Annual Report 2021

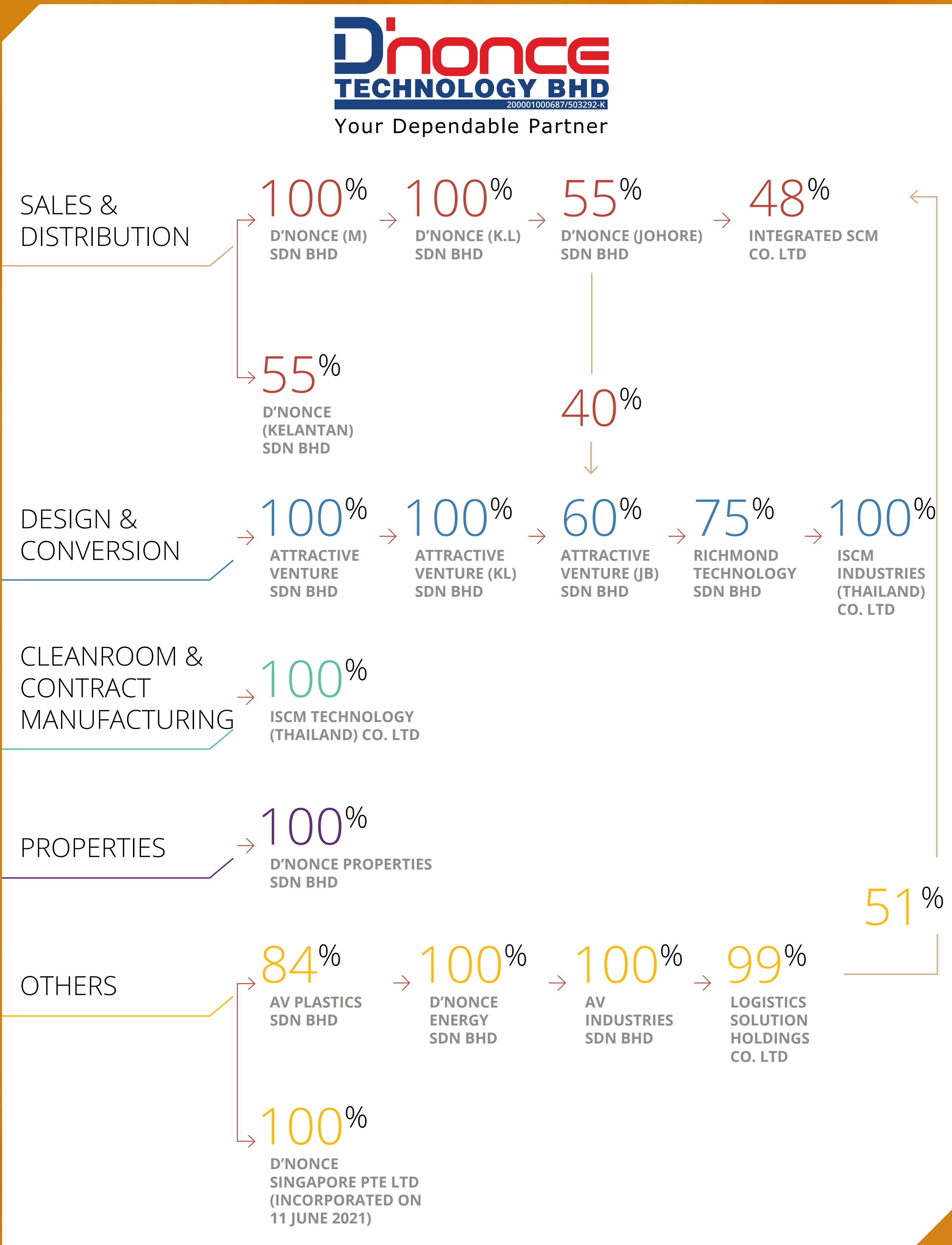
D'nonce
TECHNOLOGY BHD
200001000687/503292-K
Your Dependable Partner

Sustainability Driven,

Superior Solutions

INSIDE THIS REPORT

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Independent Non-Executive Chairman
Lim Siang Kai

Executive Director/Chief Executive Officer
Datuk Tho Yow Yin

Independent Non-Executive Director
Lam Kwong Fai (Lin GuangHui)
Chong Kim Teck
Dato' Moktar Bin Mohd Noor
Wan Kum Tho
How Wai Mun

AUDIT AND RISK MANAGEMENT COMMITTEE

Wan Kum Tho (Chairman)
Lim Siang Kai
Lam Kwong Fai (Lin GuangHui)
How Wai Mun

NOMINATING COMMITTEE

Chong Kim Teck (Chairman)
Lim Siang Kai
Lam Kwong Fai (Lin GuangHui)
Wan Kum Tho

REMUNERATION COMMITTEE

Lam Kwong Fai (Lin GuangHui) (Chairman)
Lim Siang Kai
Wan Kum Tho
How Wai Mun

EMPLOYEE SHARE OPTION SCHEME COMMITTEE

Chong Kim Teck (Chairman)
Lim Siang Kai
Lam Kwong Fai (Lin GuangHui)

COMPANY SECRETARIES

Wong Yee Lin (MIA 15898)
SSM PC No. 201908001793
Hing Poe Pyng (MAICSA 7053526)
SSM PC No. 202008001322

PRINCIPAL PLACE OF BUSINESS

51-14-B&C Menara BHL
Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Tel No.: (604) 228 1198
Fax No.: (604) 228 3016
Website: www.dnoncetech.com

REGISTERED OFFICE

51-8-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Tel No.: (604) 373 6616
Fax No.: (604) 373 6615

SHARE REGISTRAR

Bina Management (M) Sdn. Bhd
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya, Selangor
Tel No.:(603) 7784 3922
Fax No.:(603) 7784 1988

PRINCIPAL BANKERS

Malayan Banking Berhad
Suite 9-03, 9th Floor
Plaza MWE
No 8 Lebuh Farquhar
10200 Georgetown Penang

Bank of Ayudhya Public Company Limited
1222 Rama 3 Road
Bang Phongphang, Yan Nawa
Bangkok 10120
Thailand

AUDITORS

Grant Thornton Malaysia PLT(AF:0737)
Level 5, Menara BHL
Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Tel No.: (604) 228 7828
Fax No.: (604) 228 9828

SOLICITORS

Yoong & Partners
19A-18-3A, Level 18
UOA Centre
19 Jalan Pinang
50450 Kuala Lumpur

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name: DNONCE
Stock Code: 7114

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

D'nonce Technology Bhd. ("D'nonce") is a diversified engineering solutions provider with key customer base from healthcare, electrical and electronics ("E&E") sectors and other industries. The Group was established in 1989 with its headquarters in Penang, and manufacturing and trading subsidiaries in Kelantan, Selangor, and Johor. D'nonce was listed on the Main Market of Bursa Malaysia in 2001 and expanded its operations to Thailand in the subsequent year.

The Group offers a wide array of services to its customers, including the following:-

End-to-End Packaging and Design Solutions

D'nonce provides end-to-end packaging solutions to the industrial and commercial customers as well as end consumers. The Group's end-to-end packaging solutions entail graphic designing, evaluating, quality printing and producing various types of packages. We possess advanced machineries to undertake a variety of processes – from graphic design to printing and packaging converting. This is supported by our highly capable and well-trained in-house talents.

The Group manufactures packaging boxes for key global glove manufacturers based in Thailand, and also provides industrial and carton boxes, and other packaging for the food and beverage ("F&B") and other industries.

Precision Polymer Engineering Services

The Group's polymer engineering capabilities are applied over a range of products, primarily in in-process automation trays and precision component tapes and reels. Leveraging on advanced technology, design and engineering capabilities coupled with advanced industry knowledge, the Group mainly caters to prominent multinational companies in the E&E segment.

Cleanroom and Contract Manufacturing Services

D'nonce provides international class cleanroom services such as ultrasonic cleaning, rinsing and drying for precision tray and component washing lines, and contract manufacturing services for the assembly and component parts used by the E&E sector, especially the memory drive industry.

Supply Chain Management and Sales and Distribution of Products

The Group offers complete box-build assembly services to our customers where we pre-assemble or assemble parts and components before being sent to our customers for export in the healthcare and E&E industries. The Group also supports its customers through provision of goods and services in the supply chain process.

BUSINESS AND OPERATIONAL REVIEW

Financial Year 2021 brought unprecedented challenges to the Group as we grappled with the Covid-19 pandemic. In order to manage the pandemic, authorities in Malaysia and Thailand where the Group operates instituted movement restrictions. This put further pressure on the existing difficult operating landscape from the ongoing global and local macroeconomic uncertainties.

Our Malaysian operations experienced some disruptions as we adhered to the first movement control order ("MCO") back in March 2020. Operations were resumed subsequently after obtaining regulatory approvals. In between subsequent MCOs, our production managed to gradually pick up pace and were running close to optimal capacity until the financial year end. Demand for our products remained strong during this period as our main customers' operations were not disrupted by the MCO.

Over in Thailand, we had minimal disruptions due to the pandemic. However our subsidiary in Sadao was running at full capacity as we manufactured packaging boxes for key global glove manufacturers, which was essential during the pandemic. Furthermore, during the financial year, the Group also invested in new machineries that are more efficient and highly-automated, to increase our manufacturing capacity and capture the healthy demand from the healthcare sector.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

For both our operations in Malaysia and Thailand, we took extra precautions that were over and above the stringent standard operating procedures ("SOP") imposed by the authorities. This was to safeguard the health and wellbeing of our employees and minimise any operational disruptions.

The Group also managed to successfully execute its cost-rationalization measures introduced in the previous year. These efforts have and continue to bear fruit as our operational efficiency improved in tandem with strong demand from our customers.

FINANCIAL REVIEW

There are no direct comparative figures available for the current 12-month financial year ended 30 April 2021 (FY2021) due to change in financial year end from 31 December to 30 April. This resulted in a cumulative 16-month period for the previous financial year, commencing from 1 January 2019 to 30 April 2020 (FY2020). However, to provide a better perspective of the financial performance achieved, the 12-month FY2021 results is analysed against the 16-month FY2020 figures.

Revenue and Profitability

For FY2021, the Group recorded a revenue of RM184.25 million, as compared to RM228.62 million in FY2020, which was over 16 months period. The strong revenue achieved by the Group was mainly contributed by our multinational customers in the E&E sector as well as major glove manufacturers. Both the semiconductor and rubber glove sectors that the Group serves, continued to register growth despite the pandemic.

The profit before tax ("PBT") was RM15.37 million in FY2021 as compared to RM2.40 million in FY2020. The increase in PBT of RM12.97 million or 540.4% was mainly attributed to the upsurge in demand for the supply of packaging to the healthcare sector and increase in orders from customers in the E&E sector, both which commanded high margins, combined with the effective cost rationalization measures implemented.

The Group posted the best-ever profit after tax ("PAT") in its history. FY2021 record-breaking PAT surged close to 19-fold to RM13.80 million in FY2021 as compared to RM0.73 million in FY2020.

Capital Structure and Capital Resources

As part of its overall liquidity management, the Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements. Cash and cash equivalents as at 30 April 2021 was at RM40.83 million as compared to RM32.53 million as at 30 April 2020. The increase of RM8.30 million or 25.5% was mainly due to positive net operating cash flow and proceeds from exercised of warrants in FY2021. The Group maintained encumbered deposits with licensed banks of RM17.99 million as at 30 April 2021, as compared to RM22.41 million in the previous year.

The Group strives to maintain available banking facilities at a reasonable level to its overall debt position. The Group borrowings was RM29.68 million as at 30 April 2021 as compared to RM48.51 million as at 30 April 2020, a reduction of RM18.83 million or 38.8%, which was principally attributed to the cost rationalized efforts in reducing reliance on borrowings during the year. The Group remained in a net cash position as at 30 April 2021.

The Group's capital expenditure ("CAPEX") incurred in FY2021 amounted to RM4.08 million.

RISK MANAGEMENT

Operational Disruptions

The Group is dependent on its facilities to operate smoothly and efficiently. Any disruptions or unplanned shutdowns may have an adverse impact on its operations. External risks such as natural disasters, pandemics, riots, and general strikes are beyond our control, which may materially and negatively affect our operations as well. For operational risk relating to Covid-19, we are fully compliant to the strict SOPs imposed by the authorities and are taking extra precautionary measures to ensure minimal disruptions.

Intense Competition

The industries that the Group operates in are highly competitive with many players offering different range of services and pricing. In order to preserve our competitive advantages, we continue to innovate and invest in latest technologies that would enhance our product offerings and productivity. Separately, some of our subsidiaries are also certified and authorized by certain customers to be its supplier. The certification is a testament to our quality and services as well as serves as a barrier to entry for new entrants. Furthermore, the Group will continue to leverage on our vast experience, deep technical knowledge, and proven track record to maintain and boost our competitiveness.

Foreign Currency Exposure

The Group's operation spans over several countries. Our revenue are denominated in Thai Baht, Ringgit Malaysia, Singapore dollar and United States dollar. Similarly our raw material cost are spread over a few currencies, as such our risk is naturally diversified.

The foreign currency risk is also partially managed through a natural hedge between the sales and purchases in the same currencies, and the remaining being monitored closely on an on-going basis to ensure that the net exposure is at an acceptable level.

FUTURE OUTLOOK AND PROSPECTS

Going into FY2022, while we anticipate the business operating environment to remain challenging, we expect the global and local economic conditions to improve following the mass Covid-19 vaccine deployment worldwide. The International Monetary Fund is projecting the global economy to grow by 6.0% in 2021 while Bank Negara Malaysia has forecasted Malaysia's GDP to expand between 3 % and 4 % for the current year.

In the meantime, the global semiconductor industry is estimated to increase by 8.4% to USD469.5 billion in 2021 from USD433.1 billion a year ago according to the Malaysian Investment Development Authority. Coupled with the global semiconductor chip shortage, the industry is anticipated to continue growing in the coming years.

As for the glove industry, Malaysian Rubber Glove Manufacturers Association expects the global production for rubber gloves to reach 420 billion pieces in 2021, an increase of 16.7% from 360 billion pieces in 2020. Despite the production increase, it still expects a shortfall of 80 billion pieces of rubber gloves this year as demand continues to outstrip supply. The strong demand is in tandem with rising needs for personal protective equipment to curb the spread of Covid-19 pandemic, growth in healthcare services sector along with expansion in the global industrial production activities in the manufacturing sector, which drives the demand for industrial gloves. Even in the post pandemic era, demand for gloves will remain robust owing to heightened health awareness and increased use of gloves in other industries such as the F&B segment.

