with regard to, amongst others, details of the AGM, their entitlement to attend the AGM, the right to appoint proxy and also the qualification of proxy.

The Company allows a shareholder to appoint a proxy who may not be a member of the Company. If the proxy is not a member of the Company, he/she need not be an advocate, an approved company auditors or a person approved by the Registrar of Companies.

2. Effective Communication and Proactive Engagement

At the 38th AGM held on 30 August 2022, all Directors were present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company. The Directors, the Chairman of NC, RC and AC, Management and external auditors were in attendance to respond to the shareholders' queries.

The Notice and agenda of 38th AGM together with Form of Proxy are given to shareholders at least twenty-eight (28) days before the AGM. Each item of the special business included in the Notice of AGM is accompanied by an explanatory statement on the proposed resolutions to facilitate a better understanding and evaluation of issues involved.

From the Company's perspective, the AGM also serves as a forum for Directors and Management to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from shareholders during and at the end of shareholders' meeting and ensures their queries are responded in a proper and systematic manner.

COMPLIANCE STATEMENT

The Board strives to ensure that the Company complies with Principles and Best Practice of MCCG. The Board will endeavour to improve and enhance the corporate governance from time to time.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of MyTech Group Berhad is pleased to present below its Statement on Risk Management and Internal Control which outlines the nature and scope of the risk management and internal controls of the Group during the financial year ended 31 March 2023. This Statement has been prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD’S RESPONSIBILITY

The Board affirms its overall responsibility and commitment towards establishing an effective systems of risk management and internal control to safeguard the shareholders’ interests and the Group’s assets. In this respect, the responsibility of reviewing the adequacy and integrity of internal control system has been delegated to the Audit Committee, which is empowered by its terms of reference to seek an assurance on the adequacy and integrity of internal control system through reports it receives from independent reviews conducted by the internal audit function and Management.

In view of the inherent limitations in any system of internal control, the Board recognises that such internal control system put into effect by Management can only manage, rather than eliminate, all risks to achieve the Group’s corporate objectives or goals. Accordingly, internal control system can only provide reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

On a day-to-day basis, respective key management staff and Heads of Department are responsible for managing and reviewing risks of their departments. They are required to continuously monitor, review, update and identify new risks that may emerge from time to time through the use of a checklist of sources of risks.

The risks identification process includes consideration of both internal and external environmental factors. Having identified the risks, their potential impact and the likelihood of occurrence, these risks are further narrowed down to key risks.

Periodic management meetings, attended by Heads of Department and key management staff are held in which key risks and appropriate mitigating action plans and control strategies are also discussed. Key risks relating to the Group’s strategic and business plans are escalated to the Board at their scheduled meetings.

The three (3) key risk areas identified in the financial year ended 31 March 2023 according to the potential impact to the Group are:

1. Regulatory risk

The Group recognises the potential impact of any changes in laws and regulations to the Group’s operations. The Group ensures compliance by keeping abreast with latest listing requirements, rulings and regulations of local and government authorities and assess their impact to the Group’s operations.

2. Market risk

The Group recognises the potential impact of the global and local economic condition to the Group’s revenue and profitability. Some of the market risks identified are economic recession and political unrest. The Group embraces the changes and strives for continuous quality excellence and innovation to remain relevant in the marketplace.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

RISK MANAGEMENT FRAMEWORK (cont'd)

The three (3) key risk areas identified in the financial year ended 31 March 2023 according to the potential impact to the Group are (cont'd):

3. Operational risk

The Group recognises the importance of customer satisfaction and quality excellence through continuous quality improvement in our products and services offering.

Our manufacturing division is ISO 9001 certified, which ensures continuous compliance to stringent operating policies and procedures, and enhancement of our quality management system.

The abovementioned risk management practices of the Group serve as an on-going process to identify, evaluate, manage, monitor and communicate significant risks. The Board formulates the Group's business strategies and re-evaluate the existing risk management practises, and where appropriate and necessary, revise such practises accordingly.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to a professional service firm, whose resources comprise of experienced degree holders and professionals from related disciplines, to assist the Board and Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The scope of review of outsourced internal audit function is determined by Audit Committee with feedback from the Executive Management.

During the financial year ended 31 March 2023, the internal audit function carried out an internal audit review on a subsidiary focusing on the adequacy of its Inventory Management and Sub-contract Work. The results of the reviews were presented to the Audit Committee at one of its scheduled meetings. In addition, follow-up visits will also be conducted to ascertain the status of implementation of agreed management action plans.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Other key elements of the Group's internal control system are:-

1. A well defined organisational structure with clear lines of accountability, which has a documented delegation of authority that sets out decisions that need to be taken and the appropriate authority levels of management, including matters that require the Board's approval.
2. The Audit Committee reviews quarterly financial reports, annual financial statements and the internal audit report on a periodic basis. Discussions with Management were held to deliberate on actions that are required to be taken to address internal control matters and risks identified by outsourced internal audit function.
3. The Audit Committee reviewed and discussed with the External Auditors their scope of work, audit plans and reporting requirements prior to the commencement of their audit of the Group. The External Auditors provide assurance in the form of their statutory audit for the financial statements. Further areas for improvement during the course of the statutory audit by the External Auditors are brought to the attention of the Audit Committee through management letters, or discussed at Audit Committee meetings.
4. The Executive Directors are closely involved in the running of business and operations of the Group and they report to the Board on significant changes in business and external environment, which affect operations of the Group at large.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

OTHER KEY ELEMENTS OF INTERNAL CONTROL (cont'd)

Other key elements of the Group's internal control system are (cont'd):-

5. Experienced and dedicated teams of personnel across key functional units.
6. Scheduled periodic management meetings are held to discuss the Group's performance, business operations issues, potential risks and control issues, as well as to formulate appropriate measures to address them to ensure business goals and targeted financial performance are closely monitored.
7. Established internal policies and procedures for key business units within the Group.
8. One of the Group's operations is ISO 9001:2015 and ISO 14001:2015 certified. Such certifications are subject to annual audit conducted by external ISO auditors to ensure continuous compliance and enhancement of the respective management system.
9. Regular site visits are conducted by the Executive Director and management team to the business units to ensure operations are running smoothly.
10. Whistleblowing policy is in place to provide an avenue to report suspected improprieties relating to fraud and unlawful conduct, abuse and non-adherence to Group's policy and procedures.
11. Anti-Bribery policy is in place whereby the Group enforced a strict zero tolerance approach to all forms of bribery and corruption in compliance of applicable law and regulations pertaining to anti-bribery and corruption practices.

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

The Board has received assurance from the Executive Directors and the management team that the Group's risk management and internal control system are operating adequately and effectively in all material aspects, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. The Board is of the view that the risk management and internal control system is satisfactory and no material internal control failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year under review.

The Board will strive for continuous improvement and enhancement in the Group's risk management and internal control system by putting in place appropriate action plans, where necessary, to ensure the achievement of the Group's business objectives.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Main Market Listing Requirements of the Bursa Securities, the External Auditors have reviewed this Statement for inclusion in the 2023 Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

This Statement was approved by the Board of Directors on 17 July 2023.

SUSTAINABILITY STATEMENT

The Board of Directors of MyTech Group Berhad recognises the importance of good sustainability practices to the long term business growth and success of the Group in a safe, caring and sustainability environment. The Board upholds its commitments to observe responsible and sustainable business practices benefitting to the economy, environment, the community, our employees, our shareholders and other stakeholders.

The Board oversees the Group's sustainability practices and is assisted by the respective Head of Department of the Group.

The scope for this report covers our manufacturing arm, Wire Master Spring Sdn Bhd, which is the key contributor to the Group's earnings for the financial year ended 31 March 2023 ("FY2023").

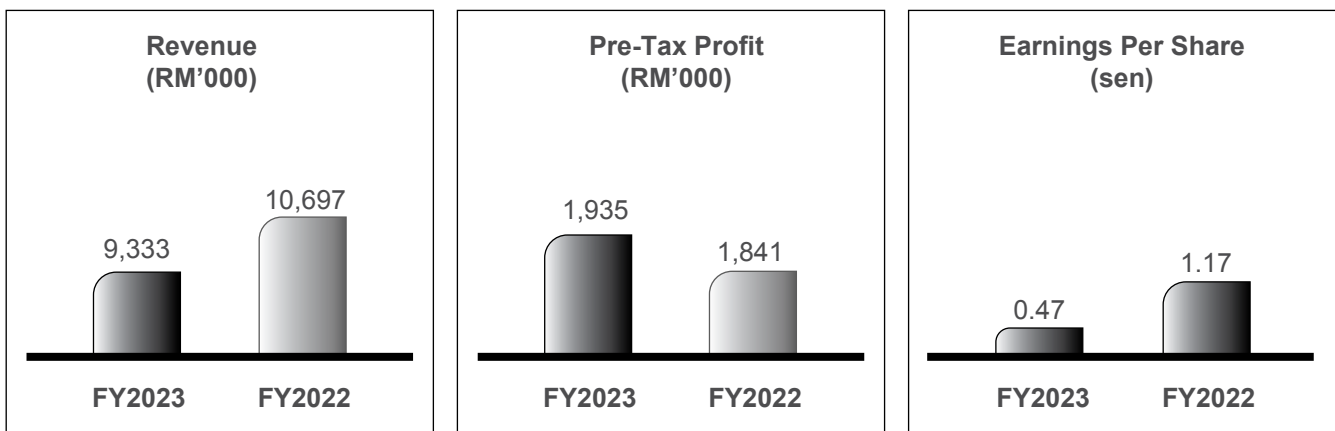
The identified key sustainability matters that greatly impacted the stakeholders' assessment and decisions are organized into economic, social and environmental considerations in line with Bursa Malaysia Sustainability Guidelines.

Economic

The Board recognises the need to create long term positive economic value for our stakeholders.

Amidst a challenging business environment, the Group continues to operate effectively through prudent cost management whilst enhancing operational efficiencies and maintaining the quality of our products and services offerings.

The table below highlights the Group's economic performance in FY2023:



Environment

The Group acknowledges the need for environmental conservation and protection to mitigate any adverse impact to the environment.

Over the years, the Group has established environmental initiatives at workplace by encouraging our staff to adopt a paperless environment, recycling and energy conservation practices.

Our manufacturing division is ISO14001 certified and complies with environmental laws and regulations. Hazardous waste is properly stored and handled by authorised vendor for proper disposal.

Our manufacturing division is equipped with a solar panel system in our commitment in reducing carbon footprint and increasing the use of green clean renewable energy.

The Group endeavour to continually reduce the environmental footprint of our business activities through efficient use of resources and minimizing wastages in the course of conducting our businesses.

SUSTAINABILITY STATEMENT

(Cont'd)

Social

i) Our People

The Board recognises the importance of our staff's contributions to the success of the Group.

As part of our efforts to equip and enhance our staff of different levels with the necessary knowledge and skills, the Group continuously provides training from time to time.

ii) Workplace Diversity

The Group embraces diversity and equal opportunity at the workplace. We do not condone any form of discrimination practices against race, age or gender in the provision of employment and development opportunities.

iii) Occupational Safety & Health

The Group places utmost priority in the safety and well-being of our staff, business associates and customers by adopting industry best practices on health and safety. The Group emphasises the importance of creating a working environment that is safe, secure and free from harassment, threats and violence.

In the light of the prolonged Covid-19 pandemic, the Group has ensured enhanced proper preventive measures and stringent hygiene standards are in place to safeguard our staff, business associates and customers to mitigate any related risks and ensure minimal operations disruptions, if any.

iv) Our Operations

The Group is committed to increasing customer satisfaction and quality excellence through continuous quality improvement in our products and services offering.