Premised on the above, as a substantial number of our customers are from the above industries, we are upbeat on our prospects going forward as we continue to ride on the twin engines of growth from the E&E and healthcare sectors. As part of our strategy to create sustainable growth, we remain committed to expand and enhance our capacity and capabilities in order to capitalize on our customers' growth. The new capacity for both our E&E and healthcare segments has been gradually picking up pace and the impact will be reflected in FY2022, barring any unforeseen circumstances.

In addition, the Group will also continue to focus on our cost-rationalization program and enhance automation of our processes to further improve our operational efficiency and reduce labour dependency.

All in all, the outlook of the Group is promising. We are primed for healthy growth in FY2022 and beyond, underpinned by the abovementioned factors as we strive to continue delivering exceptional value to our valued shareholders.

DIVIDEND POLICY

The Board of Directors has not approved any dividend payout policy as at the date of this statement.

SUSTAINABILITY STATEMENT

The Group constantly embraces sustainability principles when it formulates and implements its business strategies based on the Group's vision of sustainable long-term growth. The Group continues to undertake responsible practices that impact the society and environment in a positive manner and to inculcate a culture of responsibility in all aspects of its business.

Sustainability Governance

The Board of Directors ("Board") is responsible to promote and ensure that sustainability excellence is embedded in the Group's vision, core values and business philosophies. The implementation is headed by the Chief Executive Officer as well as the key management personnel, and are involved in the supervision of the sustainable practices and operations.

Our sustainability goal is to create sustained value for all stakeholders including our customers, employees, shareholders and investors, suppliers, government and regulators and the community. We will focus on the key material aspects (economic, environmental, social) highlighted by the stakeholders above. These aspects are influenced by the way we manage our daily operations, long term business growth and safeguarding the environment. The rules and practices that govern our sustainability initiatives are built on the basis of transparency, fairness and accountability, and through our unwavering adherence to good corporate governance.

This sustainability statement has been prepared based on Bursa Malaysia's Sustainability Reporting Guide and its accompanying toolkits in response to the Listing Requirements on sustainability reporting.

Good Corporate Governance and Business Practices

The Group maintains high standards of corporate governance and business practices, to ensure its responsibility and reliability are to all stakeholders. The Board and the management are responsible to ensure good corporate governance is practiced and embraced throughout the organization. The Group also views the compliance of laws, rules and regulations as equally important in which it believes these are part of the important elements of a sustainable business operations in the long term.

The Group is supported by an independent internal and external audit team, and also the Audit and Risk Management Committee, that gives assurance to the Board that the risk management and internal control system of the Group is operating adequately, efficiently and effectively. There are also well define job description and responsibilities for each department accompanied with a lean management reporting structure to enable faster communication and decision making.

Stakeholder Engagement

The Group recognizes the importance of the interest and support of the stakeholders in our business ecosystem. We maintain close engagement and understanding with our various stakeholders because we recognize that their perspectives is important in helping the Group to prioritize the actions for continuous sustainability improvement of the Group.

The table below summarizes the Group's key stakeholders and how the Group engages them:

Stakeholders	Sustainability topics	Types of engagement
Customers	• Product quality & improvement • Sustaining long term relationship • Competitive pricing	• Customers engagement & review • Regular on-site visits to customers
Employees	• Health & safety improvement • Working environment • Career development & training • Succession planning	• Appraisal and performance review • Training & development • Formal meeting and discussion • Social events with employees
Shareholders & Investors	• Business strategy • Operational and financial performance • Compliance with laws and regulations	• Quarterly bursa reports • Annual reports • Corporate website announcements • Annual general meeting and other meetings • Press releases
Suppliers	• Product quality • Transparency in procurement process • Timely delivery of raw materials	• Supplier meetings • Supplier selection via pre-qualification • Surveys and evaluation of suppliers • Relationship management
Government & Regulators	• Compliances • Rules and regulations	• Participating in programmes organised by government bodies • Site visit and meeting • Compliance with government legislative
Community	• Environment protection • Local community activity involvement • Sharing, educating & caring for environment and the community	• Volunteering programmes • Social responsibility programmes

Materiality Assessment Process

Our material issues that shape our strategies and business decisions are not limited to the Group's financial performance, but also Economic, Environmental and Social ("EES") perspective. Our materiality process follows the guidelines provided by the Bursa Malaysia and the GRI Standards, which define materials issues are those if:-

i) Reflect an organisation's significant EES impacts; or
ii) Substantively influence the assessment and decisions of stakeholders.

Material Sustainability Matters

A. ECONOMIC

Sustainable Business Growth

We are committed to delivering strong and consistent performances that will continue to create value for our stakeholders. To ensure sustainable economic performance, we adopt the highest standards of corporate governance and business ethics in our business dealings, while delivering top quality products and services to our customers.

We adopt operational control procedures with good documentation requirements to provide assurance that a trail of accountability exists and also for continuous improvement. We continuously focus on optimizing the capital expenditure and production capacity utilization, implementing cost controls and improving the efficiency and productivity of our workforce to meet our customers' satisfaction and in maintaining good connections and relationships with our suppliers.

SUSTAINABILITY STATEMENT
(cont'd)

Response to the COVID-19 Pandemic

The COVID-19 pandemic has raised unprecedented global economic and social challenges to date, which has pushed governments to impose strict measures that has severely impacted business activities and consumer confidence globally and in regions where we operate. However, the pandemic has also presented opportunities to the Group especially in the healthcare and electrical and electronics sectors, while having no major disruptions in its businesses. The Group has directed its capital expenditure and other resources to benefit from the opportunities during this time, while focusing on cost rationalisation and automation initiatives.

Business Ethics and Policies

The Group has put in place its set of Code of Ethics and Conduct, in line with the principles of sound corporate governance. The Code of Ethics and Conduct is applicable to all Directors and employees within the Group as well as third parties performing works or services for and on behalf of the Company. It governs the desired standard of behaviour and ethical conduct expected from each individual to whom the Code of Ethics and Conduct applies.

Anti-Bribery and Corruption Policy

The Group is committed to apply the highest standards of ethical conduct and integrity when conducting our business. Every employee and person acting on the Group's behalf is responsible for maintaining our reputation and for conducting the Group's business honestly and professionally. The Group's Anti-Bribery and Corruption Policy was adopted on 1 June 2020. With the adoption of the policy, the Group embraces zero tolerance to bribery and corruption consistent with the Group's business principles. This is also in line with the laws of the Guidelines on Adequate Procedures through Malaysian Anti-Corruption Commission ("MACC") Amendment Act 2018.

Whistleblowing Policy and Procedures

The Board has adopted a whistleblowing policy to provide clarity of oversight of the whistleblowing process, protection and confidentiality to whistleblowers. The policy is to provide an avenue to raise genuine concern about improper conducts committed by employees within the Group through formal procedures and confidential channels.

Quality Standards and Recognition

We place customer satisfaction as one of the top priorities to achieve not only economic success, but also to attain a favourable disposition as a top-quality manufacturer. It is in our Group's philosophy to supply quality products with total customer satisfaction as top priority.

The Group has in place the policies, procedures and best practices to achieve this, with regular reviews, process improvements and quality assessments to ensure our processes remain in compliance and are continually enhanced. This is in line with our factories being certified as an ISO 9001:2015 Quality Management System certification, ISO 14001:2015 Environmental Management System certification and ISO 13485 : 2016 Medical Devices Quality Maagement System certification.

B. ENVIRONMENTAL

The Group recognises the importance of protecting the environment where we operate. Hence, we ensure that our business operations are environmentally responsible and that the adequate steps are taken to protect and effectively manage any potential risks that may adversely impact the surrounding environment.

The Group continues to be committed to:

a) Minimizing the quantity of waste generated from the manufacturing divisions through proper recycling and disposal processes.
b) Energy-saving initiatives such as switching off non-essential electrical machinery, equipment and appliances when not in use.
c) Compliance with all applicable laws and regulations as well as other requirements to continually safeguard the environment.

C. SOCIAL

The Group recognises the importance of human capital as the valuable machinery behind our growth and sustainability. We are guided by high performance culture based on mentoring, performance and delivery, evaluating our values of innovation, loyalty, integrity and professionalism, which are reflected in our daily practices. We also believe in providing equal opportunity in recruitment, career development, promotion, training and reward for all employees regardless of age, gender, race, ethnicity, religion or disability.

We are committed to conduct our business in a manner that protects health, safety and security for our employees, suppliers and the community around us.

Occupational, Safety and Health

The Group's operations demand an extensive workforce, thus the safety, health and well-being of our people is our utmost priority. We understand that having good safety and health measures in place can significantly reduce the risk of accidents, improve our employee's well-being, increase operational efficiency, reduce turnover and in turn, ensures our operations proceeds smoothly. The Group complies with all the relevant national laws, regulations and other requirements relating to best practices in Occupational Safety and Health ("OSH"). The Group has formed the Occupational Safety and Health Committee ("OSHC). The responsibilities of the OSHC include promoting and developing a reasonably practicable level of safety and health awareness and commitment among all employees, provision of technical and advisory support and review the effectiveness of safety and health practices.

As the COVID-19 pandemic started to spread in early 2020, the Group has prioritized the safety and well-being of employees by providing face masks and regular swab testing for the operational staff. The Group had also, implemented flexible working arrangements for non-essential staff and encouraged its employees to work from home in line with the government's movement restriction orders, to minimize our employees' exposure to COVID-19. The Group also put in place strict Standard Operating Procedures ("SOP") such as social distancing, mandatory wearing of masks, travel restrictions and restriction of visitors to the workplace. Last but not least, the Group has registered for the government vaccination programme for companies, and also strongly encourage its employees to get vaccinated. The Group feels that this is important in playing our part in order for the country to achieve herd immunity as soon as possible.

Employees' Welfare

The Group provide equal opportunities for employment advancement particularly in an effort to build long and lasting relationship between the employer and employees. Various human resources initiatives have been introduced to ensure that the employees' well-being is taken care of:-

a) Medical benefits, group hospitalisation and insurance coverage;
b) Employees share option scheme ("ESOS") was implemented to instil sense of ownership amongst the staff.
c) Observance of the 5-day work week and observance all major public holidays.

Diversity

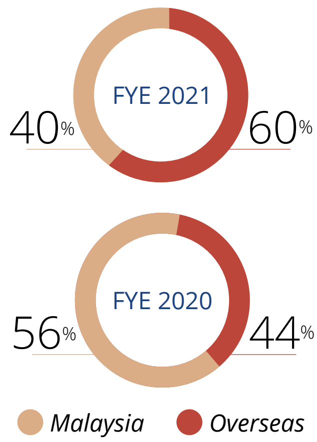
The Group is committed to providing an inclusive workplace that embraces and promotes diversity.

a) The Group values, respects and leverages the unique contributions of people with diverse backgrounds, experiences and perspectives to provide exceptional service to an equally diverse community; and
b) The Group recognizes the benefits arising from employee and board diversity, including a broader pool of good quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

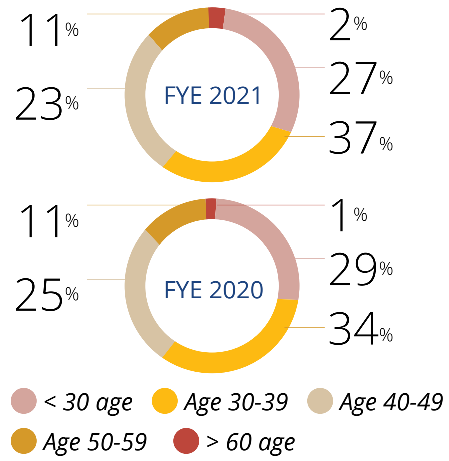
SUSTAINABILITY STATEMENT
(cont'd)

Workforce diversity for FY2021 and FY2020

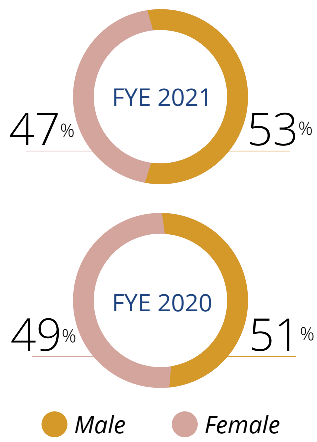
Employment Diversification in Malaysia and Overseas



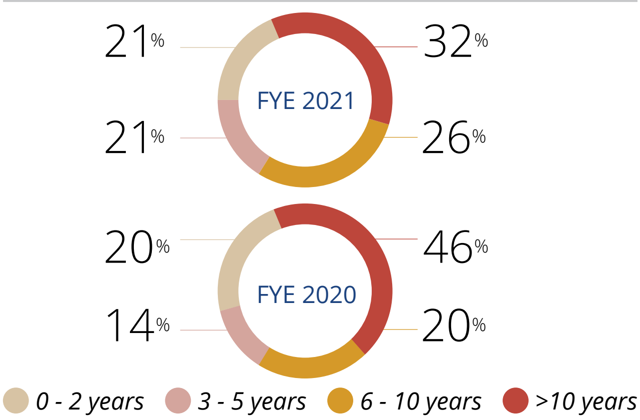
Employment Diversification in terms of Age Group



Employment Diversification in terms of Gender



Employment Diversification in terms of Length of Services



Training and Development

The Group strongly believes that human capital is of vital importance to an organization. The Group continues to build and upgrade its employee's skills and knowledge through the efforts of:-

a) Internal and external training workshops (technical/soft-management skills)
b) Regular performance reviews
c) On the job training

The Group also has numerous approach and plans in place to retain the best talents and nurture future leaders, as part of the succession planning process.

Social Contributions and Community Activities

The Group recognizes our role in giving back to the community as part of our corporate responsibility and encourages its employees to be involved in community programmes. During the year, the Group has provided monetary donations and other aid contributions such as food and face masks to various organizations including the Malaysian government COVID-19 fund, an old folk's home, schools and other charitable organizations.

Moving Forward

The Board recognises that embedding sustainability into the Group's business is a continuous and evolving practice in which the Board will continue strive to enhance in order to achieve the Group's long term sustainable growth.

BOARD OF DIRECTORS

LIM SIANG KAI

Aged 65, Singaporean, Male

Non-Independent Non-Executive Chairman

Member of Audit and Risk Management, Nominating and Remuneration and Employee Share Option Scheme ("ESOS") Committees

Mr Lim Siang Kai was appointed to the Board of D'nonce Technology Bhd. on 12 June 2019. He was subsequently appointed as the Chairman of the Board and member of the Audit and Risk Management, Nominating, Remuneration and ESOS Committees on 12 July 2019.

Mr Lim Siang Kai holds a Bachelor of Arts degree and a Bachelor of Social Sciences (Honours) degree from the National University of Singapore obtained in 1980 and 1981 respectively. He also has a Master of Arts in Economics degree from University of Canterbury, New Zealand, that he obtained in 1984.

Mr Lim is currently the Independent Director of several listed companies in Singapore and Hong Kong namely ISDN Holdings Limited, Beijing Gas Blue Sky Power Holdings Limited and Samurai 2K Aerosol Limited. He is also a Director in Blackstream Investment Pte. Ltd, a substantial shareholder of the Company. Prior to that, Mr Lim held various positions in banks, financial services companies and a fund management company. Mr Lim has over 30 years of experience in Securities, Private and Investment Banking and Fund Management Industries.

Mr Lim Siang Kai has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company. Mr Lim does not hold any directorship in any public companies and listed companies other than the companies listed above.

DATUK THO YOW YIN

Aged 64, Malaysian, Male

Executive Director/ Chief Executive Officer

Datuk Tho Yow Yin was appointed to the Board of D'nonce Technology Bhd. on 12 July 2019. Subsequently, he was appointed as the Chief Executive Officer on 22 July 2019.

Datuk Tho Yow Yin holds a Bachelor of Science (Honours) degree in Mechanical Engineering with specialization in Management from Glasgow University, UK and a qualification in Financial Technology from Said Business School, Oxford University.

He has over 35 years of experience in the oil and gas industry both upstream and downstream, while working for Mobil Oil and later Exxon Mobil. He has in the course of his career been posted to overseas assignments in the Philippines, United States, Singapore and Hong Kong. Some of Datuk Tho's previous appointments include being a director in Mobil Oil Malaysia Sdn. Bhd., Emoleum (Australia) Ltd and Castle Peak Power Company Ltd (Hong Kong).

Datuk Tho Yow Yin has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company. Datuk Tho does not hold any directorship in any other public companies and listed companies.

BOARD OF DIRECTORS
(cont'd)

LAM KWONG FAI (LIN GUANGHUI)

Aged 43, Singaporean, Male

Independent Non-Executive Director

Chairman of Remuneration Committee, member of Nominating and Audit and Risk Management Committees

Mr Lam Kwong Fai was appointed to the Board of D'nonce Technology Bhd. on 12 June 2019. He was subsequently appointed as the Chairman of the Audit and Risk Management on 30 September 2019, and Nominating and Remuneration Committees on 12 July 2019. On 2 November 2020, Mr Lam was redesignated to member of the Audit and Risk Management Committee, and appointed Chairman of the Remuneration Committee.

Mr Lam obtained a Bachelor of Accountancy from Nanyang Technological University in 2002.

Mr Lam is a director of various companies engaged in the business of providing corporate finance advisory and compliance advisory in Singapore and the region. He started his career as a regulator before moving into investment banking handling a variety of IPO and other corporate actions. He then moved into Catalist regulation, working with a wide portfolio of listed companies, advising on the listing rules and corporate governance. In his various capacities, he has amassed almost 20 years of experience in the Singapore corporate finance and regulatory scene.

He is also an independent director of Soon Lian Holdings, Pan Asian Holdings Limited, China Kunda Technology Holdings Limited and Capital World Limited, which are listed on the SGX-ST.

Mr Lam Kwong Fai has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company. Mr Lam does not hold any directorship in any public companies and listed companies other than the companies listed above.

CHONG KIM TECK

Aged 67, Malaysian, Male

Independent Non-Executive Director

Chairman of Nominating and ESOS Committees

Mr Chong Kim Teck was appointed to the Board of D'nonce Technology Bhd. on 12 June 2019. He was subsequently appointed as the Chairman of the Nominating and ESOS Committees, and member of the Audit and Risk Management and Remuneration Committees on 12 July 2019. On 2 November 2020, Mr Chong resigned from the Audit and Risk Management and Remuneration Committees.

Mr Chong holds a degree of an Utter Barrister by the Honourable Society of Gray's Inn and called to Gray's Inn London as Utter Barrister in 1979. He was called to the Malaysian Bar as an Advocate Solicitor in 1980.

Mr Chong has been actively practicing in the legal profession since 1980. He is a Partner in M/s Koh Kim Leng & Company. His main area of practice includes conveyancing, banking and corporate matters.

In addition to his legal practice, Mr Chong is also a director in several private limited companies, with investments and management in quarries, housing development, hotel ownership and management as well as ownership of plantations. He is also the Hon. Secretary of the Raintree Club, Kuala Lumpur and the legal advisor to the Hopo (Hakka) Association of Tampin and Kuala Lumpur, and the Peace Club in Kuala Lumpur.

Mr Chong Kim Teck has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company. Mr Chong does not hold any directorship in any other public companies and listed companies.

BOARD OF DIRECTORS
(cont'd)

DATO' MOKTAR BIN MOHD NOOR

Aged 63, Malaysian, Male

Independent Non-Executive Director

Dato' Moktar Bin Mohd Noor was appointed to the Board of D'nonce Technology Bhd. on 9 August 2019.

Dato' Moktar holds a Bachelor of Law (Honours) degree from Lancaster University, UK. He also has a professional qualification from the Legal Profession Qualifying Board in Malaysia.

He started his career with the Royal Malaysia Police in 1979 where he held various investigation, personnel management, prosecution, port security, administrative and legal positions followed by other related experiences as chairman of the Malaysia Port Auxiliary Police Secretariat, committee member on security for the Football Association of Malaysia, Royal Malaysia Police permanent representative to the Malaysia Engineering Board and committee member on discipline to the Royal Kelantan Datoship council. In his last 2 years of service before his retirement, he was the Head of Legal Division of the Royal Malaysian Police.

He has recently retired from the Royal Malaysia Police after serving the force with full dedication for 40 years, 1 month and 12 days. He was conferred Darjah Dato' Paduka Jasa Mahkota Kelantan (D.P.J.K) by the Sultan of Kelantan in 2017.

Dato' Moktar has no family relationship with any Director and/ or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company. Dato' Moktar does not hold any directorship in any other public companies and listed companies.

WAN KUM THO

Aged 55, Singaporean, Male

Independent Non-Executive Director

Chairman of Audit and Risk Management Committee, member of the Remuneration, Nominating Committees

Mr Wan Kum Tho was appointed to the Board of D'nonce Technology Bhd. on 13 January 2020. He was subsequently appointed as the Chairman of the Remuneration Committee, and member of Audit and Risk Management and Nominating Committees on the same date. On 2 November 2020, Mr Wan was redesignated to member of the Remuneration Committee, and appointed Chairman of the Audit and Risk Management Committee.

Mr Wan Kum Tho holds a Bachelor of Business Administration Degree from the National University of Singapore.

After graduating from the National University of Singapore, Mr Wan served in the Singapore Armed Forces as an Army officer for six years. He then joined Vertex Management (II) Pte Ltd, a venture capital company from 1996 and eventually left as vice president. He served on the board of directors of many companies under his portfolio in Vertex Management (II) Pte Ltd. He was a vice president for finance and administration and then vice president for strategic planning and administration for a semiconductor company before joining UOB Venture Management Pte Ltd,. From 2014, Mr Wan joined Heliconia Capital Management Pte Ltd, where his last position held in December 2019 was managing director. From July 2019, he is an adjunct senior lecturer at the National University of Singapore School of Business. He is also a director in AP Oil International Ltd and Nanofilm Technologies International Limited., companies listed on the SGX-ST and Tat Hong Equipment Service Co. Ltd, a company listed on the HKSE.

Mr Wan Kum Tho has no family relationship with any Director and/ or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company. Mr Wan does not hold any directorship in any public companies and listed companies other than the companies listed above.

BOARD OF DIRECTORS
(cont'd)

HOW WAI MUN

Aged 55, Singaporean, Male

Independent Non-Executive Director

Member of Audit and Risk Management and Remuneration Committees

Mr How Wai Mun was appointed to the Board of D'nonce Technology Bhd. on 2 November 2020. He was subsequently appointed as member of the Remuneration and Audit and Risk Management Committees on the same date.

Mr How holds a Bachelor of Arts (Hons) degree majoring in Sociology and Psychology from the University of Malaya. He also has a Masters in Industrial Relations and Personnel Management from the London School of Economics and Political Science.

Mr How Wai Mun is currently the market leader/partner for Kincentric, leading the human resource and organization business for Singapore and Indonesia region. Mr How has had 30 years of extensive experience in the field. Prior to this, from 2018 to 2020 he was the Vice Chairman for Korn Ferry Singapore and General Manager in Vietnam, where he was responsible for building relationships and networks across the region and to focus on key strategic clients. From 2008 to 2017, Mr How was the managing director for Haygroup Singapore and Vietnam, whereby he started the Vietnam office for Haygroup, and managed the year on year growth of the business in Vietnam and Singapore.

Mr How Wai Mun has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company. Mr How does not hold any directorship in any other public companies and listed companies.

KEY SENIOR MANAGEMENT

Aw Yeong Weng Kwong
Aged 45, Malaysian, Male

→ Chief Financial Officer

Aw Yeong Weng Kwong was appointed as the Chief Financial Officer (CFO) of our Group in October 2019. He is responsible for overseeing the financial, accounting and compliance functions of the Group.

He is a Fellow of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

Prior to joining the Group, Mr Aw was the CFO of Sim Leisure Group Ltd. from July 2017, a company listed on the Catalist Board in Singapore. He was also the Group Senior Finance Manager of Texchem Pack (M) Sdn. Bhd. from October 2015 to June 2017. From June 2006 to September 2015, he worked as a Finance Manager at Dell Asia Pacific Sdn.

Mr Aw has over 20 years of experience extensively in the finance and accounting field.

Aw Yeong Weng Kwong has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company.

Ang Oon Ling
Aged 60, Malaysian, Male

→ Director of D'nonce (Kelantan) Sdn. Bhd. and Richmond Technology Sdn. Bhd.

Ang Oon Ling was appointed as the Director of D'nonce (Kelantan) Sdn. Bhd. and Richmond Technology Sdn. Bhd. in 1995.

Ang Oon Ling graduated from Universiti Kebangsaan Malaysia (UKM) in 1985 with a Degree in Bachelor of Arts. After graduation, he started his career working as an Administration Officer in the Eastern Garment Mfg. Sdn. Bhd., a Hong Kong based garment factory situated in Kelantan. His role was to take full charge of the administration work of the said factory.

In 1987, he left the Eastern Garment Mfg. Sdn. Bhd. and join Sri Rampaian Sdn. Bhd. which was a Hong Kong based garment factory as Administration Officer, in charge of purchasing, material procurement and shipping department. Subsequently in 1989, he left Sri Rampaian Sdn. Bhd. and join Rohm-Wako Electronics (Malaysia) Sdn. Bhd. as Section Chief of Business Division, taking charge of purchasing, material control, shipping and machine shop.

He left Rohm-Wako Electronics (Malaysia) Sdn. Bhd. in 1995 to set up D'nonce (Kelantan) Sdn. Bhd. and Richmond Technology Sdn. Bhd. till now. He oversees the overall smooth running of both of the said companies and managing the marketing and production of the two companies.

Ang Oon Ling has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company.

KEY SENIOR MANAGEMENT
(cont'd)

Low Chee Min
Aged 62, Malaysian, Male

→ Director of Attractive Venture (KL) Sdn. Bhd. and D'nonce (KL) Sdn. Bhd.

Low Chee Min was appointed as Director of of Attractive Venture (KL) Sdn. Bhd. and D'nonce (KL) Sdn. Bhd. in 30 December 2018. He graduated from La Trobe University in 1981 with a Bachelor Degree in Accounting and a Master in Computer Science.

He started his career working in Coopers & Lybrand in 1982. Subsequently, he joined UMBC Finance Bhd. in 1985 and left after 12 years as a Senior Manager. He joined Tri-Wall (M) Sdn. Bhd., a Japanese-owned company providing design and manufacturing solutions to MNCs for niche and customised packaging as their General Manager and subsequently was promoted to Executive Director. He left and joined Texchem-Pack (KL) Sdn. Bhd., a packaging manufacturer in 2001 as their Senior General Manager. He was appointed as the Operations Director of MegaFortris (M) Sdn. Bhd. in 2005, a global security and RFID seals manufacturer.

Low Chee Min has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company.

Lim Oon Jin, Peter
Aged 54, Malaysian, Male

→ Director of Attractive Venture (JB) Sdn. Bhd. and D'nonce (Johore) Sdn. Bhd.

Lim Oon Jin, Peter was appointed as the Director of Attractive Venture (JB) Sdn. Bhd. and D'nonce (Johore) Sdn. Bhd. in 1992.

He started his career working as a Sales Assistant in Kylin M Sdn. Bhd. in 1986 until 1989. Subsequently, he joined Timol Weaving Sdn. Bhd. as Sales Executive from 1989 to 1991. He started his journey in building up the business for Attractive Venture (JB) Sdn. Bhd. and D'nonce (Johore) Sdn. Bhd. from 1992 up till now. He oversees to the overall development of the business from managing to operational of the business of these 2 companies.

Mr Lim has a vast experiences in managing packaging and manufacturing concerns and an extensive network of business associates worldwide. He is also the working committee since 2009 for Federation of Malaysian Manufacturers (FMM), Johor branch which is a non governmental organisation. He is also the Vice Chairman for SME subcommittee.

Lim Oon Jin, Peter has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company.

Shuib Bin Hassan
Aged 54, Malaysian, Male

→ Director of Attractive Venture Sdn. Bhd.

Shuib Bin Hassan is the Director of Attractive Venture Sdn. Bhd. He joined D'nonce Group in November 2009 as a Technical and Business manager, and was subsequently transferred to Attractive Venture Sdn. Bhd. as the Director in March 2020.