Our manufacturing division is ISO 9001 certified, which ensures continuous compliance and enhancement of our quality management system.

v) Our Society

Not forgetting the society at large, both the Board and staff embrace the value of CSR and continue to extend their support to the betterment of society. During FY2023, the Group made a monetary contribution towards Penang Sports Club International Invitational Tennis Tournament 2023, the largest tennis tournament held in Malaysia on March 2023 attracting players and spectators from different countries.

CONCLUSION

The Board is committed to continually improve its integration of sustainability and social responsibility initiatives into the Group's business operations to ensure that our businesses operate in an efficient, ethical and responsible manner.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of Proceeds

The Company did not undertake any fund raising exercise during the financial year under review.

2. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving directors' and major shareholders' interests during the financial year ended 31 March 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required to prepare the financial statements that give a true and fair view of the state of affairs of the Company and of the Group at the end of each financial year and of the results and cashflow for that year. The financial statements must be prepared in compliance with the Companies Act 2016 in Malaysia and with applicable approved accounting standards.

In preparing the financial statements of the Company and of the Group for the financial year ended 31 March 2023, the Directors have:-

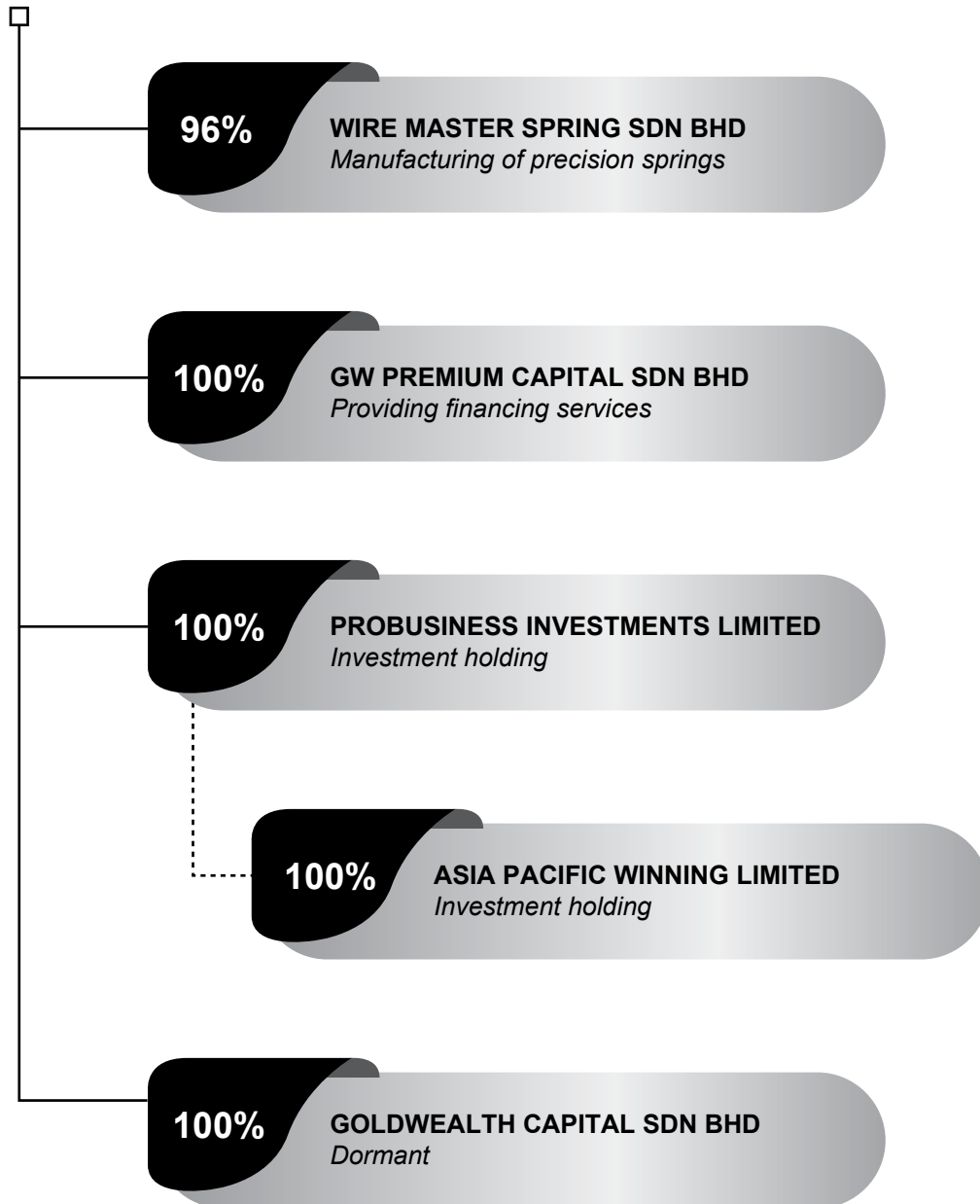
- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that the Company and the Group maintained accounting records which disclose with reasonable accuracy the financial position of the Company and of the Group and that the financial statements comply with the requirements of the Companies Act 2016 in Malaysia. The Directors have the general responsibility for taking reasonable measures to prevent and detect fraud and other irregularities in order to safeguard the assets of the Company and of the Group.

CORPORATE STRUCTURE



MyTech Group Berhad





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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2023.

Principal activities

The principal activities of the Company and its subsidiaries are as follows:-

- Company
- Investment holding
 - Provision of management services
 - Rental of properties
- Subsidiaries
- The subsidiaries are principally involved in the operation of manufacturing of precision springs, providing financing services and investment holdings.

The information on the name, country of place of incorporation and business, principal activities and percentage of issued share capital held by the Company in the subsidiaries are set out in Note 6 to the financial statements.

Financial results

	Group RM	Company RM
Profit for the financial year attributable to:-		
Owners of the Company	1,060,649	2,872,851
Non-controlling interests	659,687	-
	1,720,336	2,872,851

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividend

There was no dividend proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any dividend to be paid for the financial year under review.

Directors

The name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-

Dato' Lim Kim Huat
 Tan Sri Dato' Cheng Joo Teik
 Dato' Douglas Cheng Heng Lee
 Choo Weng Wah
 Datuk Dr. Ng Bee Ken
 Chen Keng Sam
 Lim Sze Yean
 Elisa Tan Mun-E (appointed on 1 June 2023)

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(Cont'd)

Subsidiaries**Name of Directors**

Wire Master Spring Sdn. Bhd.	Tan Sri Dato' Cheng Joo Teik Dato' Lim Kim Huat Dato' Douglas Cheng Heng Lee Choo Weng Wah Foo Toon Chai
GW Premium Capital Sdn. Bhd.	Tan Sri Dato' Cheng Joo Teik Dato' Lim Kim Huat
Probusiness Investments Limited	Tan Sri Dato' Cheng Joo Teik Dato' Lim Kim Huat
Goldwealth Capital Sdn. Bhd.	Tan Sri Dato' Cheng Joo Teik Tan Sri Datuk Chu Sui Kiong Dato' Lim Kim Huat Tan Boon Seng Loh Suan Phang

Directors' remuneration

	Incurred by the Company RM	Incurred by the subsidiaries RM	Group RM
Directors' salaries and other emoluments	42,000	846,523	888,523
Directors' other benefits	-	68,954	68,954
	42,000	915,477	957,477

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
(Cont'd)

Directors' interests in shares

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests in the ordinary shares of the Company and its related corporation of those who were Directors as at year end are as follows:-

	Number of ordinary shares			Balance at 31.3.2023
	Balance at 1.4.2022	Bought	(Sold)	
The Company				
<i>Direct interest</i>				
Tan Sri Dato' Cheng Joo Teik	1,000,000	-	-	1,000,000
Dato' Lim Kim Huat	1,358,745	-	-	1,358,745
Dato' Douglas Cheng Heng Lee	12,337,500	-	-	12,337,500
Choo Weng Wah	850,000	167,200	-	1,017,200
<i>Indirect interest</i>				
Tan Sri Dato' Cheng Joo Teik @	72,234,620	-	-	72,234,620
Subsidiary				
<i>Direct interest</i>				
Tan Sri Dato' Cheng Joo Teik				
- Wire Master Spring Sdn. Bhd.				
- own		1	-	1

@ Deemed interest through Gain Millen Sdn. Bhd. and his son.

By virtue of his interests in the ordinary shares of the Company, Tan Sri Dato' Cheng Joo Teik is also deemed to be interested in the ordinary shares of the subsidiaries during the financial year to the extent that the Company has an interest.

Save as disclosed above, none of the other Directors in office at the end of the financial year has any interest in shares in the Company or its related corporations during and at the end of the financial year.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(Cont'd)

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares

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

Indemnity and insurance for Directors and Officers

The amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year amounted to RM15,000,000 and RM17,930 respectively.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and no provision for doubtful debts was required; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values 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:-

- (a) which would render it necessary to make any provision for doubtful debts in the financial statements of the Group and of the Company or the amount written off for bad debts inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability 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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	2023 RM	2022 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	8,413,762	9,387,889
Right-of-use assets	5	537,444	1,306,395
Receivables, deposits and prepayment	7	3,243,012	22,214
Deferred tax assets	8	191,000	-
Total non-current assets		12,385,218	10,716,498
Current assets			
Inventories	9	2,315,128	2,723,936
Receivables, deposits and prepayments	7	2,073,393	1,998,242
Tax recoverable		8,422	-
Cash and cash equivalents	10	22,038,473	25,088,464
Total current assets		26,435,416	29,810,642
Non-current assets held for sale	11	3,338,054	-
Total assets		42,158,688	40,527,140
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	44,885,567	44,885,567
Reserve	13	5,786,765	4,922,932
Accumulated losses		(11,623,486)	(12,684,135)
Non-controlling interests	6	39,048,846	37,124,364
		400,767	(744,174)
Total equity		39,449,613	36,380,190
LIABILITIES			
Non-current liabilities			
Borrowings	14	87,784	1,609,273
Deferred tax liabilities	8	649,000	665,000
Total non-current liabilities		736,784	2,274,273
Current liabilities			
Payables and accruals	15	366,761	1,477,286
Borrowings	14	1,537,074	315,458
Tax payable		68,456	79,933
Total current liabilities		1,972,291	1,872,677
Total liabilities		2,709,075	4,146,950
Total equity and liabilities		42,158,688	40,527,140

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 RM	2022 RM
Revenue	16	9,332,989	10,697,356
Changes in manufactured inventories		(303,330)	363,278
Raw materials and consumables used		(2,468,271)	(3,646,858)
Staff costs	17	(2,846,006)	(3,099,563)
Depreciation of property, plant and equipment	4	(961,610)	(1,021,487)
Depreciation of right-of-use assets	5	(26,559)	(85,509)
Operating expenses		(2,528,942)	(7,028,744)
Other operating income	18	1,328,988	369,168
Finance income	19	489,463	375,523
Net movement of impairment loss on receivables	7	-	4,996,283
Operating profit		2,016,722	1,919,447
Finance costs	19	(81,756)	(78,716)
Profit before tax	20	1,934,966	1,840,731
Tax expense	21	(214,630)	(609,798)
Profit for the financial year		1,720,336	1,230,933
Other comprehensive income			
Item that will be reclassified subsequently to profit or loss			
- Exchange translation differences		1,103,122	11,431
Total comprehensive income for the financial year		2,823,458	1,242,364
Profit/(Loss) for the financial year attributable to:-			
Owners of the Company		1,060,649	1,262,123
Non-controlling interests		659,687	(31,190)
		1,720,336	1,230,933
Total comprehensive income/(loss) attributable to:-			
Owners of the Company		1,924,482	1,293,238
Non-controlling interests		898,976	(50,874)
		2,823,458	1,242,364
Basic and diluted earnings per ordinary share (sen)	22	0.47	1.17