Mr Shuib has over 30 years of working experience, mainly in plastic polymer engineering design and manufacturing. He has held several managerial positions in different companies such as Senior Engineering Manager in Texchem Pack (M) Sdn. Bhd. and Design Manager in Jati Yakin Sdn. Bhd.

He graduated with a Diploma in Electronic Engineering from Polytechnic Ungku Omar Ipoh in 1989 and a Diploma in Business Management from Open University Malaysia in 2005.

Mr Shuib has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company.

KEY SENIOR MANAGEMENT
(cont'd)

Teo Tin Jien, Jimmy
Aged 54, Singaporean, Male

→ Country Head/Director for Thailand Division

Teo Tin Jien, Jimmy is the Country Head/Director of our Group's Thailand subsidiaries. He joined our Group in July 2006. Prior to joining us, he was the Senior Technical Consultant for San-Ei (Thailand) Ltd, a Japan based micro electronic manufacturing company, where he oversaw the products development, quality assurance and new production line investment.

He started his career as a QA engineer with Polymicro Precision (Singapore) in 1988. He left Polymicro as an Operation Director in 2001. During his tenure with Polymicro Precision, he was involved setting up a precision machining joint venture operation in China-DongGuan and later he was tasked to set up another operation in Thailand Navanakorn under the privilege of the BOI (Board of Investment) license, gaining a significant amount of experience in management of production factory and product management.

He graduated with a Diploma in Mechanical Engineering from Ngee Ann Polytechnic in Singapore.

Teo Tin Jien, Jimmy has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company.

Yew Boon Teik, Daniel
Aged 62, Malaysia, Male

→ Director of D'nonce (M) Sdn. Bhd.

Yew Boon Teik, Daniel, joined D'nonce (M) Sdn. Bhd. in December 2004 and subsequently was posted to Integrated SCM Co. Ltd as General Manager to manage the supply chain and 'Just In Time Hub' (JIT Hub) for chemical, packaging and spare parts to Kimberly Clark Safekin's (KCS) two glove manufacturing plant in Sadao and Thunglung Hatyai, Songkhla. Apart from managing the supply chain to KCS, he also managed the supply chain of the chemical, packaging and spare parts to other industries/ manufacturers in latex, beverages, furniture, seafood, condom, oil and gas.

He was later appointed as Head/ Director for Integrated SCM Co. Ltd and ISCM Industries (Thailand) Co. Ltd in 2009. In May 2015, he was transferred back to D'nonce (M) Sdn. Bhd as General Manager to oversee the management and operation of the company. He was subsequently appointed the Director of D'nonce (M) Sdn. Bhd. on 30 December 2018.

Prior to joining D'nonce, Mr Yew was an Executive Director in Ewein Holdings Berhad in 1995 in charge of the setting up of Liquor beverage company (JV) in Cambodia, Laos, Myanmar and Vietnam. Subsequently he was appointed as Managing Director for the operation for the liquor beverage company to oversee the operations in the region of Indo China.

He joined Ewein Winery Sdn. Bhd. in Prai Penang in 1980 as the Production Manager and was later promoted to be the Sales and Marketing Manager. He was later appointed as the General Manager in 1988 and left in 1991. He was also attached to Henry Butcher Sdn Bhd as Real Estate Agent Manager in 1991.

Yew Boon Teik, Daniel has no family relationship with any Director and/or substantial shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and does not have any conflict of interest with the Company.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") of D'nonce Technology Bhd and its subsidiaries ("Group") is pleased to present the Statement on Risk Management and Internal Control ("Statement") which outlines the nature and scope of risk management and internal control system of D'nonce Technology Bhd for the financial year from 1 May 2020 to 30 April 2021 pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements, Malaysian Code on Corporate Governance 2017 and as guided by the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its overall responsibility for the Group's system of internal controls and risk management, and in reviewing of the adequacy and integrity of those processes. It also recognises that due to inherent limitations surrounding all internal control systems, the Group's system of internal control is designed to manage the Group's risks within tolerable levels, rather than eliminate the risk of failure to achieve business objectives. Accordingly, the Board is also of the view that the Group's system of internal control can only provide reasonable but not absolute assurance against material misstatements, errors, losses and unforeseen emerging risks.

The Board believes that review on adequacy and effectiveness of the system of internal control and risk management is a continuous process. Such reviews are conducted through the various committees established by the Board and Management. The Board has, through the Audit and Risk Management Committee ("ARMC"), carried out process of identifying, evaluating, monitoring and managing the significant operational and financial risks affecting achievement of its corporate objectives throughout the period.

The Board is of the view that system of internal controls in place for the year under review is sound and adequate after taking into consideration the costs and benefits to safeguard the Group's assets, and protect the stakeholder's interests in ensuring achievement of business objectives and enhancing shareholder's value.

RISK MANAGEMENT

The Board affirms that effective risk management is an essential and indispensable part of corporate management.

The Board further acknowledges that risk management is an ongoing process and business risks are embedded and forms an important part of the internal control system of the Group. As such, continuous efforts are made to identify significant risks in the processes and activities of the Group, particularly in major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks, and put in place the appropriate risk response strategies and controls until those risks are managed to, and maintained at, a tolerance level acceptable by the Board.

INTERNAL AUDIT FUNCTION

The Group's independent internal audit function is outsourced to a professional service firm to assist the Board and the ARMC in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's system of internal control.

The internal audit plan entails the audit scope, coverage and frequency based on a risk-based approach and is approved by the ARMC.

Scheduled internal audits are carried out and the internal audit reports, summarising the observations of control weaknesses, recommendations for improvement and Management actions were presented to the ARMC. These findings were deliberated together with Management at the ARMC Meetings. The ARMC assessed the overall adequacy and effectiveness of the system of internal controls of the Group and reports to the Board of Directors, in particular, the matters relating to significant risks and the necessary recommendations for changes.

During the financial year, the outsourced internal audit function has carried out the following audits based on the internal audit plan approved by the ARMC:-

- Sales and Distribution business unit in Penang; Sales Ordering, Billing Process, Sourcing and Purchasing Process; and
- Design and Conversion business unit in Penang: Sales Ordering, Billing Process and Stock Control; and
- Design and Conversion business unit in Johor: Sales Ordering, Billing Process , Credit Control and Account Receivables Control Process; and
- Sales and Distribution business unit in Johor: Sales Ordering, Billing Process , Credit Control and Account Receivables Control Process; and
- Sales and Distribution business unit in Kelantan: Sales Ordering, Billing process, Sourcing and Purchasing Process.

Based on the internal audit reviews conducted, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this annual report.

INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- **Organisational Structure**
  The Group has in place an organisational structure with well-defined scopes of responsibility, clear lines of accountability and appropriate levels of delegated authority.
- **Policies and Procedures**
  The Group has in place documented internal policies and procedures which is subjected to regular reviews and improvements to govern the financial and operational functions and ethics of the Group.
- **Performance Reporting and Monitoring**
  Regular and comprehensive information are provided to Management, covering financial and operational performance and key business indicators, for effective monitoring and decision making.
- **Strategic Business Planning, Budgeting and Reporting**
  Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary.
- **Hierarchical Reporting**
  The Group has in place a process of hierarchical reporting which provides a documented and auditable trail of accountability.

ASSURANCE STATEMENT BY KEY MANAGEMENT TEAM

The Chief Executive Officer and Chief Financial Officer have provided assurance to the Board, to the best of their knowledge and believe, that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, to meet the Group's objectives during the financial year under review until the date of this Statement.

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this statement on Risk Management and Internal Control is not, in all material aspects, in accordance with the Audit and Assurance Practice Guide 3 (AAPG 3) issued by the Malaysian Institute of Accountants.

CONCLUSION

The Board is of the opinion that the system of risk management and internal control that has been instituted throughout the Group is satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report for the financial year ended 2021. The Board and the Management will continue to review and take measures to strengthen and improve the internal control environment from time to time based on the recommendations proposed by the internal audit consultant.

The Board recognises that the development of the system of internal control is an ongoing process as part of its efforts in managing the risks faced by the Group. Consequently, the Board maintains an ongoing commitment to further strengthen the control environment within the Group.

This statement is issued in accordance with a resolution of the Board of Directors dated 27 August 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors is committed to maintain high standards of corporate governance and strives to ensure that it is practised throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its responsibilities in order to protect and enhance shareholders' value and raise the performance of the Group.

COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017

In this Statement, the Board reports on the manner the Group has adopted and applied the principles and best practices as set out in the Malaysian Code on Corporate Governance 2017 ("the Code") and the governance standards prescribed in the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") throughout the year under review. This Statement is to be read together with the CG Report 2021 of the Company which is available on the Company's website at http://www.dnoncetech.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1.1 Strategic Aims, Values and Standards

The Company is led and managed by an experienced Board, comprising members who have a wide range of experience in fields such as management, finance, manufacturing and law to successfully direct and supervise the Group's business activities. A brief profile of each Director is presented on pages 12 to 15 of the Annual Report.

The Board will continue to retain full and effective control of the Group. This includes responsibility for reviewing and adopting a strategic plan for the Company and overseeing the conduct of the Company's business.

The Board delegates the responsibility of implementing the Group's strategies, business plans, policies and decisions to the Management which is led by the Chief Executive Officer.

The Board will always act in the best interests of the Company and has a duty of maintaining confidentiality in relation to the Company's confidential information.

The Board has four Board Committees namely the Nominating Committee, the Audit and Risk Management Committee, the Remuneration Committee and the Employees' Share Option Scheme Committee, to assist the Board and each committee is governed by their Terms of Reference.

The main functions and roles of the Board are as follows:

(a) To review, challenge, decide and monitor Key Senior Management's strategies, business plans and significant policies after satisfying themselves that Key Senior Management has taken into account all the relevant and appropriate considerations in establishing the strategies, plans and policies.

(b) To ensure a competent Key Senior Management by establishing policies for strengthening the performance of the Group with a view to proactively build the business through innovation, initiative, technology, new products, development of its business capital and including strategies on economic, environmental and social considerations underpinning sustainability;

(c) To monitor implementation, progress and performance of the strategies, policies, plans, legal and fiduciary obligations that affect the business by adopting performance appraisal measures;

(d) To evaluate whether the business is being properly managed and to ensure that the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard the Group's assets;

(e) To ensure that the Group has a sound framework for internal controls and risk management;

I. BOARD RESPONSIBILITIES (cont'd)

(f) To understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;

(g) To set the risk appetite within which the Board expects Key Senior Management to operate and ensure that there is an appropriate risk management framework to identify, analyze, evaluate, manage and monitor significant financial and non-financial risks;

(h) To establish various Board Committees and ensure their effectiveness to address specific issues, by considering recommendations of the various board committees and acting on their reports;

(i) To ensure that the statutory accounts of the Company and Group are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;

(j) To ensure the Key Senior Management has the necessary skills and experience and that there is in place an appropriate succession plan for members of the Board and Key Senior Management;

(k) To ensure that the Board together with Key Senior Management promote good corporate governance culture within the Company which adheres to high standards of ethical, prudent and corporate/professional behaviour including transparency in Code of Conduct;

(l) To ensure that there is in place an appropriate investor relation and communication policy and corporate disclosures in compliance with the Listing Requirements; and

(m) To ensure the Company has effective, transparent and regular communication with its stakeholders to enable them to make informed decisions with respect to the business of the Group, its policies on governance, the environment and social responsibility.

The following matters, amongst others, shall be reserved to the Board for determination and/or approval which may be supported by any recommendations as may be made from time to time by Key Senior Management or the Board Committees:

(a) corporate plans and programmes;
(b) annual budgets, including major capital commitments;
(c) quarterly financial results, annual financial statements and annual reports;
(d) new ventures;
(e) corporate proposals;
(f) material acquisitions and disposals of undertakings and properties;
(g) material litigations;
(h) declaration of dividends;
(i) composition of the Board; and
(j) changes to the management and control structure within the Company and its subsidiaries, including key policies.

I. BOARD RESPONSIBILITIES (cont'd)

During the financial year ended 30 April 2021, 8 Board Meetings were held. The attendance record of each Director is as follows: -

Name and designation of the Directors	Attendance	Percentage of attendance (%)
Mr Lim Siang Kai Non-independent Non-Executive Chairman	8/8	100%
Datuk Tho Yow Yin Executive Director cum Chief Executive Officer	8/8	100%
Mr Wan Kum Tho Independent Non-Executive Director	8/8	100%
Mr Lam Kwong Fai (Lin Guanghui) Independent Non-Executive Director	8/8	100%
Mr Chong Kim Teck Independent Non-Executive Director	8/8	100%
Dato' Moktar Bin Mohd Noor Independent Non-Executive Director	7/8	88%
Mr How Wai Mun Independent Non-Executive Director (Appointed on 02 November 2020)	3/3	100%

All Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Securities.

The Directors are mindful that they should continue to attend training programmes to enhance their skills and knowledge where relevant, as well as to keep abreast with changing regulatory and corporate governance development.

The details of training attended by Directors during the financial year ended 30 April 2021 are as follows:-

Name of Director	Date	Seminar/training attended
Mr Lim Siang Kai	1 April 2021	M&A Due Diligence: From Legal and Risk Perspectives
Datuk Tho Yow Yin	4 Feb 2021	Conduct of Directors and Common Pitfalls in Listing Requirements
Mr Wan Kum Tho	21 Jan 2021	Key Disclosure Obligations of A Listed Company – Financial Reporting
Mr Lam Kwong Fai (Lin Guanghui)	6 October 2020	IVAS-IVSC Business Valuation Virtual Conference 2020
Mr Chong Kim Teck	23 Nov 2020 20-21 January 2021	Budget 2021 FCD Module D: Financial Essentials for Directors
Dato' Moktar Bin Mohd Noor	2 March 2021	Cultural Diversity in the Boardroom

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

For any Director who did not attend any official training during the financial year under review he had enhanced his knowledge and kept abreast with the latest development on statutory and regulatory requirements from the briefings given by the Internal Auditors, External Auditors and the Company Secretaries from time to time during the Audit and Risk Committee and Board Meetings. He has also enhanced his knowledge by focusing on business news and extensive reading of relevant business and regulatory materials. Overall, the Board actively seek advice and interact with the relevant professional personnel to enhance their skills and knowledge on specific area.