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	← Attributable to owners of the Company →					
	Share capital RM	Non-distributable Exchange fluctuation reserve RM	Distributable Accumulated losses RM	Total RM	Non-controlling interest RM	Total equity RM
At 1 April 2021	44,885,567	4,891,817	(13,946,258)	35,831,126	(693,300)	35,137,826
Total comprehensive income for the financial year	-	31,115	1,262,123	1,293,238	(50,874)	1,242,364
At 31 March 2022	44,885,567	4,922,932	(12,684,135)	37,124,364	(744,174)	36,380,190
Total comprehensive income for the financial year	-	863,833	1,060,649	1,924,482	898,976	2,823,458
Disposal of a subsidiary	-	-	-	-	245,965	245,965
At 31 March 2023	44,885,567	5,786,765	(11,623,486)	39,048,846	400,767	39,449,613

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2023 RM	2022 RM
OPERATING ACTIVITIES		
Profit before tax	1,934,966	1,840,731
Adjustments for:-		
Provision for obsolete inventories	56,895	32,332
Impairment loss on receivables	-	3,717
Bad debts written off	-	5,003,466
Depreciation of property, plant and equipment	961,610	1,021,487
Depreciation of right-of-use assets	26,559	85,509
Gain on disposal of property, plant and equipment	(1,139)	(200)
Loss on disposal of non-current assets held for sale	58,728	-
Loss on disposal of subsidiaries	314,116	-
Interest expense	81,756	78,716
Interest income	(489,463)	(375,523)
Reversal of impairment loss on receivables	-	(5,000,000)
Impairment loss on non-current assets held for sale	213,067	-
Reversal of provision for obsolete inventories	(32,282)	(22,195)
Waiver of non-trade creditors	(346,136)	-
Unrealised loss on foreign exchange	251,921	101,920
Operating profit before changes in working capital	3,030,598	2,769,960
Changes in working capital:-		
Inventories	384,195	(459,914)
Payables and accruals	(514,603)	(335,966)
Receivables, deposits and prepayments	(3,824,242)	1,339,779
Cash (used in)/generated from operations	(924,052)	3,313,859
Tax refunded	-	40,970
Tax paid	(441,529)	(511,865)
Net cash (used in)/from operating activities	(1,365,581)	2,842,964

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023
 (Cont'd)

	2023 RM	2022 RM
INVESTING ACTIVITIES		
Interest received	489,463	375,523
Proceeds from disposal of property, plant and equipment	1,140	200
Proceeds from disposal of non-current assets held for sale	3,856,470	-
Purchase of property, plant and equipment	(267,660)	(243,790)
Purchase of non-current assets held for sale	(7,466,319)	-
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed	2,336,046	-
Net cash (used in)/from investing activities	(1,050,860)	131,933
FINANCING ACTIVITIES		
Repayment of lease liabilities	-	(49,097)
Repayment of term loans	(299,873)	(303,843)
Interest paid	(81,756)	(78,716)
Net cash used in financing activities	(381,629)	(431,656)
Net (decrease)/increase in cash and cash equivalents	(2,798,070)	2,543,241
Effect of exchange rate changes	(251,921)	(104,358)
Cash and cash equivalents at 1 April	25,088,464	22,649,581
Cash and cash equivalents at 31 March (Note 10)	22,038,473	25,088,464

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	2023 RM	2022 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,685,080	4,799,233
Investments in subsidiaries	6	1,475,004	1,475,005
Total non-current assets		6,160,084	6,274,238
Current assets			
Receivables, deposits and prepayments	7	4,143,603	572,457
Cash and cash equivalents	10	19,254,689	23,469,579
Total current assets		23,398,292	24,042,036
Non-current assets held for sale	11	3,338,054	-
Total assets		32,896,430	30,316,274
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	44,885,567	44,885,567
Accumulated losses		(21,994,629)	(24,867,480)
Total equity		22,890,938	20,018,087
LIABILITIES			
Non-current liability			
Borrowings	14	87,784	1,609,273
Total non-current liability		87,784	1,609,273
Current liabilities			
Payables and accruals	15	8,312,178	8,373,456
Borrowings	14	1,537,074	315,458
Tax payable		68,456	-
Total current liabilities		9,917,708	8,688,914
Total liabilities		10,005,492	10,298,187
Total equity and liabilities		32,896,430	30,316,274

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 RM	2022 RM
Revenue	16	721,395	657,212
Staff costs	17	(366,576)	(429,948)
Depreciation of property, plant and equipment	4	(143,501)	(143,831)
Operating expenses		(787,923)	(22,469,271)
Other operating income	18	3,106,546	240,702
Finance income	19	489,457	375,519
Finance costs	19	(78,091)	(74,121)
Reversal of impairment loss on receivables		-	21,504,020
Impairment loss on investment in subsidiaries		-	(2,500,000)
Profit/(Loss) before tax	20	2,941,307	(2,839,718)
Tax expense	21	(68,456)	-
Profit/(Loss) for the financial year		2,872,851	(2,839,718)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the financial year		2,872,851	(2,839,718)

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Share capital RM	Accumulated losses RM	Total RM
At 1 April 2021	44,885,567	(22,027,762)	22,857,805
Total comprehensive loss for the financial year	-	(2,839,718)	(2,839,718)
At 31 March 2022	44,885,567	(24,867,480)	20,018,087
Total comprehensive income for the financial year	-	2,872,851	2,872,851
At 31 March 2023	44,885,567	(21,994,629)	22,890,938

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2023 RM	2022 RM
OPERATING ACTIVITIES		
Profit/(Loss) before tax	2,941,307	(2,839,718)
Adjustments for:-		
Gain on disposal of property, plant and equipment	-	(200)
Loss on disposal of non-current assets held for sale	58,728	-
Depreciation of property, plant and equipment	143,501	143,831
Interest expense	78,091	74,121
Bad debts written off	-	22,016,597
Impairment loss on receivables	-	512,577
Reversal of impairment loss on receivables	-	(22,016,597)
Unrealised loss/(gain) on foreign exchange	72,850	(240,502)
Interest income	(489,457)	(375,519)
Impairment loss on investment in subsidiaries	-	2,500,000
Impairment loss on non-current assets held for sale	213,067	-
Operating profit/(loss) before changes in working capital	3,018,087	(225,410)
Changes in working capital:-		
Receivables, deposits and prepayments	(73,876)	(426)
Payables and accruals	1,769	(45,195)
Net cash from/(used in) operating activities	2,945,980	(271,031)
INVESTING ACTIVITIES		
Additional investment in subsidiary	(249,999)	(1)
Interest received	489,457	375,519
(Advances to)/Repayment from subsidiaries	(3,497,270)	2,267,373
Purchase of property, plant and equipment	(29,348)	(5,000)
Purchase of non-current assets held for sale	(7,466,319)	-
Proceeds from disposal of property, plant and equipment	-	200
Proceeds from disposal of non-current assets held for sale	3,856,470	-
Proceeds from disposal of a subsidiary	250,000	-
Net cash (used in)/from investing activities	(6,647,009)	2,638,091
FINANCING ACTIVITIES		
Interest paid	(78,091)	(74,121)
Repayment to subsidiaries	(63,047)	(119,286)
Repayment of term loans	(299,873)	(303,843)
Net cash used in financing activities	(441,011)	(497,250)
Net (decrease)/increase in cash and cash equivalents	(4,142,040)	1,869,810
Effect of exchange translation differences on cash and cash equivalents	(72,850)	-
Cash and cash equivalents at 1 April	23,469,579	21,599,769
Cash and cash equivalents at 31 March (Note 10)	19,254,689	23,469,579

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur and the principal place of business of the Company is located at K-09-01, No.2, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur.

The Company is principally engaged as an investment holding company, provision of management services and rental of properties. 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 principal activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 July 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 Adoption of amendments/improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements, except as follows:-

At the beginning of the current financial year, the Group and the Company adopted amendments/improvements to MFRSs which are mandatory for the current financial periods beginning on or after 1 April 2022.

- Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to MFRSs 2018 - 2020

The adoption of the above standards and amendments did not result in material impact to the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial period.

Effective for financial period beginning on or after 1 March 2023

- MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts*
- Amendments to MFRS 17 - Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112 Income Taxes – International Tax Reform: Pillar Two Model Rules

Effective for financial period beginning on or after 1 March 2024

- Amendments to MFRS 16 Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments - Disclosures

Deferred to a date to be determined by the MASB

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- * Not applicable to the Group's and the Company's operations.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company upon their first adoption.

2.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainties

Information about significant judgement, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over their estimated useful lives. Management estimated the useful lives of property, plant and equipment and right-of-use assets to be within 3 to 52 years and reviews the useful lives of depreciable assets at end of each reporting period. At 31 March 2023, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's and the Company's assets.

The carrying amount of the Group's and the Company's property, plant and equipment and right-of-use assets at the end of the reporting period is disclosed in Note 4 and Note 5 to the financial statements.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to economical and technology changes which may cause selling prices to change rapidly, and the Group's profit to change.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainties (cont'd)

Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product, base lending rate, inflation rate, unemployment and labour force participation rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing and financing sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 7 to the financial statements.

Income taxes and deferred tax liabilities

Estimation is involved in determining the Group's and the Company's provision for income taxes and deferred tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainties (cont'd)

Non-current assets held for sale

During the financial year ended 31 March 2023, the Group and the Company had identified a third-party buyer for the disposal of motor vehicles, and subsequent to the reporting date, the disposal transaction has completed on 20 April 2023. These assets were reclassified as non-current assets held for sale as at 31 March 2023. The Group and the Company consider these assets meet the criteria to be classified as held for sale for the following reasons:

- assets are available for immediate sale and can be sold to potential buyers in their current conditions;
- actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification; and
- third party buyer has been identified and negotiations are at an advance stage at the reporting date.

Further detail on non-current assets held for sale is disclosed in Note 11 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

3.1 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any unimpaired balance of goodwill on acquisition and exchange differences.

3.2 Goodwill

Goodwill represents the excess of the cost of acquisition and the amount recognised for non-controlling interests over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate and jointly controlled entities and at the date of acquisition. If the cost of acquisition is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Goodwill arising on the acquisition of subsidiaries is presented separately in the consolidated statement of financial position while goodwill arising on the acquisition of associate is included within the carrying amount of investment in associate.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Goodwill (cont'd)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and, whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including goodwill, with the recoverable amount of the unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised in the profit or loss.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operations within that unit is disposed off, the goodwill associated with the operations disposed off is included in the carrying amount of the operations when determining the gain or loss on disposal of the operations. Goodwill disposed off in these circumstances is measured based on the relative fair values of the operations disposed off and portion of the cash-generating unit retained.

3.3 Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company.

Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if that results in a deficit balance.