1.2 Chairman of the Board

The Chairman is responsible for the overall leadership and efficient functioning of the Board. The key roles of the Chairman, amongst others, are as follows:

(a) responsible for the overall leadership and efficient functioning of the Board;
(b) ensure that the Board functions effectively, cohesively and independently of Key Senior Management;
(c) leading the Board in establishing and monitoring good corporate governance practices in the Company;
(d) setting the Board agenda and ensuring that the Board members receive complete and accurate information in a timely manner;
(e) leading the Board, including presiding over Board meetings and Company meetings and directing Board discussions to effectively use the time available to address the critical issues facing the Company;
(f) encouraging active participation and allowing dissenting views to be freely expressed by the Board members;
(g) acting as liaison between the Board and Key Senior Management and promoting constructive and respectful relationship within and between Board members and Key Senior Management;
(h) ensure that there are effective communication between the Company and/or Group and its shareholders and relevant stakeholders and that their views are communicated to the Board as a whole; and
(i) carrying out other duties as requested by the Board as a whole, depending on the needs and circumstances.

1.3 Separation of the position of the Chairman and the Managing Director

The roles of the Chairman and the Chief Executive Officer are distinct and separated to ensure a balance of power and authority.

The Chief Executive Officer is responsible to the Board for the day-to-day management of the Company. The role of the Chief Executive Officer is vital to the performance of the Company. He/she is required to provide leadership, strategic vision, high-level business judgment and wisdom, and the ability to meet immediate performance targets without neglecting longer-term growth opportunities of the Company. The key roles of the Chief Executive Officer, amongst others, are as follows:

(a) developing the strategic plan and direction of the Group;
(b) ensure that the Company and/or the Group's business is properly and efficiently managed by ensuring that the executive team implements the policies and strategies adopted by the Board and its Committees;
(c) ensure that the objectives and standards of performance are understood by the Key Senior Management and employees;
(d) ensure that the operational planning and control systems are in place;
(e) risk management;
(f) monitoring performance results against plans;
(g) taking remedial action, where necessary;
(h) reporting on significant business decisions;
(i) stakeholder management; and
(j) any such matters referred to by the Chairman, the Board or other Board Committees from time to time.

The Chief Executive Officer also provides assistance whenever appropriate and works with the Board and the Board Committees in discharging their duties. He will report on the performance and activities of the Group for the period under review, including explanations when there are changes or significant fluctuations.

I. BOARD RESPONSIBILITIES (cont'd)

1.4 Qualified and competent Company Secretaries

The Company is supported by two (2) qualified named Company Secretaries who possess the requisite qualification and are qualified to act as Company Secretaries under the Companies Act 2016. They play a supportive role by ensuring adherence to the Company's Constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations from time to time. The Company Secretaries monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations.

1.5 Access to information and advice

The Board recognises that the decision-making process is highly dependent on the quality of information available. All the Directors have access to all information within the Group and may seek the advice of Management on matters under discussion or request further information on the Group's business activities.

The Chairman, with the assistance of the Company Secretaries, ensures that all Directors have full and timely access to information with Board papers distributed in advance for Board meetings. The Board, whether as full Board or in their personal capacity, may upon approval from the Board, seek independent professional advice, where necessary and under appropriate circumstances, in furtherance of their duties and to enable them to discharge their duties, at the Group's expense.

All Board and Board Committees are provided with an agenda and relevant board papers, reports including matters arising, financial, operational and regulatory compliance matter, at least 7 days prior to meetings to ensure that they have sufficient time to review and evaluate the matters to be deliberated and obtain further information, if needed, prior to meeting to expedite decision-making during meetings. However, the Board and Board Committees also hold meetings to approve certain urgent matters and these meetings are called with less than 7 days notice with the consent of all Board and Board Committee members. Actions on all matters arising from any previous meeting are reported at the following meeting.

2. Demarcation of Responsibilities

2.1 Board Charter

The Company has in place a Board Charter that sets out, among others, the responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, as well as the relationship between the Board with its management and shareholders. The Board Charter is reviewed by the Board, annually and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

The Board reviewed its Charter on 23 March 2021 and the Board charter is available at its corporate website at http://www.dnoncetech.com.

3. Good business conduct and corporate culture

3.1 Code of Conduct and Ethics

The Directors are expected to conduct themselves with the highest ethical standards. All Directors and employees of the Company are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company.

The Code of Conduct for Directors and employees of the Group is made available for reference within the Board Charter on the Company's website, http://www.dnoncetech.com.

3.2 Whistleblowing Policy

In adhering to good corporate governance practices and with the introduction of the Whistle Blower Protection Act 2010, the Board has put in place a Whistleblowing Policy as an avenue for employees and stakeholders to report genuine concerns about unethical behaviour, malpractices and illegal acts on failure to comply with regulatory requirements without fear of reprisal. Multiple channels of reporting are set up to encourage stakeholders to report directly to the Chairman of the Board, Chairman of Audit and Risk Management Committee or the Chief Executive Officer.

The Whistle Blowing Policy is made available for reference within the Board Charter on the Company's website, http://www.dnoncetech.com.

3.3 Anti-Bribery and Corruption Policy

The Anti-Bribery and Corruption Policy had been established to provide the Directors, officers, employees and third parties with a guide on how to prevent and detect bribery and corruption. It is our policy to conduct all of our business in an honest and ethical manner, as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anticorruption Commission (Amendment) Act 2018 and any of its amendments or reenactments that may be made by the relevant authority from time to time. We take a zero-tolerance approach to Bribery and Corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

The Anti-Bribery and Corruption Policy is made available for reference within the Board Charter on the Company's website, http://www.dnoncetech.com.

II. BOARD COMPOSITION

4. Board objectivity

4.1 Board composition

The current Board is made up of seven (7) members comprising one (1) Non-Independent Non-Executive Chairman, one (1) Executive Director and five (5) Independent Non-Executive Directors. The composition of the Board complies with paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities. In view of their diversified background and extensive experience, they bring a wide range of technical skills and expertise to the Group and have contributed significantly towards performance monitoring, control as well as governance.

All Directors of the Company do not hold more than 5 directorships under paragraph 15.06 of the Main Market Listing Requirements.

The Board believes that the current composition is appropriate given the collective skills and experiences of the Directors and the Group's current size and nature of the Group's business. The Board will continue to monitor and review the Board's size and composition as may be needed. If there is a need to appoint additional Board member, the Company will consider utilizing the pool of directors from independent sources.

4.2 The tenure of independent director

The Board is mindful of the recommendation of the Code for the tenure of an Independent Director not exceed a cumulative or consecutive term of nine (9) years. However, an Independent Director who had exceeded the prescribed nine (9) years may continue to serve the Board subject to re-designation as Non-Independent Non-Executive Director.

As at to-date, none of the Independent Directors have served on the Board for a cumulative or consecutive term of nine (9) years.

II. BOARD COMPOSITION (cont'd)

4.3 Policy on the tenure of an independent director

The Board Charter limits the tenure of its Independent Directors to nine (9) years. In the event the Board intends to retain a Director as Independent Director after the latter has served a cumulative or consecutive term of nine (9) years, the Board must justify the decision and seek shareholders' approval at Annual General Meeting ("AGM").

4.4 Diverse Board and Senior Management Team

The Board is supportive of diversity on the Board and in Senior Management team. Appointment of members of the Board and Senior Management team are based on objective criteria, merit and also due regard for diversity in experience, skills set, age and cultural background.

4.5 Gender diversity

The Company currently has no female Independent Non-Executive Director. The Board does not have any target or measure to meet the 30% women directors in the Board. However, the Board is supportive of the gender boardroom diversity recommended by the Code and will strive towards introducing female Board members when it reviews its board composition.

Notwithstanding the absence of a female board member, the Group's female staff made up 47% of the total staff.

4.6 Diverse sources for new candidates(s) for Board appointment

The Company has in place, its procedures and criteria for identifying candidates for appointment of directors. All candidates for appointment are first considered by the Nominating Committee and Remuneration Committee, taking into account the mixture of skills, competencies, experience, professionalism and other relevant qualities to manage the Company.

4.7 Nominating Committee

The Nominating Committee comprises of three (3) Independent Non-Executive Director and One (1) Non-Independent Non-Executive Director.

During the financial year ended 30 April 2021, the Nominating Committee had 2 meetings: -

Name and designation of Nominating Committee	Attendance	Percentage of attendance (%)
Mr Chong Kim Teck Chairman, Independent Non-Executive Director	2/2	100%
Mr Lim Siang Kai Member, Non-independent Non-Executive Chairman	2/2	100%
Mr Lam Kwong Fai (Lin Guanghui) Member, Independent Non-Executive Director	2/2	100%
Mr Wan Kum Tho Member, Independent Non-Executive Director	2/2	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

II. BOARD COMPOSITION (cont'd)

4.7 Nominating Committee (cont'd)

The objective of the Nominating Committee are:

1. Recommend to the Board, candidates for directorship, Board Committee membership and Key Senior Management taking into consideration, amongst others, various diversity factors of the candidates including skills, knowledge, expertise, experience, professionalism, integrity, ethnicity and gender shall be sought as part of its recruitment exercise. In the case of candidates for the position of independent non-executive directors, the Nominating Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive directors.

2. The Nominating Committee shall also consider candidates for directorships and Key Senior Management proposed by the Chief Executive Officer and within the bounds of practicality, by any other Key Senior Management or any Director or shareholder.

3. To determine the core competencies and skills required of Directors to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies.

4. The Nominating Committee shall ensure that time commitment is obtained from a Director on his appointment and the expectations are met.

5. To evaluate and recommend the appointment of senior executive positions, including that of the Chief Executive Officer and their duties and the continuation (or not) of their service.

6. Regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustment that are deemed necessary.

7. To ensure that the positions of the Chairman and Chief Executive Officer are held by different individuals and the Chairman shall be a non-executive member of the Board.

8. Review the size and core competencies of Independent Directors, Board balance and determine if additional Directors are required and also to ensure that at least half of the Board is independent.

9. Assist the Board to do an annual assessment of independence of its Independent directors and also ensure that the tenure of the Independent directors do not exceed a cumulative term 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, it should justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the twelfth (12) years, the Board should seek annual shareholders' approval through a two-tier voting process.

10. Assist the Board to implement a procedure to be carried out by the Nominating Committee for annual assessment on the effectiveness of the Board as a whole, the Board Committee and the contribution of each individual Director, including Independent Non-Executive Directors and Chief Executive Officer. Conduct an annual review the term of office and performance of the Audit and Risk Management Committee and each of its members. All assessments and evaluation carried out by the Nominating Committee in the discharge of all its functions should be properly documented.

11. Conduct an annual review on the Board members, Chief Executive Officer and Chief Financial Officer on the required mix of skills, character, experience, integrity, competence and time to effectively discharge their roles.

II. BOARD COMPOSITION (cont'd)

4.7 Nominating Committee (cont'd)

12. Establish a clear succession plan and periodically reporting to the Board on succession planning for the Board, Chairman and Chief Executive Officer. The Nominating Committee should work with the Board to evaluate potential successors including considering independent sources to identify suitably qualified candidates.

13. Recommend Directors who are retiring by rotation under the Company's Constitution to be put forward for re-election.

14. Have due regard to the principles of governance and code of best practice.

15. Keep under review the leadership needs of the organisation with a view of ensuring the continued ability to compete effectively in the organisation's marketplace.

16. Facilitate board induction and training for newly appointed Directors.

17. Propose to the Board the responsibilities of Non-Executive Directors, including membership and Chairpersonship of Board Committees.

18. Review its own performance, at least once a year, and recommend any necessary changes to its Terms of Reference.

19. Review the term of office and performance of an Audit and Risk Management Committee and each of its members annually to determine whether such Audit and Risk Management Committee and members have carried out their duties in accordance with their Terms of Reference.

During the year under review, key activities undertaken by the Nominating Committee ("NC") are summarized as follows:

a. Reviewed the composition, mixture of skills and experience and other qualities, including core competencies as well as contribution of each individual Director and the effectiveness of the Board as a whole and the Board Committees as well as contribution of each individual Director.
b. Reviewed the level of independence of the Independent Directors.
c. Discussed the character, experience, integrity and competency of the Directors, Chief Executive Officer or Chief Financial Officer and ensured that they have the time to discharge their respective roles.
d. Discussed and recommended the re-election / retention of Directors, as applicable at AGM.
e. Reviewed the term of office and performance of the Audit and Risk Management Committee ("ARMC") and its members pursuant to para 15.20 of the Bursa Securities Listing Requirements. The assessment was carried out by way of a discussion in the Board and self-evaluation by the ARMC given that the composition of the NC is the same with ARMC.
f. Conducted annual assessment on Board, Board Committees and individual Directors.
g. Deliberated the composition of Board Committees following the appointment of a new Director.

The Terms of Reference of the Nominating Committee is made available for reference within the Board Charter on the Company's website, http://www.dnoncetech.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

II. BOARD COMPOSITION (cont'd)

5. Board Assessment

5.1 Overall Effectiveness of the Board

It is the responsibility of the Nominating Committee for the overall board effectiveness evaluation process, which includes an assessment of the Board, Board Committees and individual Directors. The appraisal which was carried out through documented questionnaires that comprises quantitative and qualitative performance criteria to evaluate the performance of each member of the Board as well as each Board Committee was being circulated at the Meeting for assessment.

The Nominating Committee, upon conclusion of the exercise carried out on 26 June 2020, was satisfied that the Board and Board Committee composition had fulfilled the criteria required, possess the right blend of knowledge, experience and the appropriate mixture of skills. Additionally, Independent Directors were assessed to be objective in exercising their judgement.

III. REMUNERATION

6. Level and composition of Remuneration

6.1 Remuneration policy

It is vital for the Group to attract and retain Directors of the necessary caliber to run the Group successfully. The Group has established Remuneration Committee to develop remuneration strategies that drive performance and provide levels of reward which reflect the performance of the Executive Directors and Key Management personnel.

The current remuneration policy of the Group is summarized as below:

(a) The remuneration for Executive Directors and Key Senior Management is based on the achievements and contribution of each person measured against their respective Key Performance Indicators. The Board shall determine the remuneration of Executive Directors and Key Senior Management taking into consideration the recommendations of the Remuneration Committee.
(b) The Non-Executive Directors will receive a fixed base fee, not by a commission or on percentage of profits/turnover, as consideration for their Board duties. The aggregate amount of directors' fees to be paid to Non-Executive Directors is subject to the approval of the shareholders at a General Meeting.
(c) Remuneration for Non-Executive Directors is not linked to individual performance.