3.4 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries, which is eliminated on consolidation is stated at cost in the Company's financial statements. Where an indication of impairment exists, the carrying amount of the subsidiaries is assessed and written down immediately to their recoverable amount. The cost of investments includes transaction costs.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Property, plant and equipment and depreciation

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group's and the Company's and the cost of the item can be measured reliably. All property, plant and equipment are stated at historical cost less accumulated depreciation and less any impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of property, plant and equipment is provided on the straight line method in order to write off the cost of each asset over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Buildings	2%
Building improvement and electrical installation	10%
Plant, machinery, factory equipment and tools	20%
Hotel equipment, furniture, fixtures, club and office equipment	12.5%-33.3%
Motor vehicles	20%
Solar system	2%

The residual values, useful life and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

3.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.6.1 Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

3.6.1 Group as a lessee (cont'd)

3.6.1.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Leasehold land	Over the lease period of 52 years
Motor vehicles	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as disclosed in Note 3.8 to the financial statements.

3.6.1.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

3.6.1 Group as a lessee (cont'd)

3.6.1.3 Short-term leases and leases of low-value assets

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

3.6.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.7 Inventories

Inventories of raw materials and finished goods are value at lower of cost and net realisable value. Cost of raw materials is determined on the weighted average basis.

Cost of finished goods include the cost of materials, direct labour and proportion of the manufacturing overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimates costs to completion and costs to be incurred in marketing, selling and distribution.

3.8 Impairment of non-financial assets

At each reporting date, the Group and the Company review carrying amounts of its non-financial assets to determine whether there is any indication of impairment. Non-financial assets is tested for impairment at least once annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount of the asset or a cash-generating unit is less than its carrying amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset. An impairment loss is recognised as an expense in profit or loss immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

All reversals of impairment losses are recognised as income immediately in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through profit or loss is treated as revaluation increase. After such a reversal, depreciation charge is adjusted in future periods to allocate the revised carrying amount of the asset, less any residual value, on a systematic basis over its remaining useful life.

3.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.9.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which and the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (cont'd)

3.9.1 Financial assets (cont'd)

Initial recognition and measurement (cont'd)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

As at the reporting date, the Group and the Company carry financial assets at amortised cost only.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group and the Company's financial assets at amortised cost include trade receivables, other receivables, deposits, and cash and cash equivalents.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:-

- The rights to receive cash flows from the asset have expired
- Or
- The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (cont'd)

3.9.1 Financial assets (cont'd)

Derecognition (cont'd)

When the Group and the Company have transferred their rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets, and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (cont'd)

3.9.1 Financial assets (cont'd)

Impairment (cont'd)

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

3.9.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade payables, other payables, accruals and borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (cont'd)

3.9.2 Financial liabilities (cont'd)

Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

3.9.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, banks balances and short term demand deposits which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.11 Tax expense

Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.11.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Tax expense (cont'd)

3.11.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.12 Borrowing costs

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of the cost of those assets during the period of time that is required to complete and prepare the assets for their intended use.

All other borrowing costs are expensed in the year in which they are incurred.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.14 Foreign currency translations

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Foreign currency translations (cont'd)

All differences are taken to the profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising in translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

Foreign operations

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combination before 1 April 2011 (the date when the Group and the Company first adopted MFRSs) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the date of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Revenue

The Group is in the business of manufacturing precision springs, hotel, financing and insurance agency. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

3.15.1 Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customers.

3.15.2 Hotel income

Hotel income is recognised when the relevant services are provided to the customers.

3.15.3 Insurance commission

Insurance commission is recognised as it accrues.

3.15.4 Interest income from financing receivables

Interest income from financing receivables is recognised as income over the period of instalment payments calculated using the effective interest rate method.

3.15.5 Revenue from other sources

3.15.5.1 Interest income

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

3.15.5.2 Management fees

Management fees is recognised upon rendering services.

3.16 Employee benefits

3.16.1 Short-term employee benefits

Wages, salaries, bonuses and social security contributions are summarised as expenses in the year in which the associated services are rendered by the employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are summarised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are summarised when the absences occurred.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Employee benefits (cont'd)

3.16.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

3.17 Contingent liabilities

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statement of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.18 Equity, reserves and distributions to owners

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

Share capital represents the nominal value of shares that have been issued.

Accumulated losses include all current year's profit and prior year's losses.

All transactions with owners of the Company are recorded separately within equity.

3.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified to make strategic decisions. Additional disclosures on each of these segments are shown in Note 24 to the financial statements.

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the Group in an arm's length transaction. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Sales and services tax

Expenses and assets are recognised net of the amount of sales and services tax, except:-

- When the sales tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales and services tax included

The net amount of sales and services tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statements of financial position.

3.21 Non-current assets held for sale

Non-current assets, or disposal group comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs of disposal.

3.22 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

A party is related to an entity if:-

- (a) A person or a close member of that person's family is related to the Group if that person:-
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:-
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity;
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly-controlled by a person identified in (a) above;
 - (vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity or of the parents of the Group; or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Buildings, building improvement and electrical installation	Plant, machinery and equipment	Hotel equipment, furniture, fixtures, club and office equipment	Motor vehicles	Solar system	Total
Cost						
At 1 April 2021	16,664,841	5,227,796	4,132,689	200,876	489,600	26,715,802
Additions	-	206,180	37,610	-	-	243,790
Reclassification from right-of-use assets (Note 5)	-	-	-	246,250	-	246,250
Disposals	-	-	(4,000)	-	-	(4,000)
Translation differences	84,661	-	(312,651)	1,488	-	(226,502)
At 31 March 2022	16,749,502	5,433,976	3,853,648	448,614	489,600	26,975,340
Additions	-	216,058	51,602	-	-	267,660
Disposals	-	(4,230)	-	-	-	(4,230)
Disposal of a subsidiary	(7,012,160)	-	(2,153,572)	(117,502)	-	(9,283,234)
Translation differences	791,488	-	580,274	13,188	-	1,384,950
At 31 March 2023	10,528,830	5,645,804	2,331,952	344,300	489,600	19,340,486

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

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

Group	Buildings, building improvement and electrical installation	Plant, machinery and equipment tools	Hotel equipment, furniture, fixtures, club and office equipment	Motor vehicles	Solar system	Total
	RM	RM	RM	RM	RM	RM
Accumulated depreciation						
At 1 April 2021	9,324,839	3,656,621	3,467,444	190,952	816	16,640,672
Depreciation for the financial year	233,931	584,321	184,668	8,775	9,792	1,021,487
Reclassification from right-of-use assets (Note 5)	-	-	-	160,062	-	160,062
Disposals	-	-	(4,000)	-	-	(4,000)
Translation differences	83,673	-	(315,935)	1,492	-	(230,770)
At 31 March 2022	9,642,443	4,240,942	3,332,177	361,281	10,608	17,587,451
Depreciation for the financial year	226,982	508,318	166,122	50,396	9,792	961,610
Disposals	-	(4,229)	-	-	-	(4,229)
Disposal of a subsidiary	(6,359,061)	-	(1,994,058)	(110,906)	-	(8,464,025)
Translation differences	379,189	-	460,136	6,592	-	845,917
At 31 March 2023	3,889,553	4,745,031	1,964,377	307,363	20,400	10,926,724
Net carrying amount						
At 31 March 2023	6,639,277	900,773	367,575	36,937	469,200	8,413,762
At 31 March 2022	7,107,059	1,193,034	521,471	87,333	478,992	9,387,889

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

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

Company	Buildings RM	Furniture, fixtures and office equipment RM	Total RM
Cost			
At 1 April 2021	6,615,548	1,425,230	8,040,778
Additions	-	5,000	5,000
Disposal	-	(4,000)	(4,000)
At 31 March 2022	6,615,548	1,426,230	8,041,778
Additions	-	29,348	29,348
At 31 March 2023	6,615,548	1,455,578	8,071,126
Accumulated depreciation			
At 1 April 2021	1,699,043	1,403,671	3,102,714
Depreciation for the financial year	132,311	11,520	143,831
Disposal	-	(4,000)	(4,000)
At 31 March 2022	1,831,354	1,411,191	3,242,545
Depreciation for the financial year	132,311	11,190	143,501
At 31 March 2023	1,963,665	1,422,381	3,386,046
Net carrying amount			
At 31 March 2023	4,651,883	33,197	4,685,080
At 31 March 2022	4,784,194	15,039	4,799,233

(i) **Security**

The buildings of the Group and of the Company with the carrying amount of RM4,651,883 (2022: RM4,784,194) are pledged for banking facilities granted to the Company (Note 14).

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

5. RIGHT-OF-USE ASSETS

Group	Leasehold land RM	Motor vehicles RM	Total RM
Cost			
At 1 April 2021	1,959,212	246,250	2,205,462
Reclassification to property, plant and equipment (Note 4)	-	(246,250)	(246,250)
Translation differences	15,000	-	15,000
At 31 March 2022	1,974,212	-	1,974,212
Disposal of a subsidiary	(1,184,500)	-	(1,184,500)
Translation differences	133,000	-	133,000
At 31 March 2023	922,712	-	922,712
Accumulated depreciation			
At 1 April 2021	627,457	110,812	738,269
Charge for the financial year	36,259	49,250	85,509
Reclassification to property, plant and equipment (Note 4)	-	(160,062)	(160,062)
Translation differences	4,101	-	4,101
At 31 March 2022	667,817	-	667,817
Charge for the financial year	26,559	-	26,559
Disposal of a subsidiary	(327,950)	-	(327,950)
Translation differences	18,842	-	18,842
At 31 March 2023	385,268	-	385,268
Net carrying amount			
At 31 March 2023	537,444	-	537,444
At 31 March 2022	1,306,395	-	1,306,395

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Unquoted shares, at cost	3,975,004	3,975,005
Less: Accumulated impairment loss		
At beginning of financial year	(2,500,000)	-
Impairment loss recognised	-	(2,500,000)
At end of financial year	(2,500,000)	(2,500,000)
	1,475,004	1,475,005

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:-

Name of subsidiaries	Place of incorporation and business	Equity ownership interest		Principal activities
		2023	2022	
Wire Master Spring Sdn. Bhd. ("WMSSB")	Malaysia	96%	96%	Manufacturing of precision springs
Goldwealth Capital Sdn. Bhd. *	Malaysia	100%	100%	Dormant
GW Premium Capital Sdn. Bhd.	Malaysia	100%	100%	Providing financing services
Probusiness Investments Limited @	British Virgin Islands	100%	100%	Investment holding
MYEZ Discovery Sdn. Bhd. ("MYEZ") #	Malaysia	-	100%	Travel agency and tour operator activities
<i>Subsidiary of Probusiness Investments Limited</i>				
- Asia Pacific Winning Limited ("APWL") @	British Virgin Islands	100%	100%	Investment holding
<i>Subsidiary of Asia Pacific Winning Limited</i>				
- Lao-Malaysia Investments Group ("LMIG") @^	Republic of Laos	-	75%	Hotel operations

* The subsidiary is under Members' Voluntary Liquidation.

@ Companies not required to be audited in their country of incorporation. The financial statements have been audited for consolidation purpose.

Disposed on 16 August 2022.

^ Disposed on 21 October 2022.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Additional investment/Disposal of subsidiaries

2023

- (a) On 21 April 2022, the Company has subscribed additional 249,999 ordinary shares of RM1 each of MYEZ.
- (b) On 15 August 2022, a wholly-owned subsidiary, APWL had entered into a Sale and Purchase Agreement ("Agreement") for the disposal of all its entire investment of 750,000 ordinary shares or 75% equity interests in LMIG to Intra Corporation Sole Co. Ltd ("ICSCL") for a total cash consideration of USD600,000 which equivalent to RM2,586,900, of which USD61,926 which equivalent to RM266,994 for non-controlling interests shareholders for the transfer 250,000 ordinary shares or 25% equity interests in LMIG to ICSCL under a Share Transfer Agreement entered on 15 August 2022.

The transaction is completed on 21 October 2022 and APWL handover of the hotel operations to ICSCL on the same date.

LMIG is reported under hotel segment of the Group.

The effect of the disposal of LMIG on the financial position of the Group as at the date of disposal was as follows:-

	RM
Property, plant and equipment	315,759
Right-of-use assets	837,044
Trade and other receivables	68,602
Cash and bank balances	4,729
Other payables and accruals	(255,147)
	<hr/>
Net assets	970,987
Non-controlling interests	245,965
Exchange fluctuation reserve	1,442,605
Loss on disposal	(339,651)
	<hr/>
Proceeds from disposal	2,319,906
Less: Cash and bank balances disposed	(4,729)
	<hr/>
Net cash inflows from disposal	<u>2,315,177</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Additional investment/Disposal of subsidiaries (cont'd)

2023 (cont'd)

- (c) On 16 August 2022, a wholly-owned subsidiary, MYEZ was disposed for a cash consideration for RM250,000 due to organisational restructuring.

The effect of the disposal of MYEZ on the financial position of the Group as at the date of disposal was as follows:-

	RM
Other receivables	750
Cash and bank balances	229,131
Other payables and accruals	(5,416)
	<hr/>
Net assets	224,465
Gain on disposal	25,535
	<hr/>
Proceeds from disposal	250,000
Less: Cash and bank balances disposed	(229,131)
	<hr/>
Net cash inflows from disposal	<u>20,869</u>

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:-

	WMSSB	LMIG	Total
2023			
NCI percentage of ownership interests and voting interest (%)	4%	-	
Carrying amount of NCI (RM)	400,767	-	400,767
Profit allocated to NCI (RM)	35,574	624,113	659,687
Total comprehensive income allocated to NCI (RM)	35,574	863,402	<u>898,976</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Non-controlling interests in subsidiaries (cont'd)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows (cont'd):-

	WMSSB	LMIG	Total
2022			
NCI percentage of ownership interests and voting interest (%)	4%	25%	
Carrying amount of NCI (RM)	365,193	(1,109,367)	(744,174)
Profit/(Loss) allocated to NCI (RM)	70,223	(101,413)	(31,190)
Total comprehensive income/(loss) allocated to NCI (RM)	70,223	(121,097)	(50,874)

The summary of financial information before intra-group elimination for the Group's subsidiaries that has material non-controlling interests ("NCI") is as below:-

	WMSSB RM	LMIG RM	Total RM
2023			
Financial position as at 31 March			
Non-current assets	4,809,165	-	4,809,165
Current assets	6,072,776	-	6,072,776
Non-current liabilities	(649,000)	-	(649,000)
Current liabilities	(213,774)	-	(213,774)
Net assets	10,019,167	-	10,019,167
Summary of financial performance for the financial year ended 31 March			
Profit for the financial year	889,340	7,002,239	7,891,579
Other comprehensive income	-	957,163	957,163
Total comprehensive income	889,340	7,959,402	8,848,742
Included in the total comprehensive income is:-			
Revenue	8,227,455	664,919	8,892,374

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Non-controlling interests in subsidiaries (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiaries that has material non-controlling interests ("NCI") is as below (cont'd):-

	WMSSB RM	LMIG RM	Total RM
2023 (cont'd)			
Summary of cash flows for the financial year ended 31 March			
Net cash inflow/(outflow) from			
- operating activities	1,900,682	(768,088)	1,132,594
- investing activities	(227,113)	(10,059)	(237,172)
- financing activities	(444,578)	665,313	220,735
Net cash inflow/(outflow)	1,228,991	(112,834)	1,116,157
2022			
Financial position as at 31 March			
Non-current assets	5,399,871	1,044,846	6,444,717
Current assets	5,572,684	285,381	5,858,065
Non-current liabilities	(665,000)	-	(665,000)
Current liabilities	(1,177,728)	(7,054,003)	(8,231,731)
Net assets/(liabilities)	9,129,827	(5,723,776)	3,406,051
Summary of financial performance for the financial year ended 31 March			
Profit/(Loss) for the financial year	1,755,583	(405,652)	1,349,931
Other comprehensive loss	-	(78,737)	(78,737)
Total comprehensive income/(loss)	1,755,583	(484,389)	1,271,194
Included in the total comprehensive income is:-			
Revenue	10,011,492	312,352	10,323,844
Summary of cash flows for the financial year ended 31 March			
Net cash inflow/(outflow) from			
- operating activities	3,485,121	(332,616)	3,152,505
- investing activities	(224,208)	(14,582)	(238,790)
- financing activities	(2,571,638)	322,151	(2,249,487)
Net cash inflow/(outflow)	689,275	(25,047)	664,228

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

7. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company		
	2023 RM	2022 RM	2023 RM	2022 RM	
Non-current					
Trade					
Trade receivables/ Total non-current receivables	3,243,012	22,214	-	-	
Current					
Trade					
Trade receivables	1,861,182	1,599,902	-	-	
Less : Impairment losses	-	(13,590)	-	-	
	1,861,182	1,586,312	-	-	
Non-trade					
Amounts due from subsidiaries	7.1	-	-	3,968,884	471,614
Other receivables	77,045	1,096	74,218	-	
GST receivable	441	478	-	37	
Deposits	99,647	360,847	82,729	82,729	
Prepayments	35,078	49,509	17,772	18,077	
	212,211	411,930	174,719	100,843	
Total current receivables	2,073,393	1,998,242	4,143,603	572,457	

The movement in impairment losses in trade receivables are as follows:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade				
Brought forward	13,590	9,706	-	-
Impairment loss recognised	-	3,717	-	-
Written off	(15,308)	-	-	-
Translation differences	1,718	167	-	-
Carried forward	-	13,590	-	-

The normal trade credit terms granted by the Group to the trade receivables range from 30 to 120 days (2022: 30 to 120 days).

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

7. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

The movement in impairment losses in non-trade receivables are as follows:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade				
Brought forward	-	5,000,000	-	21,504,020
Impairment loss recognised	-	-	-	512,577
Reversal of impairment loss	-	(5,000,000)	-	(22,016,597)
Carried forward	-	-	-	-

7.1 Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

8. DEFERRED TAXATION

8.1 Deferred tax assets

The deferred tax assets as at reporting date are made up of temporary difference arising from:-

	At 1 April 2021 RM	Recognised in profit or loss RM	At 31 March 2022 RM	Recognised in profit or loss RM	At 31 March 2023 RM
Group					
Deferred tax assets:					
Unabsorbed tax losses	-	-	-	(191,000)	(191,000)
				Note 21	

8.2 Deferred tax liabilities

The deferred tax liabilities as at reporting date are made up of temporary difference arising from:-

	At 1 April 2021 RM	Recognised in profit or loss RM	At 31 March 2022 RM	Recognised in profit or loss RM	At 31 March 2023 RM
Group					
Deferred tax liabilities:					
Carrying amount of qualifying property, plant and equipment in excess of their tax base	441,000	224,000	665,000	(16,000)	649,000
		Note 21		Note 21	

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

8. DEFERRED TAXATION (CONT'D)

8.3 Deferred tax (assets)/liabilities not recognised

Deferred tax (assets)/liabilities have not been recognised in respect of the following temporary differences due to the uncertainty of recoverability by the Company and its subsidiaries:-

	Group	
	2023 RM	2022 RM
Unabsorbed tax losses	(676,000)	(1,704,000)
Unutilised capital allowances	(317,000)	(317,000)
Property, plant and equipment	9,000	7,000
Others	(213,000)	-
	(1,197,000)	(2,014,000)

	Company	
	2023 RM	2022 RM
Unabsorbed tax losses	-	(222,000)
Unutilised capital allowances	(256,000)	(256,000)
Property, plant and equipment	9,000	7,000
Others	(213,000)	-
	(460,000)	(471,000)

The unabsorbed tax losses and unutilised capital allowances which can be carried forward to offset against future taxable profit amounted to approximately RM676,000 (2022: RM1,704,000) and RM317,000 (2022: RM317,000) for the Group and RMNil (2022: RM222,000) and RM256,000 (2022: RM256,000) for the Company.

Deferred tax assets have not been recognised in respect of these items as the Company and the subsidiaries may not have sufficient taxable profits to be used to offset or realise in the near future.

Effective Year of Assessment 2019 as announced in the Annual Budget 2022, the unabsorbed tax losses of the Group and the Company as of 31 December 2018 and thereafter will be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unabsorbed tax losses will be disregarded.

The unabsorbed tax losses are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act 1967 and guidance issued by the tax authority as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Expiring in year of assessment 2029	648,000	1,676,000	-	220,000
Expiring in year of assessment 2033	28,000	28,000	-	-
	676,000	1,704,000	-	220,000

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

9. INVENTORIES

	Group	
	2023 RM	2022 RM
Raw materials	1,818,432	1,914,014
Finished goods	496,696	809,922
	2,315,128	2,723,936
Recognised in profit and loss:-		
Inventories recognised as cost of sales	2,725,152	3,070,243
Provision for obsolete inventories	56,895	32,332
Reversal of provision for obsolete inventories *	(32,282)	(22,195)
	(32,282)	(22,195)

* The reversal of provision for obsolete inventories was made during the year when the related inventories were sold out.

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Short-term deposits with licensed banks and financial institutions	13,437,449	21,225,539	13,437,449	21,225,539
Cash and bank balances	8,601,024	3,862,925	5,817,240	2,244,040
	22,038,473	25,088,464	19,254,689	23,469,579

The interest rates of short-term deposits with licensed banks are ranging from 2.57% to 3.88% (2022: 1.88% to 2.40%) per annum.

11. NON-CURRENT ASSETS HELD FOR SALE

During the financial year 2023, the Company has entered into Partnership Agreement with third-party marketing agents to supply the electric cars ("EVs") for marketing events purposes. The Company has generated financing incentive fees of RM413,575 during the financial year 2023, as disclosed in Note 18 to financial statements.

On 22 December 2022, the Board of Directors has authorised the Company to acquire new EVs from a third party for total cash purchase consideration of RM7,466,319. The acquisition was completed on 3 January 2023. Subsequently on 30 January 2023, the Company had disposed partial of those EVs amounting to RM3,915,198 for a cash consideration of RM3,856,470 to a third-party buyer and gave rise to a loss of RM58,728 in the Group's and the Company's financial statements, as disclosed in Note 20 to the financial statements.