III. REMUNERATION (cont'd)

6.2 Remuneration Committee

The Remuneration Committee comprises of one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. Currently the Remuneration Committee comprised of the following directors:

Name and designation of Remuneration Committee	Attendance	Percentage of attendance (%)
Mr Lam Kwong Fai (Lin Guanghui) Chairman, Independent Non-Executive Director (Appointed as Chairman on 02 November 2020)	3/3	100%
Mr Lim Siang Kai Member, Non-independent Non-Executive	3/3	100%
Mr Wan Kum Tho Member, Independent Non-Executive Director	3/3	100%
Mr How Wai Mun Member, Independent Non-Executive Director (Appointed on 02 November 2020)	1/1	100%
Mr Chong Kim Teck Independent Non-Executive Director (Ceased as Chairman and member on 02 November 2020)	2/2	100%

The key duties of Remuneration Committee included the following:

(a) Develop and agree with the Board the remuneration policy framework for the Non-Executive Directors, Executive Directors and Key Senior Management with the aim to attract, retain and motivate high caliber individuals required by the Board on long term basis and so structured as to align their interests with those of the Company and its shareholders.
(b) Review and make recommendations to the Board the remuneration packages and other terms of employment for each of the Chief Executive Officer, Executive Directors and Key Senior Management, taking into account the market rates so as to link rewards to the Group and individual performance, drawing from external advice as necessary. The Executive Directors should play no part in the decisions of their own remuneration.
(c) To review and recommend to the Board the remuneration packages for Non-Executive Directors, taking due account of their experience and degree of responsibilities undertaken.
(d) To ensure that the remuneration and incentives for Independent Directors do not conflict with their obligation to bring objectivity and independent judgment on matters discussed at Board meetings.
(e) To review indemnity and liability insurance policies for the Directors and Officers of the Company.
(f) To oversee the qualitative and quantitative disclosure of remuneration made in the Annual Report and notice of general meeting.
(g) To deliver explanation to shareholders during general meetings on matters related to directors and Key Senior Management remuneration, in addition to the overall remuneration framework of the Company.
(h) To carry out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed upon the Remuneration Committee by the Board from time to time as to be in line with the directions of the Board.
(i) Review the on-going appropriateness and relevance of the remuneration policy.
(j) To consider and examine such other matters as the Remuneration Committee considers appropriate.

The Directors' fees and emoluments are subject to endorsement of the Board and approval of the shareholders. The Directors are paid an attendance allowance for each meeting they attend. Directors who are shareholders will abstain from voting at general meetings to approve their fees. Executive Directors also will not be involved in deciding their own remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

III. REMUNERATION (cont'd)

7. Remuneration of Directors and Senior Management

7.1 Details of Directors' remuneration

Details of the Directors' Remuneration for the financial year ended 30 April 2021 in the Group are as follows:-

	Director's Fees RM	Salaries RM	Other emoluments RM	Bonus RM	Total RM
LSK	326,497	-	238,035	-	**564,532**
TYY	-	992,308	236,562	280,533	**1,509,403**
WKT	119,071	-	22,801	-	**141,872**
LKF	144,201	-	27,054	-	**171,255**
CKT	129,317	-	22,708	-	**152,025**
DMN	129,452	-	20,264	-	**149,716**
HWM	52,092	-	10,915	-	**63,007**
Total	**900,630**	**992,308**	**578,339**	**280,533**	**2,751,810**

Note:

LSK	-	Lim Siang Kai
TYY	-	Datuk Tho Yow Yin
WKT	-	Wan Kum Tho
LKF	-	Lam Kwong Fai (Lin Guanghui)
CKT	-	Chong Kim Teck
DMN	-	Dato' Moktar Bin Mohd Noor
HWM	-	How Wai Mun [appointed on 02 November 2020]

7.2 Details of top five senior management's remuneration on name basis

Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment and the importance of ensuring stability and continuity of business operations with a competent and experienced Management team in place, the Board takes the view that there is no necessity for the Group to disclose the remuneration of the Company's Senior Management personnel who are not Directors.

Details of remuneration received by the Senior Management on named basis are not disclosed in this report.

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

8. Effective and independent Audit and Risk Management Committee

8.1 The Chairman of the Audit and Risk Management Committee is not the Chairman of the Board

The Chairman of the Audit and Risk Management Committee ("ARMC") is Mr Wan Kum Tho who is an Independent Director whereas the Chairman of the Board is Mr Lim Siang Kai. Presently, the ARMC is comprised majority of Independent Directors.

8. Effective and independent Audit and Risk Management Committee (cont'd)

8.2 Policy requiring former key audit partner to observe 3-year cooling off period

As at to-date, the Company has not appointed any former audit partner as a member of the Audit and Risk Management Committee.

Nevertheless, the Board has updated its Board Charter to stipulate that no former key audit partner shall be appointed as a member of the Audit and Risk Management Committee unless he/she has observed a cooling-off period of at least three (3) years before the appointment.

8.3 Policy and procedures to assess the suitability, objectivity and independence of the external auditor

The Audit and Risk Management Committee has formalised a policy which stipulates the procedures to assess the suitability, objectivity, and independence of external auditors which encompasses consideration of the nature and extent of non-audit services provided by the external auditors alongside the appropriateness of the level of fees.

On 28 June 2021, the ARMC conducted an annual assessment on the suitability and independence of the external auditors based on the following conditions:-
- the quality of audit procedures and work provided;
- the adequacy of experience, technical support and resources;
- the independence and objectivity of external auditors;
- the internal communication quality of external auditors with the Board and / or ARMC; and
- any other criteria deemed fit by the ARMC and / or the Board.

The Audit and Risk Management Committee, having assessed the independence of external auditors as well as reviewed the level of non-audit services rendered by them for the financial year ended 30 April 2021, was satisfied with their competency, suitability and independence. The Audit and Risk Management Committee has recommended their re-appointment to the Board, upon which shareholders' approval will be sought at the 21st AGM.

Additionally, the said policy stipulated circumstances under which contracts for the provision of non-audit services could be entered into and procedures that must be followed by the external auditors. During the year, the external auditors reported the details of the non-audit services rendered which includes review of the Statement on Risk Management and Internal Control.

Furthermore, the external auditors provided a confirmation to the Audit and Risk Management Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

In addition to the above, the Audit and Risk Management Committee meets with external auditors at least once a year to discuss their audit plans, audit findings and the Company's financial statements. At least one of these meetings is held without the presence of the Executive Directors and the Management. Also, the ARMC meets with the external auditors additionally whenever the need arises. Two discussion sessions between the ARMC and the external auditors were held on 25 June 2020 and 17 August 2020 respectively. Furthermore, the external auditor attends every annual general meeting whereby the financial statements of the company for a financial year are to be laid to respond according to his knowledge and ability to any question raised in regards to the financial statements' audit.

8. Effective and independent Audit and Risk Management Committee (cont'd)

8.4 Composition of the Audit and Risk Management Committee

The Company did not observe this step-up, the Audit and Risk Management Committee comprised majority of Independent Directors.

8.5 Diversity in skills of the Audit and Risk Management Committee

The members of the ARMC presently fulfills the requirement set out Paragraph 15.09 of the Bursa Securities Listing Requirements which stipulates the necessary skills and experiences required to be a member of the Audit and Risk Management Committee.

Within the current composition of the Audit and Risk Management Committee, majority of the ARMC members have the necessary financial, commercial expertise and capital markets skills, experience required to meet their responsibilities and provide an effective level of challenge to the Management. On an on-going basis, the Audit and Risk Management Committee members will participate in training and development sessions in order to ensure that the members are educated with the latest developments in accounting and auditing standards, guidelines and practices.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

9. Effective risk management and internal control framework

9.1 The board should establish an effective risk management and internal control framework

In order to be effective in discharging these responsibilities, the Board is assisted by the Audit and Risk Management Committee which functions as an oversight body to review controls and systems in general and to carry out on-going assessment over the adequacy and effectiveness of the risk management and internal control practices within the organisation.

In addition to the abovementioned, the Board is supported by the Management in developing, implementing and monitoring practices for identifying and managing risks. This is added with the role of the Management to provide assurance that the necessary control practices are adhered and carried out accordingly based on stipulated policies and framework.

9.2 Disclosure on the features of its risk management and internal control framework

During the year, an assurance is provided by the Chief Executive Officer that the Group's risk management and internal controls have been operating adequately and effectively, in all material aspects, during the year under review and up to the date of this Statement to the Board. Taking into consideration this assurance during the Board's assessment of the Group's risk management and internal control, the Board is of the view that the systems of internal control and the risk management is considered adequate for the Group's business operations.

The key elements and overall state of the internal control and risk management framework of the Group have been disclosed accordingly within the Annual Report.

9.3 Establishment of a Risk Management Committee

The establishment of a risk management committee has been absorbed within the ambit of the Audit and Risk Management Committee.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (cont'd)

10. Effective governance, risk management and internal control

10.1 Effective of internal audit function

The Group's internal audit function is outsourced to a professional services firm, Kloo Point Sdn. Bhd. to assist the Board and Audit and Risk Management Committee in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems.

The risk management framework and internal audit function are disclosed under the Statement of Risk Management and Internal Control on pages 19 to 21 of this Annual Report.

On an annual basis, the Audit and Risk Management Committee carries out an assessment on the performance of the outsourced internal audit function and reports such assessment to the Board.

10.2 Disclosure on the internal audit function

The internal audit function is independent of the operations of the Group and is outsourced to a competent consulting firm which is sufficiently resourced to provide the services that meet with the Group's required service level. The service provider has been able to provide reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively.

The internal auditors adopt a risk-based approach towards the planning and conduct of their audits, and this is consistent with the Group's approach in designing, implementing and monitoring its internal control system. The activities of the internal auditors during the financial year are set out in the ARMC Report in this Annual Report.

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

I. COMMUNICATION WITH STAKEHOLDERS

11. Continuous Communication between the Company and stakeholders

11.1 Effective, transparent and regular communication with its stakeholders.

The Board believes that effective communication fosters better understanding of the Group's objectives and financial performance. In order to promote effective communication with the Company's stakeholders, information / results are made available through timely announcements and disclosure, executed via the Bursa Securities website, the Company's webpage, press releases and annual reports in line with the disclosure requirements of Listing Requirements.

Additionally, the Company emphasises on providing a principal platform for dialogue and interactions with stakeholders, i.e. primarily its shareholders, through its Annual General Meeting. The Annual General Meeting serves as a principal forum for dialogues with individual shareholders as it provides shareholders the opportunity to ask questions about the proposed resolutions or about the Company's operations in general.

11.2 Integrated Reporting

Integrated Reporting is not applicable to the Group presently as the Company does not fall within the definition of "Large Company".

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

II. CONDUCT OF GENERAL MEETINGS

12. Encourage Shareholder Participation at General Meetings

12.1 Notice for an Annual General Meeting ("AGM")

The notice to the upcoming AGM in 2021 will be provided with more than twenty-eight (28) days in advance to enable shareholders to make adequate preparation.

The Company recognises the importance of timely and thorough dissemination of information on all material business and corporate developments to shareholders and investors.

The Company keeps shareholders informed by announcements and timely release of quarterly financial results through Bursa Link, press releases, annual report and circular to shareholders.

12.2 All directors to attend General Meetings

All the Directors of the Company attend General Meetings in order to engage directly with shareholders and to take up any relevant questions which are related to matters that fall under the purview of the Board Committees or Board, unless unforeseen circumstances preclude them from attending General Meetings.

The shareholders present at the AGM were invited to ask questions about the resolutions being proposed at the AGM before putting them to vote by poll.

12.3 Leveraging on technology for voting in absentia and remote shareholders' participation

Based on record of depositors, the Company does not have a large number of shareholders. Further, all general meetings are held at a hotel, which is easily accessible to all shareholders. As such, the concern over voting in absentia and/or remote shareholders' participation at AGM are not applicable.

As of now, the Company encourages participation of shareholders through the issuance of proxies when there is indication that shareholders are unable to attend and vote in person at general meetings.

However, the Company will take into consideration the regulations issued at the material time resulting from the outbreak of Covid-19 to decide whether to convene a general meeting electronically and remotely via Remote Participation and Voting Facilities.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made in accordance with Part A of Appendix 9C of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("MMLR").

Utilization of Proceeds

The Company did not undertake any corporate proposal to raise proceeds during the financial year 30 April 2021.

Audit and Non-Audit Fees

The amount of audit fees paid and payable to the external auditors by the Group and the Company for the financial year ended 30 April 2021 amounted to RM232,600 and RM95,000 respectively.

Non audit fees paid and payable to the external auditors or a firm or company affiliated to the external auditors for the Group and the Company for the financial year 30 April 2021 amounted to RM108,994 and RM20,900.

Material Contracts

There were no material contracts during the financial year 30 April 2021.

Related Party Transactions

An internal compliance framework exists to ensure the Company meets its obligations, including that of related party transactions under the MMLR. The Board reviews all related party transactions during the financial year ended 30 April 2021, and the details are disclosed in Note 30 to the Financial Statements.

Employees' Share Option Scheme

The Company's Employees' Share Option Scheme ("ESOS") was established on 18 May 2016.

A total of 500,500 options were exercised during the financial year ended 30 April 2021. The total options granted but not excercised was 259,000 as at 30 April 2021.

On 17 May 2021, the Board of Directors approved the extension of the ESOS until 17 May 2026.

Warrants

Pursuant to a Deed Poll dated 12 October 2015, the Company issued 90,202,000 new warrants ("Warrants") in conjunction with the rights issue of 90,202,000 shares.

On November 2020, the exercise rights of the Warrants has expired. Out of the total Warrants issued, 89,611,700 Warrants have been exercised by the holders to subscribe for 89,611,700 new Company shares at RM0.25 per Warrant. The balance of Warrants not exercised of 590,300 has lapsed and became null and void and ceased to be valid for any purpose.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement, and considers that the Statement provides the information necessary to enables shareholders to evaluate how the MCCG has been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG, the MMLR and all applicable laws and regulations throughout the financial year ended 30 April 2021.

This Statement is made in accordance with a resolution of the Board of Directors dated 27 August 2021.