On 17 April 2023, the Company has disposed the remaining of the EVs for a total cash consideration of RM3,338,054 to a third-party buyer and the transaction is completed on 20 April 2023.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

11. NON-CURRENT ASSETS HELD FOR SALE (CONT'D)

At 31 March 2023, the below EVs were classified as non-current assets held for sale:-

	2023 RM	2022 RM
Group/Company		
Motor vehicles	3,338,054	-

12. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares Unit	Amount RM	Number of shares Unit	Amount RM
Issued and fully paid with no par value:-				
Ordinary shares				
At beginning of financial year	223,767,000	44,885,567	44,753,400	44,885,567
Shares split	-	-	179,013,600	-
At end of financial year	223,767,000	44,885,567	223,767,000	44,885,567

In the previous financial year, the Company increased its issued and paid-up ordinary shares through a subdivision of one (1) existing ordinary share into five (5) ordinary shares on 22 November 2021. As a result, the issued ordinary shares of the Company as of the date was increased from 44,753,400 shares to 223,767,000 ("the Split Shares"). The Split Shares exercise was approved by the shareholders on 28 October 2021. The Split Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 22 November 2021.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

13. RESERVES

	Group	
	2023 RM	2022 RM
Non-distributable		
Exchange fluctuation reserve	5,786,765	4,922,932

Exchange fluctuation reserve comprises of foreign currency differences arising from the translation of financial statements of foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

14. BORROWINGS

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Current					
Term loans - secured	14.3	1,537,074	315,458	1,537,074	315,458
Non-current					
Term loans - secured	14.3	87,784	1,609,273	87,784	1,609,273
Total current and non-current borrowings		1,624,858	1,924,731	1,624,858	1,924,731

14.1 Securities

Group/Company

The term loans are secured by the Group's and the Company's buildings (Note 4) and rental proceeds derived from the buildings as described under a Deed of Assignment.

14.2 Interest rate

Group/Company

The term loans at the end of the reporting period bore effective interest rate at 5.19% (2022: 3.48%) per annum.

14.3 Terms and debt repayment schedule

Group/Company	Year of maturity	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
2023						
Term loans - secured	2029	1,624,858	1,537,074	14,384	73,400	-
2022						
Term loans - secured	2029	1,924,731	315,458	326,587	1,247,360	35,326

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

14. BORROWINGS (CONT'D)

14.4 Lease liabilities

Set out below is the movements of the lease liabilities during the financial year:-

	Group	
	2023 RM	2022 RM
At 1 April	-	49,097
Accretion of interest	-	3,388
Payment of principal and interest	-	(52,485)
At 31 March	-	-

The following are the amount relating to lease liabilities recognised in profit or loss:-

	Group	
	2023 RM	2022 RM
Interest expense on lease liabilities	-	3,388

The followings are total cash outflow from leases:-

	Group	
	2023 RM	2022 RM
Interest paid	-	3,388
Payment of principal portion of lease liabilities	-	49,097
	-	52,485

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

15. PAYABLES AND ACCRUALS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade				
Trade payables	143,832	507,242	-	-
Non-trade				
Amount due to subsidiaries	-	-	8,210,344	8,273,391
Other payables	113,126	562,274	40,544	42,637
Accrued expenses	102,918	399,918	61,290	57,428
SST payable	6,885	7,852	-	-
	222,929	970,044	101,834	100,065
	366,761	1,477,286	8,312,178	8,373,456

The normal trade credit terms granted by trade payables range from 30 to 90 days (2022: 30 to 90 days).

The amount due to subsidiaries are unsecured, interest free and repayable on demand.

16. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contract with customers:-				
Sale of goods	8,227,455	10,011,492	-	-
Insurance commission	15,343	15,097	-	-
Management fees	-	-	300,000	300,000
Hotel income	664,919	312,352	-	-
	8,907,717	10,338,941	300,000	300,000
Revenue from other sources:-				
Interest income from financing receivables	3,877	1,203	-	-
Rental income	421,395	357,212	421,395	357,212
	425,272	358,415	421,395	357,212
	9,332,989	10,697,356	721,395	657,212
Timing of recognition:-				
- Satisfied at a point in time	8,907,717	10,338,941	300,000	300,000

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

17. STAFF COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages and other emoluments	2,556,590	2,798,849	324,215	375,809
Defined contribution plan	243,996	247,888	33,356	31,826
Social security contributions	23,313	26,322	1,906	1,539
Other benefits	22,107	26,504	7,099	20,774
	2,846,006	3,099,563	366,576	429,948

Included in the staff costs is the Directors' remuneration as below:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive Directors:-				
Salaries and other emoluments	846,523	845,109	-	60,000
Defined contribution plan	67,029	62,836	-	7,200
Social security contributions	1,925	1,693	-	308
	915,477	909,638	-	67,508

	Group and Company	
	2023 RM	2022 RM
Non-executive Directors:-		
Other emoluments	42,000	46,000

18. OTHER OPERATING INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Bad debts recovered from a subsidiary	-	-	2,653,216	-
Financing incentive fees	413,575	-	413,575	-
Gain on disposal of property, plant and equipment	-	200	-	200
Reversal of provision for obsolete inventories	32,282	22,195	-	-
Unrealised gain on foreign exchange	-	2,438	-	240,502
Sale of scrap	10,958	12,111	-	-
Waiver of non-trade creditors	346,136	-	-	-
Other income	526,037	332,224	39,755	-
	1,328,988	369,168	3,106,546	240,702

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

19. FINANCE INCOME AND FINANCE COST

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Finance income are as follows:-				
- Interest income from cash and cash equivalents	489,463	375,523	489,457	375,519
Finance costs are as follows:-				
- Bank borrowings	78,091	74,121	78,091	74,121
- Lease liabilities	-	3,388	-	-
- Bank charges/Credit card commissions	3,665	1,207	-	-
	81,756	78,716	78,091	74,121

20. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before tax arrived at:-				
After charging/(crediting):-				
Statutory audits:				
- Grant Thornton Malaysia PLT	54,700	52,700	24,500	22,000
Assurance-related services:				
- Grant Thornton Malaysia PLT	5,000	4,000	5,000	4,000
Other services:				
- Grant Thornton Taxation Sdn Bhd	10,250	10,250	3,700	3,700
Bad debts written off	-	5,003,466	-	22,016,597
Realised loss on foreign exchange	39,626	33,646	-	-
Gain on disposal of property, plant and equipment	(1,139)	(200)	-	(200)
Loss on disposal of non-current assets held for sale	58,728	-	58,728	-
Loss on disposal of subsidiaries	314,116	-	-	-
Impairment loss on non-current assets held for sale	213,067	-	213,067	-
Unrealised loss/(gain) on foreign exchange	251,921	101,920	72,850	(240,502)
Waiver of non-trade creditors	(346,136)	-	-	-
Rental income from:				
- third parties	(125,511)	(104,478)	(125,511)	(104,478)

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

21. TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax				
Current year	442,480	529,934	68,456	-
Overprovision in prior years	(20,850)	(144,136)	-	-
	421,630	385,798	68,456	-
Deferred tax (Note 8)				
Current year	(205,000)	111,000	-	-
(Over)/underprovision in prior years	(2,000)	113,000	-	-
Total deferred tax recognised in the profit or loss	(207,000)	224,000	-	-
Total tax expense	214,630	609,798	68,456	-

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before tax	1,934,966	1,840,731	2,941,307	(2,839,718)
Tax calculated using Malaysian tax rate of 24% (Loss)/Gain of foreign subsidiaries not available for set-off	464,392	441,775	705,914	(681,532)
Non-deductible expenses	(2,967,715)	159,318	-	-
Tax exempt income	3,890,551	228,311	127,849	854,872
Utilisation of deferred tax not recognised	(762,668)	(166,870)	(762,667)	(145,020)
Movement of deferred tax assets not recognised	(191,000)	-	-	-
	(196,080)	(21,600)	(2,640)	(28,320)
Overprovision of current tax expense in prior years	237,480	640,934	68,456	-
(Over)/Underprovision of deferred tax expense in prior years	(20,850)	(144,136)	-	-
	(2,000)	113,000	-	-
Tax expense	214,630	609,798	68,456	-

Malaysia income tax is calculated at the statutory rate of 24% (2022: 24%) of the estimated taxable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

22. BASIC AND DILUTED EARNINGS PER ORDINARY SHARE

The basic earnings per share have been calculated based on the profit attributable to owners of the Company and the weighted average number of shares in issue during the financial year.

	Group	
	2023 RM	2022 RM
Earnings attributable to owners of the Company (RM)	1,060,649	1,262,123
Weighted average number of ordinary shares in issue	223,767,000	108,021,220

The basic earnings per share and the diluted earnings per share are the same for the financial year as the Company has no dilutive potential ordinary shares as at the end of the reporting date.

23. RELATED PARTIES DISCLOSURES

Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties include the following:-

- (i) Subsidiaries of the Company.
- (ii) Directors and key management personnel of the Company.
- (iii) Machines Sdn. Bhd. ("MSB"), a Company in which certain Directors are deemed to have substantial financial interest.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

23. RELATED PARTIES DISCLOSURES (CONT'D)

Related party transactions (cont'd)

The significant related party transactions of the Group and of the Company, other than those disclosed in the financial statements are as follows:-

- (i) Transactions between the Company and its subsidiary:-

	2023 RM	2022 RM
Management fees charged on a subsidiary	300,000	300,000
Insurance premium charged by a subsidiary	5,838	5,203

The balances of amounts due from/(to) subsidiaries are disclosed in Note 7 and Note 15 to the financial statements.

- (ii) Transactions with company in which certain Directors are deemed to have indirect substantial financial interest:-

	Group and Company	
	2023 RM	2022 RM
Rental charged on a related party	295,884	252,734

Compensation of key management personnel

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

The remuneration of key management personnel is same with the Directors' remuneration as disclosed in Note 17 to the financial statements. The Group and the Company have no other members of key management personnel apart from the Board of Directors.

24. SEGMENTAL INFORMATION – GROUP

(i) Business segments

For the management purposes, the Group is organised into business units based on their products and services, which comprises the following:-

Manufacturing	Manufacture of precision springs
Hotel	Hotel operations
Others	(i) Investment holding
	(ii) Provision of management services
	(iii) Provision of financing services
	(iv) Rental of properties

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

24. SEGMENTAL INFORMATION – GROUP (CONT'D)

(i) Business segments (cont'd)

	2023	Manufacturing RM	Hotel RM	Others RM	Elimination RM	Consolidated RM
Revenue from external customers	8,227,455	664,919	440,615	-	9,332,989	
Inter-segment revenue - Note (a)	-	-	300,000	(300,000)	-	
Total revenue	8,227,455	664,919	740,615	(300,000)	9,332,989	
Result:-						
Finance income	6	-	489,457	-	489,463	
Depreciation of property, plant and equipment	(721,556)	(21,157)	(218,897)	-	(961,610)	
Depreciation of right-of-use assets	-	(11,180)	(15,379)	-	(26,559)	
Finance costs	(3,356)	(309)	(78,091)	-	(81,756)	
Other non-cash expenses - Note (b)	(23,474)	(251,921)	74,341	(314,116)	(515,170)	
Tax expense	(337,174)	-	122,544	-	(214,630)	
Segment profit/(loss) - Note (c)	889,340	7,002,239	5,801,086	(11,972,329)	1,720,336	
Assets:-						
Addition to non-current assets - Note (d)	228,253	10,059	29,348	-	267,660	
Segment assets	7,903,565	-	34,255,123	-	42,158,688	
Liabilities:-						
Unallocated liabilities	-	-	-	-	1,693,314	
Segment liabilities	814,125	-	201,636	-	1,015,761	

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

24. SEGMENTAL INFORMATION – GROUP (CONT'D)

(i) Business segments (cont'd)

2022	Manufacturing RM	Hotel RM	Others RM	Elimination RM	Consolidated RM
Revenue from external customers	10,011,492	312,352	373,512	-	10,697,356
Inter-segment revenue - Note (a)	-	-	300,000	(300,000)	-
Total revenue	10,011,492	312,352	673,512	(300,000)	10,697,356
Result:-					
Finance income	4	-	375,519	-	375,523
Depreciation of property, plant and equipment	(758,032)	(44,228)	(219,227)	-	(1,021,487)
Depreciation of right-of-use assets	(49,250)	(20,880)	(15,379)	-	(85,509)
Finance costs	(3,388)	(1,207)	(74,121)	-	(78,716)
Other non-cash expenses - Note (b)	(17,024,296)	(108,075)	17,253,833	(240,502)	(119,040)
Tax expense	(609,798)	-	-	-	(609,798)
Segment profit/(loss) - Note (c)	1,755,583	(405,652)	(9,400,127)	9,281,129	1,230,933
Assets:-					
Addition to non-current assets - Note (d)	224,208	14,582	5,000	-	243,790
Segment assets	7,901,652	1,330,227	31,295,261	-	40,527,140
Liabilities:-					
Unallocated liabilities	-	-	-	-	2,004,665
Segment liabilities	1,272,924	304,479	564,882	-	2,142,285

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

24. SEGMENTAL INFORMATION – GROUP (CONT'D)

(i) **Business segments (cont'd)**

Notes:-

- (a) Inter-segment revenue are eliminated on consolidation.
- (b) Other non-cash (expense)/income consist of the following items:-

	2023 RM	2022 RM
Provision for obsolete inventories	(56,895)	(32,332)
Reversal of provision for obsolete inventories	32,282	22,195
Impairment loss on receivables	-	(3,717)
Bad debts written off	-	(5,003,466)
Reversal of impairment loss on receivables	-	5,000,000
Gain on disposal of property, plant and equipment	1,139	200
Loss on disposal of subsidiaries	(314,116)	-
Loss on disposal of non-current assets held for sale	(58,728)	-
Unrealised loss on foreign exchange	(251,921)	(101,920)
Impairment of non-current assets held for sales	(213,067)	-
Waiver of non-trade creditors	346,136	-
	(515,170)	(119,040)

- (c) The following items are added to/(deducted from) segment profit/(loss) to arrive at “Profit for the financial year” presented in the consolidated statement of profit or loss and other comprehensive income:-

	2023 RM	2022 RM
Consolidated profit before interest and tax	1,527,259	1,543,924
Finance income	489,463	375,523
Finance costs	(81,756)	(78,716)
Tax expense	(214,630)	(609,798)
Segment profit	1,720,336	1,230,933

- (d) Additions to non-current assets consist of:-

	2023 RM	2022 RM
Property, plant and equipment	267,660	243,790

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

24. SEGMENTAL INFORMATION – GROUP (CONT'D)

(ii) Geographical segments

Revenues and non-current assets information based on the geographical location of customers and assets respectively are as follows:-

	Malaysia RM	Laos RM	Consolidated RM
2023			
Revenue from external customers by location of customers	8,668,070	664,919	9,332,989
Non-current assets	12,385,218	-	12,385,218
Capital expenditure by location of assets	267,660	-	267,660
2022			
Revenue from external customers by location of customers	10,385,004	312,352	10,697,356
Non-current assets	9,671,652	1,044,846	10,716,498
Capital expenditure by location of assets	229,208	14,582	243,790

(iii) Information about a major customer

Revenue from a major customer amounted to RM4,162,177 (2022: RM5,692,739) arising from the sales by the manufacturing segment.

25. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities measured at amortised cost ("AC") as follows:-

Group	Carrying amount RM	AC RM
2023		
Financial assets		
Receivables and deposits	5,280,886	5,280,886
Cash and cash equivalents	22,038,473	22,038,473
	<u>27,319,359</u>	<u>27,319,359</u>
Financial liabilities		
Payables and accruals	359,876	359,876
Borrowings	1,624,858	1,624,858
	<u>1,984,734</u>	<u>1,984,734</u>

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

25. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities measured at amortised cost ("AC") as follows (cont'd):-

Group (cont'd)	Carrying amount RM	AC RM
2022		
Financial assets		
Receivables and deposits	1,970,469	1,970,469
Cash and cash equivalents	25,088,464	25,088,464
	27,058,933	27,058,933
Financial liabilities		
Payables and accruals	1,469,434	1,469,434
Borrowings	1,924,731	1,924,731
	3,394,165	3,394,165
Company		
2023		
Financial assets		
Receivables and deposits	4,125,831	4,125,831
Cash and cash equivalents	19,254,689	19,254,689
	23,380,520	23,380,520
Financial liabilities		
Payables and accruals	8,312,178	8,312,178
Borrowings	1,624,858	1,624,858
	9,937,036	9,937,036
2022		
Financial assets		
Receivables and deposits	554,343	554,343
Cash and cash equivalents	23,469,579	23,469,579
	24,023,922	24,023,922
Financial liabilities		
Payables and accruals	8,373,456	8,373,456
Borrowings	1,924,731	1,924,731
	10,298,187	10,298,187

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing its credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:-

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's and the Company's exposure to credit risk arise primarily from receivables. It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

The Group's and the Company's objective are to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company provide services only to recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms is subject to credit verifications procedures.

The areas where the Group and the Company are exposed to credit risk are as follows:-

(i) Receivables

The Group's and the Company's exposure to credit risk are influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's and the Company's standard payment and delivery terms and conditions are offered. The Group's and the Company's review include external rating, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Board of Directors.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Financial risk (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows (cont'd):-

(i) Receivables (cont'd)

Set out below is the information about the credit risk exposure on the Group's and the Company's trade receivables using a provision matrix:-

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

	Gross carrying amount RM	Loss allowance RM	Net balance RM
2023			
Current	4,256,007	-	4,256,007
1 - 30 days	490,139	-	490,139
31 - 60 days	307,947	-	307,947
More than 90 days	50,101	-	50,101
	5,104,194	-	5,104,194
2022			
Current	1,469,471	-	1,469,471
1 - 30 days	109,185	-	109,185
31 - 60 days	17,374	-	17,374
More than 90 days	26,086	(13,590)	12,496
	1,622,116	(13,590)	1,608,526

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Financial risk (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) Credit risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows (cont'd):-

(i) Receivables (cont'd)

The credit risk concentration profile of the total trade receivables of the Group as at the reporting date is as follows:

	Group			
	2023	2023	2022	2022
	RM	% of total	RM	% of total
By country:				
Malaysia	5,104,194	100.00	1,580,439	98.25
Republic of Laos	-	-	28,087	1.75
	5,104,194	100.00	1,608,526	100.00

(ii) Intercompany balances

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Company provides unsecured advances to subsidiaries and monitors their results regularly.

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable.

(iii) Other receivables

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due.

In managing its exposures to liquidity risk arises principally from its various payables, loans and borrowings, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Financial risk (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

The areas where the Group and the Company are exposed to liquidity risk are as follows:-

	Total carrying amount RM	Contractual cash flows RM	Within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
Group 2023						
<u>Unsecured:-</u> Payables and accruals	359,876	359,876	359,876	-	-	-
<u>Secured:-</u> Borrowings	1,624,858	1,848,077	1,747,944	18,684	81,449	-
	1,984,734	2,207,953	2,107,820	18,684	81,449	-
2022						
<u>Unsecured:-</u> Payables and accruals	1,469,434	1,469,434	1,469,434	-	-	-
<u>Secured:-</u> Borrowings	1,924,731	2,123,960	377,964	377,964	1,331,760	36,272
	3,394,165	3,593,394	1,847,398	377,964	1,331,760	36,272

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Financial risk (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) Liquidity risk (cont'd)

The areas where the Group and the Company are exposed to liquidity risk are as follows (cont'd):-

	Total carrying amount RM	Contractual cash flows RM	Within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
Company						
2023						
<u>Unsecured:-</u> Payables and accruals	8,312,178	8,312,178	8,312,178	-	-	-
<u>Secured:-</u> Borrowings	1,624,858	1,848,077	1,747,944	18,684	81,449	-
	9,937,036	10,160,255	10,060,122	18,684	81,449	-
2022						
<u>Unsecured:-</u> Payables and accruals	8,373,456	8,373,456	8,373,456	-	-	-
<u>Secured:-</u> Borrowings	1,924,731	2,123,960	377,964	377,964	1,331,760	36,272
	10,298,187	10,497,416	8,751,420	377,964	1,331,760	36,272

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

To mitigate the Group's and the Company's exposure to foreign currency risk, the Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group. The currency giving rise to this risk is primarily US Dollar ("USD"), Chinese Renminbi ("RMB") and Singapore Dollar ("SGD").

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Financial risk (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) Foreign currency risk (cont'd)

The Group's and the Company's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period were:-

	Denominated in	
	USD RM	RMB RM
Group		
2023		
Cash and cash equivalents	47,056	-
Trade and other receivables	59,887	-
Trade and other payables	(419,598)	410
	<hr/>	<hr/>
	(312,655)	410
2022		
Cash and cash equivalents	404,079	-
Trade and other receivables	44,591	-
Trade and other payables	(1,172,533)	-
	<hr/>	<hr/>
	(723,863)	-

The following table demonstrates the sensitivity of the Group's profit for the financial year to a reasonably possible change in the USD, RMB and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	---(Decrease)/Increase---	
	Profit for the year RM	Equity RM
Group		
2023		
USD/RM		
- Strengthened 0.45%	(1,407)	(1,407)
- Weakened 0.45%	1,407	1,407
	<hr/>	<hr/>
RMB/RM		
- Strengthened 0.25%	(1)	(1)
- Weakened 0.25%	1	1
	<hr/>	<hr/>
2022		
USD/RM		
- Strengthened 0.12%	(869)	(869)
- Weakened 0.12%	869	869
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Financial risk (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) Foreign currency risk (cont'd)

Exposures to foreign exchange rates vary during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's and the Company's exposures to foreign currency risk.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's interest rate management objective are to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's and the Company's significant interest bearing financial instruments based on the carrying amounts as at the end of the reporting period were as follows:-

	Group RM	Company RM
2023		
Fixed rate instrument		
<u>Financial asset</u>		
Short-term deposits with licensed banks and financial institutions	13,437,449	13,437,449
Floating rate instrument		
<u>Financial liability</u>		
Borrowings - Term loans	1,624,858	1,624,858
2022		
Fixed rate instrument		
<u>Financial asset</u>		
Short-term deposits with licensed banks and financial institutions	21,225,539	21,225,539
Floating rate instrument		
<u>Financial liability</u>		
Borrowings - Term loans	1,924,731	1,924,731

The Group and the Company do not account for any fixed rate financial assets and liabilities through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Financial risk (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(d) Interest rate risk (cont'd)

The following table illustrates the sensitivity of profit/(loss) and equity to a reasonable possible change in interest rates of +/- 200 basis point ("bp"). These changes considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Group and Company Profit/(Loss) for the year		Equity	
	RM +200 bp	RM -200 bp	RM +200 bp	RM -200 bp
2023	32,497	(32,497)	32,497	(32,497)
2022	9,624	(9,624)	9,624	(9,624)

(e) Fair value of financial instruments

The table below analyses financial instruments carried at fair value for which fair value is disclosed together with their carrying amounts shown in the statements of financial position.