DIRECTORS' RESPONSIBILITY STATEMENT
IN RESPECT OF ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("CA") to prepare financial statements for each financial year which have been made out in accordance with the applicable Malaysian Financial Reporting Standards, the International Financial Standards and the requirements of the CA in Malaysia. The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their financial performance and cash flows for the year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates where applicable that are prudent, just and reasonable; and
- prepared the financial statements on a going concern basis.

The Directors also have a general responsibility for taking reasonable steps to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of D'nonce Technology Bhd. is pleased to present the Audit and Risk Management Committee ("ARMC") Report for the financial year ended 30 April 2021 ("FY2021").

MEETINGS AND ATTENDANCE

The ARMC had met seven (7) times during FY2021. The composition and the attendance record of ARMC members are as follows: -

Name and designation of Audit and Risk Management Committee	Attendance	Percentage of attendance
Mr Wan Kum Tho Chairman of ARMC, Independent Non-Executive Director (Appointed Chairman w.e.f. 2 Nov 2020)	(7/7)	100%
Mr Lim Siang Kai Member, Non-Independent Non-Executive Director	(7/7)	100%
Mr Lam Kwong Fai (Lin GuangHui) Member, Independent Non-Executive Director	(7/7)	100%
Mr How Wai Mun Member, Independent Non-Executive Director (appointed w.e.f. 2 Nov 2020)	(3/3)	100%
Mr Chong Kim Teck Member, Independent Non-Executive Director (Resigned w.e.f. 2 Nov 2020)	(4/4)	100%

TERMS OF REFERENCE

The Terms of Reference of the Audit and Risk Management Committee is made available for reference within the Board Charter on the Company's website at www.dnoncetech.com.

Independence of the Audit and Risk Management Committee

The Company recognised the need to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the ARMC of the Company were former key audit partners of the external auditors appointed by the Group. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was a key audit partner of the external auditors of the Group.

Financial Literacy of the Audit and Risk Management Committee Members

Collectively, the members of the ARMC have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the ARMC. The qualification and experience of the individual ARMC members are disclosed in the Directors' Profiles on pages 12 to 15 of this Annual Report. During the financial year ended 30 April 2021, all current members of the ARMC had undertaken the relevant training programmes to keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to effectively discharge their duties.

SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

In discharging its functions and duties in accordance with its Terms of Reference, the Audit and Risk Management Committee had carried out the following work during the financial year ended 30 April 2021: -

1. Met with the external auditors on two separate occasions in the absence of Management to discuss on any significant audit issues which may have arisen in the course of their audit of the Group.

2 Reviewed and approved the Directors' Report and Audited Financial Statements from the external auditors in respect of their audit of the Group for the financial year ended 30 April 2020. The Committee also reviewed and approved the Audit Plan for financial year ended 30 April 2021 as presented by the external auditors.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(cont'd)

3. Reviewed the quarterly financial results announcements for each quarter of the Group to ensure the Company's compliance with the Main Market Listing Requirements ("MMLR"), applicable approved accounting standards and other legal and regulatory requirements, prior to recommending them for the Board of Director's consideration and approval.

4. The ARMC received and discussed the updated Internal Audit Plan for the financial year ended 30 April 2021. Internal Audit Reports containing the audit findings and recommendations made by the internal auditors on weaknesses in the systems of internal control and the Management responses on those issues. The ARMC monitored the progress on the corrective actions taken by the Management on a quarterly basis until it is satisfied that the weaknesses identified had been adequately addressed. The ARMC also met with the internal auditors once in the absence of Management to discuss on any significant findings.

5. Reviewed and discussed the quarterly financial and treasury reports form the Management, including monitoring the progress on long outstanding debts, banking facilities and project updates.

6. The report of Recurrent Related Party Transaction ("RRPT") of the Group was tabled and reviewed by the ARMC at every quarterly meeting. The ARMC was satisfied that all RRPTs were within arm's length, fair, reasonable and on normal commercial terms and not detrimental to the interest of the minority shareholders.

7. Reviewed and discussed the effectiveness of the Group's risk management and internal control system. The ARMC was satisfied with the reasonable assurance given by the management on the processes for the monitoring internal control and risk management and their continuance to operate as intended. The ARMC also proposed for an external professional firm to review the risk management system.

8. The re-appointment of the external auditors. The ARMC agreed to recommend the reappointment of the external auditors at a remuneration and terms to be agreed upon by the Board.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group has appointed an external professional firm for it's internal audit function. The total cost incurred for the outsourced internal audit function of the Group for the financial year ended 30 April 2021 amounted to RM57,000.

The Group's internal audit activities are mainly carried out in accordance with the annual audit plan that has been tabled to the ARMC for its review and approval.

Whenever required, the Internal Auditors would make reference to the Group's policies and procedures, established practices, listing requirements and recommended industry practices.

During the financial year ended 30 April 2021, the Internal Auditors carried out the internal audit work for the Group as follows: -

- Sales and Distribution business unit in Penang: Sales Ordering, Billing Process, Sourcing and Purchasing Process; and
- Design and Conversion business unit in Penang: Sales Ordering, Billing Process and Stock Control; and
- Design and Conversion business unit in Johor: Sales Ordering, Billing Process , Credit Control and Account Receivables Control Process; and
- Sales and Distribution business unit in Johor: Sales Ordering, Billing Process , Credit Control and Account Receivables Control Process; and
- Sales and Distribution business unit in Kelantan: Sales Ordering, Billing process, Sourcing and Purchasing Process

In each of the internal audit report, the findings arising from the audit field work were presented together with suitable recommendations for improvement to the management for review and further action where necessary. These findings were not limited to matters relating to the financial and accounting controls but also cover certain key operational and management control areas.

During the quarterly meetings, the Internal Auditors also presented to the ARMC the update status on the implementation of their recommendations by the Management.

INSIDE THIS FINANCIAL

DIRECTORS' REPORT

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 **30 April 2021**.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of management services to its subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) for the financial year	**13,796,144**	**(1,647,546)**
Attributable to:		
Owners of the Company	**13,501,744**	**(1,647,546)**
Non-controlling interests	**294,400**	**-**
	13,796,144	**(1,647,546)**

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **30 April 2021** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial period.

The Directors do not recommend any final dividend payment for the financial year.

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company had increased its issued and fully paid up ordinary share capital by way of issuance of:

(i) 500,500 new ordinary shares pursuant to the exercise of the ESOS at an exercise price of RM0.25 per ESOS; and

(ii) 50,368,900 new ordinary shares pursuant to the exercise of the warrants at an exercise price of RM0.25 per warrant.

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

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS of the Company is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 3 July 2015. The ESOS was implemented on 18 May 2016 and is to be in force for a period of five (5) years until 17 May 2021. On 17 May 2021, the board of directors has approved the extension of ESOS until 17 May 2026.

There were no share options granted during the financial year.

The salient features of the ESOS are disclosed in Note 27 to the financial statements.

The movement of the share options during the financial year are as follows:

		Number of share options			
Grant date	**Exercise price (RM)**	**Balance at 1.5.20**	**Exercised**	**Lapsed**	**Balance at 30.4.21**
18 May 2016	**0.25**	**759,500**	**(500,500)**	**-**	**259,000**

WARRANTS

Pursuant to a Deed Poll dated 12 October 2015 ("Deed Poll"), the Company issued 90,202,000 new warrants ("Warrants") in conjunction with the rights issue of 90,202,000 shares.

The salient features of the Warrants are disclosed in Note 16.5 to the financial statements.

The movement of the Warrants during the financial year are as follows:

		Number of warrants			
Grant date	**Exercise price (RM)**	**Balance at 1.5.20**	**Exercised**	**Lapsed**	**Balance at 30.4.21**
26 November 2015	**0.25**	**50,959,200**	**(50,368,900)**	**(590,300)**	**-**

DIRECTORS' REPORT
(cont'd)

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

Lim Siang Kai
Datuk Tho Yow Yin
Lam Kwong Fai (Lin Guanghui)
Chong Kim Teck
Dato' Moktar Bin Mohd Noor
Wan Kum Tho
How Wai Mun (appointed on 2.11.20)

Directors of the subsidiaries:

The directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report, not including those directors listed above, are:

Ang Oon Ling
Lim Oon Jin
Tan Cheng See
Teo Tin Jien
Low Chee Min
Yew Boon Teik
Roslant Bin Abu
Shuib Bin Hassan
Soo Beng Chong (resigned on 7.11.20)

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 of directors in office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares			
	Balance at 1.5.20	**Bought**	**Sold**	**Balance at 30.4.21**
The Company				
Direct Interest:				
Datuk Tho Yow Yin	3,000,000	1,000,000	-	4,000,000
Deemed Interest:				
[1] Lim Siang Kai	66,293,300	377,000	-	66,670,300

	Number of warrants			
	Balance at 1.5.20	**Bought**	**Exercised**	**Balance at 30.4.21**
The Company				
Datuk Tho Yow Yin	1,000,000	-	(1,000,000)	-

[1] Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Blackstream Investments Pte Ltd.

By virtues of his shareholdings in the Company, **Mr. Lim Siang Kai** is also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

Other than the above, none of the other directors holding office at the end of the financial year had any interests in shares in the Company and its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	GROUP AND COMPANY RM
Fees	**778,464**
Salaries, bonus and allowances	**1,589,019**
Defined contribution plan	**218,503**
SOCSO	**593**
	2,586,579

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the 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.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The amount of insurance premium paid for professional indemnity for the directors and officers of the Company during the financial year is RM15,910.

There was no indemnity given to or insurance effected for the auditors of the Company.

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that there were no bad debts to be written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT
(cont'd)

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

(i) that would render it necessary to write off any bad debts or amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) that would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) that 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

(iv) 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:

(i) 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

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors:

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

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

SIGNIFICANT EVENTS

The details of the significant events are disclosed in Note 35 to the financial statements.

EVENT AFTER THE REPORTING PERIOD

The details of the events after the reporting period are disclosed in Note 36 to the financial statements.

AUDITORS

The total amount of fees paid to or receivable by the auditors, **Grant Thornton Malaysia PLT**, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 30 April 2021 are RM232,600 and RM95,000 respectively.

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

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

....	....
Lim Siang Kai	**Datuk Tho Yow Yin**

Penang,

Date: 27 August 2021

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 55 to 133 are properly 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 **30 April 2021** 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:

....	....
Lim Siang Kai	**Datuk Tho Yow Yin**

Date: 27 August 2021

STATUTORY DECLARATION

I, **Aw Yeong Weng Kwong**, the officer primarily responsible for the financial management of **D'nonce Technology Bhd.** do solemnly and sincerely declare that the financial statements set out on pages 55 to 133 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 provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **27th**)
day of **August 2021**.)

....
Aw Yeong Weng Kwong
(MIA No.: 44211)

Before me,

....
Liew Juan Leng (P162)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF D'NONCE TECHNOLOGY BHD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **D'nonce Technology Bhd.**, which comprise the statements of financial position as at **30 April 2021** of the Group and of the Company, and the statements of 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 accounting policies, as set out on pages 55 to 133.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **30 April 2021** 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 Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants *("By-Laws")* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF D'NONCE TECHNOLOGY BHD. (cont'd)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>Impairment of trade receivables
(Note 10 to the financial statements)

The Group has significant trade receivables as at 30 April 2021 which include certain amounts that are long outstanding and it is subject to credit risk exposure.

We focus on this area as the assessment of expected credit losses of trade receivables involves management judgement and estimation uncertainty in determining the probability of default occurring by considering the ageing of trade receivables, historical loss experience and forward-looking information.</td><td>Our audit procedures in relation to the impairment of trade receivables included, among others, the following:
• Obtaining an understanding of:
- the Group's control over the customers' collection process;
- the process of identifying and assessing the impairment of trade receivables; and
- the basis of how the Group makes the accounting estimates for impairment of trade receivables.
• Reviewing the application of the Group's policy for calculating expected credit losses and whether it complies with MFRS 9;
• Reviewing the ageing of trade receivables and testing the reliability thereof;
• Reviewing subsequent collections for major customers and overdue amounts;
• Making inquiries of management regarding the action plans to recover overdue balances;
• Examining other evidence including customer correspondences; and
• Assessing the recoverability of balances and the adequacy of impairment loss for significant outstanding balances based on the expected credit loss model applied by the Group.</td></tr>
</table>

There is no key audit matter to be communicated in the audit of the separate financial statements of the Company.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF D'NONCE TECHNOLOGY BHD. (cont'd)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF D'NONCE TECHNOLOGY BHD. (cont'd)

- 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 and 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF D'NONCE TECHNOLOGY BHD. (cont'd)

Other Matters

(i) 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.