	Fair value of financial instrument not carried at fair value Level 2*	Carrying amount
	RM	RM
2023		
Group		
Borrowings	1,848,077	1,624,858
Company		
Borrowings	1,848,077	1,624,858
2022		
Group		
Borrowings	2,123,960	1,924,731
Company		
Borrowings	2,123,960	1,924,731

* The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 2 Fair Value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Reconciliation of liabilities arising from financing activities

Group	1 April 2022 RM	Cash flows RM	31 March 2023 RM
Term loans	1,924,731	(299,873)	1,624,858

Company

Amount due to subsidiaries	8,273,391	(63,047)	8,210,344
Term loans	1,924,731	(299,873)	1,624,858

Group	1 April 2021 RM	Cash flows RM	31 March 2022 RM
Lease liabilities	49,097	(49,097)	-
Term loans	2,228,574	(303,843)	1,924,731

Company

Amount to subsidiaries	8,392,677	(119,286)	8,273,391
Term loans	2,228,574	(303,843)	1,924,731

27. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and financially prudent capital ratios in order to support its current business as well as future expansion so as to maximise shareholder value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions including the interest rate movements. To maintain and adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

28. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The additional investment in a subsidiary and disposal of the subsidiaries during the financial year are as disclosed in Note 6 to the financial statements.

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 47 to 112 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of their financial performance and cash flows for the financial year then ended.

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

.....
DATO' LIM KIM HUAT

.....
CHOO WENG WAH

Kuala Lumpur
17 July 2023

STATUTORY DECLARATION

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

I, Dato' Lim Kim Huat, being the Director primarily responsible for the financial management of MyTech Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 47 to 112 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory this day of 17 July 2023.

.....
DATO' LIM KIM HUAT

Before me:

Commissioner for Oaths

RAMATHILAGAM A/P T RAMASAMY
W671

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MYTECH GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MyTech Group Berhad, which comprise the statements of financial position as at 31 March 2023 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 a summary of significant accounting policies, as set out on pages 47 to 112.

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 of 31 March 2023, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the 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 judgment, 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.

Group

Impairment loss on trade receivables

The risk

The Group has trade receivables amounting to RM848,187 as disclosed in Note 26(a)(i) to the financial statements whereby the amounts are past due but not impaired. The key associate risk is the recoverability of billed trade receivables as management judgement is required in assessing the adequacy of impairment losses by considering the expected recoverability of the outstanding trade receivables.

Our responses

We have challenged management's assumptions in providing impairment losses on trade receivables. Our procedures include reviewing the ageing of trade receivables, testing the integrity of the ageing and assessed the recoverability of outstanding receivables through examination of subsequent receipts.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYTECH GROUP BERHAD (Cont'd)

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Group (cont'd)

Impairment loss on trade receivables (cont'd)

Our responses (cont'd)

We also obtained an understanding on how the Group identified and assessed expected credit loss (“ECL”) for trade receivables. We have reviewed the key data sources and assumptions for data used in the determination of default rate, and the current and forward-looking adjustment factors.

Valuation of inventories

The risk

The inventories balance amounting to RM2,315,128 as disclosed in Note 9 to the financial statements. Inventories are measured at the lower of cost and net realisable value (“NRV”). The Group estimates the NRV of inventories based on an assessment of expected sales prices. Changes in these assumptions could result in a material change in the carrying value of inventories and the financial performance of the Group.

Our responses

We have reviewed to ensure that the valuation of inventories is in accordance with MFRS 102, Inventories and ascertained those inventories are stated at the lower of cost and NRV. Management's assessment of NRV of the inventories were reviewed. We have reviewed the ageing of inventories and tested the subsequent sales. We have also considered the adequacy of the Group's disclosures in respect of inventories valuation.

We have also attended physical inventory counts in warehouse within the scope of our audit. We have performed our own sample counts and checked that the accounting records reflected these physical counts.

Revenue recognition

The risk

The Group's revenue recognition has been identified as a risk primarily due to significant volume of transactions and there is risk that revenue may be overstated because of fraud resulting from pressure that management may feel to achieve performance targets at the reporting period.

Our responses

We evaluated and tested the internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements. We also verified based on a sampling basis, the completeness of revenue captured by vouching to the customer's purchase order, sales invoices, delivery order and bank and/or cash receipt. We understood and challenged the appropriateness of revenue recognition policies.

Company

We have determined that there are no key audit matters to be communicated in our report in relation to our audit of the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYTECH GROUP BERHAD (Cont'd)

Report on the Audit of the Financial Statements (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYTECH GROUP BERHAD (Cont'd)

Report on the Audit of the Financial Statements (cont'd)

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

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

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MYTECH GROUP BERHAD
(Cont'd)

Report on the Audit of the Financial Statements (cont'd)

Other Matter

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.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

CHAN LOO PEI
(NO: 03628/12/2023 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
17 July 2023

LIST OF PROPERTIES

AS AT 31 MARCH 2023

Location	Tenure	Land area / Gross Floor Area	Description, Approx. Age of Building & Year of Acquisition	Net Book Value as at 31 March 2023 (RM'000)
A. REGISTERED OWNER : MYTECH GROUP BERHAD				
K-09-01 and K-09-02 Block K, No. 2 Jalan Solaris Solaris Mont' Kiara Kuala Lumpur Wilayah Persekutuan	Freehold	K-09-01 : 963.02 square metres K-09-02 : 787.6 square metres	Office Units 15 years 2008	4,652
B. REGISTERED OWNER : WIRE MASTER SPRING SDN BHD				
PT208 Bukit Minyak Industrial Park Mukim 13 Daerah Seberang Perai Tengah Pulau Pinang	Leasehold - 60 years expiring 2056	2.00 acres	2 storey factory 26 years 2004	3,044

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2023

Total Number of Issued Shares	223,767,000
Class of Shares	Ordinary shares
Voting Rights	One vote per ordinary share
Number of Shareholders	1,761

ANALYSIS BY SHAREHOLDINGS

Size of Shareholdings

	No. of Shareholders	No. of Shares held	%
Less than 100 shares	28	735	0.00
100 to 1,000 shares	186	120,630	0.05
1,001 to 10,000 shares	912	5,143,395	2.30
10,001 to 100,000 shares	552	15,865,900	7.09
100,001 to less than 5% of issued shares	80	85,202,800	38.08
5% of issued shares and above	3	117,433,540	52.48
Total	1,761	223,767,000	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2023

Name	Direct	No. of Shares Held		%
		%	Indirect	
Gain Millen Sdn. Bhd.	59,897,120	26.77	-	-
Wong Thean Soon	67,186,420	30.03	4,466,840*	2.00
Tan Sri Dato' Cheng Joo Teik	1,000,000	0.45	72,234,620^	32.28
Dato' Douglas Cheng Heng Lee	12,337,500	5.51	-	-

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2023

No.	Name	Direct	No. of Shares Held		%
			%	Indirect	
1.	Dato' Lim Kim Huat	1,358,745	0.61	-	-
2.	Tan Sri Dato' Cheng Joo Teik	1,000,000	0.45	72,234,620^	32.28
3.	Dato' Douglas Cheng Heng Lee	12,337,500	5.51	-	-
4.	Choo Weng Wah	1,017,200	0.45	-	-
5.	Elisa Tan Mun-E	40,000	0.02	-	-

Notes:

* Deemed interest through Asia Internet Holdings Sdn Bhd.

^ Deemed interest through Gain Millen Sdn Bhd and his son, Dato' Douglas Cheng Heng Lee.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2023

(Cont'd)

THIRTY LARGEST SHAREHOLDERS AS AT 30 JUNE 2023

No.	Names	No. of Shares	%
1	GAIN MILLEN SDN BHD	59,897,120	26.77
2	AMSEC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR WONG THEAN SOON	39,030,000	17.44
3	AFFIN-HWANG NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR WONG THEAN SOON	18,506,420	8.27
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD - CIMB FOR WONG THEAN SOON	9,650,000	4.31
5	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR DOUGLAS CHENG HENG LEE	9,538,000	4.26
6	CHUA SENG YONG	9,194,500	4.11
7	SURIN UPATKON	6,905,620	3.09
8	CIMB GROUP NOMINEES (ASING) SDN. BHD. - SNOWHILL SECURITIES LIMITED	6,414,000	2.87
9	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR ASIA INTERNET HOLDINGS SDN BHD	4,466,840	2.00
10	CHIEW KOK BOO	4,179,500	1.87
11	HO KOK MENG	3,694,545	1.65
12	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD - ON YAT SECURITIES (MALAYSIA) SDN. BHD.	3,550,000	1.59
13	CHIN SEOK YIN	3,462,500	1.55
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR DOUGLAS CHENG HENG LEE	2,784,500	1.24
15	SJ SEC NOMINEES (TEMPATAN) SDN BHD - PLEDGE SECURITIES ACCOUNT FOR HAFIDAH BINTI PAWANCIK	1,682,700	0.75
16	LIM KIM HUAT	1,358,745	0.61
17	KENNETH TAN KENG HAN	1,166,400	0.52
18	CIMSEC NOMINEES (TEMPATAN) SDN BHD - CIMB FOR CHENG JOO TEIK	1,000,000	0.45
19	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CHOO WENG WAH	850,000	0.38
20	VASUDAVEN A/L V PONNUSAMY	790,000	0.35
21	AIX SHARES SDN BHD	784,900	0.35
22	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR MUHAMMAD BADRI BIN MUKHTAR	752,500	0.34
23	SJ SEC NOMINEES (TEMPATAN) SDN BHD - PLEDGE SECURITIES ACCOUNT FOR FAMI TAUFEQ BIN FAKARUDIN	571,000	0.26
24	YONG SING QUEEN	552,000	0.25
25	CHOONG CHIA HWEI	520,000	0.23
26	CHOONG SUAN HOW	519,750	0.23
27	ALEX TIONG TUONG YIN	450,000	0.20
28	KOH PEENG HWAH	433,900	0.19
29	SAI YEE @ SIA SAY YEE	400,000	0.18
30	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR KALIMULLAH BIN MASHEERUL HASSAN	400,000	0.18

MYTECH GROUP BERHAD
 [Registration No: 198401001418 (113939-U)]
 (Incorporated in Malaysia)

FORM OF PROXY

(Before completing this form please refer to the notes below)

No. of ordinary shares held

I/We I/C No./Co. No./CDS A/C No
 (Full name in block letters)

of
 (Full address)

being a member/ members of MYTECH GROUP BERHAD hereby appoint the following person(s):-

Name of Proxy(ies)	NRIC No./ Passport No.	Phone Number	Email	Address	% of shares to be represented by proxy
Proxy 1					
Proxy 2					

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-Ninth Annual General Meeting ("AGM") of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 29 August 2023 at 12.00 noon. My /our proxy/proxies is/are to vote as indicated below: -

ORDINARY RESOLUTIONS:-		FIRST PROXY		SECOND PROXY	
		For	Against	For	Against
1)	Payment of Directors' allowances and benefits up to RM70,000 from this AGM until the Fortieth AGM				
2)	Re-election of Datuk Dr Ng Bee Ken as Director				
3)	Re-election of Mr Chen Keng Sam as Director				
4)	Re-election of Ms Elisa Tan Mun-E as Director				
5)	Re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration				
6)	Authority to Directors to issue shares pursuant to Section 75 and 76 of the Companies Act 2016				

(Please indicate with a "√" or "X" in the space provided how you wish your vote(s) to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.) All votings will be conducted by way of poll.

Dated this day of

.....
 Signature/Common Seal

NOTES:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Thirty-Ninth AGM, the Company shall be requesting the Record of Depositors as at 22 August 2023. Only a depositor whose name appears on the Record of Depositors as at 22 August 2023 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A proxy may but need not be a member of the Company. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy in a poll.
3. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.
6. The Form of Proxy shall be deposited at the Registered Office of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.



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Affix Stamp
Here

MYTECH GROUP BERHAD
[Registration No.: 198401001418 (113939-U)]
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

please fold here



MyTech Group Berhad
Reg. No. 198401001418 (113939-U)

Email: enquiry@mytechgroup.com.my