(ii) The financial statements for the preceding year ended 30 April 2021 were audited by **Grant Thornton** whose report dated 27 August 2020, expressed an unqualified opinion on those financial statements. The practice of **Grant Thornton** has merged with **Grant Thornton Malaysia PLT** effective from 1 January 2021.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Loo Wei Teng
No. 03487/03/2022 J
Chartered Accountant

Penang

Date: 27 August 2021

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2021

	NOTE	GROUP 2021 RM	GROUP (Restated) 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	68,022,274	72,570,097	730,289	960,186
Investment properties	5	13,211,950	13,539,078	-	-
Right-of-use assets	6	4,150,593	2,790,285	23,634	94,535
Investment in subsidiaries	7	-	-	47,077,023	46,926,169
Goodwill	8	289,128	289,128	-	-
Deferred tax assets	9	164,840	167,470	-	-
Trade and other receivables	10	194,365	1,769,185	2,911,906	2,703,720
Cash and bank balances	11	-	127,441	-	-
		86,033,150	91,252,684	50,742,852	50,684,610
Current assets					
Inventory property	12	425,068	-	-	-
Inventories	13	20,010,464	25,706,375	-	-
Trade and other receivables	10	59,553,379	47,842,075	32,627,494	26,246,119
Contract assets	14	696,204	820,457	-	-
Current tax assets		1,508,400	2,130,910	434,134	279,706
Cash and bank balances	11	40,829,820	32,404,128	1,418,223	222,035
		123,023,335	108,903,945	34,479,851	26,747,860
TOTAL ASSETS		209,056,485	200,156,629	85,222,703	77,432,470
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	92,805,918	75,119,205	92,805,918	75,119,205
Reserves	16	30,561,086	37,453,575	35,371	5,062,170
Retained profits/(Accumulated losses)		17,526,827	3,240,080	(11,792,419)	(10,202,309)
		140,893,831	115,812,860	81,048,870	69,979,066
Non-controlling interests		5,077,307	5,395,679	-	-
Total equity		145,971,138	121,208,539	81,048,870	69,979,066
Non-current liabilities					
Retirement benefit obligations	17	2,406,454	2,182,633	-	-
Borrowings	18	9,934,924	12,801,686	-	-
Lease liabilities	6	2,933,420	1,993,648	-	24,673
Deferred tax liabilities	9	5,945,366	5,938,334	-	-
		21,220,164	22,916,301	-	24,673
Current liabilities					
Trade and other payables	19	20,385,313	19,287,578	4,149,160	7,355,973
Borrowings	18	19,741,731	35,712,329	-	-
Lease liabilities	6	1,411,540	860,450	24,673	72,758
Current tax liabilities		326,599	171,432	-	-
		41,865,183	56,031,789	4,173,833	7,428,731
Total liabilities		63,085,347	78,948,090	4,173,833	7,453,404
TOTAL EQUITY AND LIABILITIES		209,056,485	200,156,629	85,222,703	77,432,470

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

		GROUP		COMPANY	
			(Restated)		
		1.5.20 to 30.4.21 (12 months)	1.1.19 to 30.4.20 (16 months)	**1.5.20 to 30.4.21 (12 months)**	1.1.19 to 30.4.20 (16 months)
	NOTE	**RM**	RM	**RM**	RM
Revenue	**20**	**184,248,840**	228,618,244	**4,414,522**	5,086,647
Other income	**21**	**4,993,762**	7,357,948	**1,373,727**	3,003,434
Changes in inventories of work-in-progress and finished goods		**799,157**	(758,146)	**-**	-
Raw materials and consumables used		**(70,283,717)**	(79,880,133)	**-**	-
Trading goods		**(31,401,677)**	(49,108,162)	**-**	-
Allowance for expected credit losses		**(280,176)**	(246,552)	**(429,647)**	(1,099,003)
Carriage outwards		**(1,292,428)**	(1,669,953)	**-**	-
Employee benefits expense	**22**	**(38,764,341)**	(48,091,024)	**(4,550,360)**	(5,552,968)
Depreciation of					
- property, plant and equipment		**(6,701,958)**	(8,878,367)	**(239,687)**	(301,691)
- investment properties		**(327,128)**	(444,312)	**-**	-
- right-of-use assets		**(1,370,404)**	(1,019,450)	**(70,901)**	(47,267)
Expense relating to short-term leases		**(1,216,927)**	(2,871,488)	**(56,208)**	(32,788)
Expense relating to lease of low value assets		**(101,692)**	(28,412)	**(3,223)**	(6,524)
Impairment loss on investment in a subsidiary		**-**	-	**(449,146)**	-
Inventories written down		**(556,130)**	(2,116,520)	**-**	-
Inventories written off		**(128,226)**	(66,853)	**-**	-
Realised loss on foreign exchange		**(249,237)**	(135,461)	**(45,702)**	-
Unrealised loss on foreign exchange		**(1,072,404)**	-	**(203,787)**	-
Unwinding discount on amount due from a subsidiary		**-**	-	**208,186**	(1,061,427)
Utilities		**(4,272,170)**	(6,073,512)	**(16,245)**	(33,032)
Other operating expenses		**(14,346,223)**	(27,377,164)	**(1,253,724)**	(4,641,514)
Operating profit/(loss)		**17,676,921**	7,210,683	**(1,322,195)**	(4,686,133)
Finance costs	**23**	**(2,307,057)**	(4,811,250)	**(359,788)**	(641,566)
Profit/(Loss) before tax	**24**	**15,369,864**	2,399,433	**(1,681,983)**	(5,327,699)
Taxation	**25**	**(1,573,720)**	(1,669,284)	**34,437**	(176,224)
Profit/(Loss) for the financial year/ period carried forward		**13,796,144**	730,149	**(1,647,546)**	(5,503,923)

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD YEAR ENDED 30 APRIL 2021 (cont'd)

	NOTE	GROUP **1.5.20 to 30.4.21 (12 months) RM**	GROUP (Restated) 1.1.19 to 30.4.20 (16 months) RM	COMPANY **1.5.20 to 30.4.21 (12 months) RM**	COMPANY 1.1.19 to 30.4.20 (16 months) RM
Profit/(Loss) for the financial year/ period brought forward		**13,796,144**	730,149	**(1,647,546)**	(5,503,923)
Total other comprehensive (loss)/income, net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		**(1,084,804)**	717,283	**-**	-
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement loss on retirement benefit obligations		**(66,091)**	(473,476)	**-**	-
Revaluation of land and buildings, net		**-**	20,828,554	**-**	-
Transfer of revaluation surplus to retained profits		**780,980**	425,655	**-**	-
Realisation of revaluation surplus upon depreciation		**(276,903)**	(425,655)	**-**	-
Realisation of revaluation surplus upon disposal		**(504,077)**	-	**-**	-
Total comprehensive income/(loss) for the financial year/period		**12,645,249**	21,802,510	**(1,647,546)**	(5,503,923)
Profit/(Loss) attributable to:					
Owners of the Company		**13,501,744**	580,822	**(1,647,546)**	(5,503,923)
Non-controlling interests		**294,400**	149,327	**-**	-
		13,796,144	730,149	**(1,647,546)**	(5,503,923)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**12,350,943**	21,314,476	**(1,647,546)**	(5,503,923)
Non-controlling interests		**294,306**	488,034	**-**	-
		12,645,249	21,802,510	**(1,647,546)**	(5,503,923)
Earnings per share attributable to owners of the Company (sen)	**26**				
- Basic		**4.61**	0.23		
- Diluted		**4.61**	0.21		

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

CONDOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

			|------ Non-distributable					------|				
	NOTE	Share Capital RM	Foreign Currency Translation Reserve RM	Revaluation Reserve RM	Legal Reserve RM	Share Options Reserve RM	Warrant Reserve RM	Other Capital Reserve RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total Equity RM
2021												
Balance at beginning		75,119,205	7,173,750	20,065,145	32,510	103,840	4,958,330	5,120,000	3,240,080	115,812,860	5,395,679	121,208,539
Foreign currency translation differences for foreign operation		-	(1,084,710)	-	-	-	-	-	-	(1,084,710)	(94)	(1,084,804)
Remeasurement loss on retirement benefit obligations		-	-	-	-	-	-	-	(66,091)	(66,091)	-	(66,091)
Transfer of revaluation surplus to retained profits		-	-	(780,980)	-	-	-	-	780,980	-	-	-
Profit for the financial year		-	-	-	-	-	-	-	13,501,744	13,501,744	294,400	13,796,144
Total comprehensive income for the financial year		-	(1,084,710)	(780,980)	-	-	-	-	14,216,633	12,350,943	294,306	12,645,249
Transactions with owners of the Company:												
Issuance of shares pursuant to:												
- Exercise of ESOS	15	125,125	-	-	-	-	-	-	-	125,125	-	125,125
- Exercise of warrants	15	12,592,225	-	-	-	-	-	-	-	12,592,225	-	12,592,225
		12,717,350	-	-	-	-	-	-	-	12,717,350	-	12,717,350
Acquisition from non-controlling interests		-	-	-	-	-	-	-	12,678	12,678	(612,678)	(600,000)
Lapse of warrants		-	-	-	-	-	(57,436)	-	57,436	-	-	-
Transfer of share options reserve upon exercised	15	68,469	-	-	-	(68,469)	-	-	-	-	-	-
Transfer of warrant reserve upon exercised	15	4,900,894	-	-	-	-	(4,900,894)	-	-	-	-	-
Total transactions with owners		17,686,713	-	-	-	(68,469)	(4,958,330)	-	70,114	12,730,028	(612,678)	12,117,350
Balance at end		92,805,918	6,089,040	19,284,165	32,510	35,371	-	5,120,000	17,526,827	140,893,831	5,077,307	145,971,138

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

CONDOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (cont'd)

	NOTE	Share Capital RM	Foreign Currency Translation Reserve RM	Revaluation Reserve RM	Legal Reserve RM	Share Options Reserve RM	Warrant Reserve RM	Other Capital Reserve RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total Equity RM
			Non-distributable									
2020												
Balance at beginning		67,976,735	6,457,420	-	32,510	566,626	6,715,550	5,120,000	2,552,093	89,420,934	4,907,645	94,328,579
Foreign currency translation differences for foreign operation		-	716,330	-	-	-	-	-	-	716,330	953	717,283
Remeasurement loss on retirement benefit obligations		-	-	-	-	-	-	-	(473,476)	(473,476)	-	(473,476)
Revaluation of land and buildings, net		-	-	20,490,800	-	-	-	-	-	20,490,800	337,754	20,828,554
Transfer of revaluation surplus to retained profits		-	-	(425,655)	-	-	-	-	425,655	-	-	-
Profit for the financial period		-	-	-	-	-	-	-	580,822	580,822	149,327	730,149
Total comprehensive income for the financial period		-	716,330	20,065,145	-	-	-	-	533,001	21,314,476	488,034	21,802,510
Transactions with owners of the Company:												
Issuance of shares pursuant to:												
- Exercise of ESOS	**15**	562,500	-	-	-	-	-	-	-	562,500	-	562,500
- Exercise of warrants	**15**	4,514,950	-	-	-	-	-	-	-	4,514,950	-	4,514,950
		5,077,450	-	-	-	-	-	-	-	5,077,450	-	5,077,450
Lapse of share options		-	-	-	-	(154,986)	-	-	154,986	-	-	-
Transfer of share options reserve upon exercised	**15**	307,800	-	-	-	(307,800)	-	-	-	-	-	-
Transfer of warrant reserve upon exercised	**15**	1,757,220	-	-	-	-	(1,757,220)	-	-	-	-	-
Total transactions with owners		7,142,470	-	-	-	(462,786)	(1,757,220)	-	154,986	5,077,450	-	5,077,450
Balance at end		75,119,205	7,173,750	20,065,145	32,510	103,840	4,958,330	5,120,000	3,240,080	115,812,860	5,395,679	121,208,539

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

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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	NOTE	Share Capital RM	Non-distributable Share Options Reserve RM	Non-distributable Warrant Reserve RM	Accumulated Losses RM	Total Equity RM
2021						
Balance at beginning		**75,119,205**	**103,840**	**4,958,330**	**(10,202,309)**	**69,979,066**
Total comprehensive loss for the financial year		**-**	-	**-**	**(1,647,546)**	**(1,647,546)**
Transactions with owners of the Company:						
Issuance of shares pursuant to:						
- Exercise of ESOS	**15**	**125,125**	**-**	**-**	**-**	**125,125**
- Exercise of warrants	**15**	**12,592,225**	**-**	**-**	**-**	**12,592,225**
		12,717,350	**-**	**-**	**-**	**12,717,350**
Lapse of warrants		**-**	**-**	**(57,436)**	**57,436**	**-**
Transfer of share options reserve upon exercised	**15**	**68,469**	**(68,469)**	**-**	**-**	**-**
Transfer of warrant reserve upon exercised	**15**	**4,900,894**	**-**	**(4,900,894)**	**-**	**-**
Total transactions with owners		**17,686,713**	**(68,469)**	**(4,958,330)**	**57,436**	**12,717,350**
Balance at end		**92,805,918**	**35,371**	**-**	**(11,792,419)**	**81,048,870**
2020						
Balance at beginning		67,976,735	566,626	6,715,550	(4,853,372)	70,405,539
Total comprehensive loss for the financial period		-	-	-	(5,503,923)	(5,503,923)
Transactions with owners of the Company:						
Issuance of shares pursuant to:						
- Exercise of ESOS	15	562,500	-	-	-	562,500
- Exercise of warrants	15	4,514,950	-	-	-	4,514,950
		5,077,450	-	-	-	5,077,450
Lapse of share options		-	(154,986)	-	154,986	-
Transfer of share options reserve upon exercised	15	307,800	(307,800)	-	-	-
Transfer of warrant reserve upon exercised	15	1,757,220	-	(1,757,220)	-	-
Total transactions with owners		7,142,470	(462,786)	(1,757,220)	154,986	5,077,450
Balance at end		75,119,205	103,840	4,958,330	(10,202,309)	69,979,066

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	**15,369,864**	2,399,433	**(1,681,983)**	(5,327,699)
Adjustments for:				
Accretion of interest on lease liabilities	**308,060**	204,963	**5,242**	7,629
Allowance for expected credit losses	**280,176**	246,552	**429,647**	1,099,003
Defined benefit plan	**358,302**	619,198	**-**	-
Depreciation of				
- property, plant and equipment	**6,701,958**	8,878,367	**239,687**	301,691
- investment properties	**327,128**	444,312	**-**	-
- right-of-use assets	**1,370,404**	1,019,450	**70,901**	47,267
Gain on disposal of property, plant and equipment, net	**(79,177)**	(6,263)	**-**	-
Impairment loss on investment in a subsidiary	**-**	-	**449,146**	-
Interest expense	**1,998,997**	4,975,575	**354,546**	633,937
Interest income	**(759,413)**	(1,285,469)	**(1,169,148)**	(2,367,189)
Inventories written down	**556,130**	2,116,520	**-**	-
Inventories written off	**128,226**	66,853	**-**	-
Property, plant and equipment written off	**6,533**	100,517	**-**	348
Revaluation loss on land and building	**-**	448,187	**-**	-
Reversal of allowance for expected credit losses	**(197,032)**	(620,959)	**-**	-
Reversal of impairment loss on investment in a subsidiary	**-**	-	**-**	(150,787)
Reversal of inventories written down	**(168,251)**	(32,004)	**-**	-
Unwinding discount on amount due from a subsidiary	**-**	-	**(208,186)**	1,061,427
Unrealised loss/(gain) on foreign exchange, net	**274,546**	(291,155)	**203,787**	(37,036)
Operating profit/(loss) before working capital changes	**26,476,451**	19,284,077	**(1,306,361)**	(4,731,409)
Changes in:				
Inventory property	**(425,068)**	-	**-**	-
Inventories	**5,179,806**	(3,204,600)	**-**	-
Trade and other receivables	**(10,333,440)**	11,226,254	**(91,911)**	59,464
Contract assets	**124,253**	(47,462)	**-**	-
Trade and other payables	**950,559**	(9,654,709)	**(736,831)**	(644,069)
Cash generated from/(used in) operations	**21,972,561**	17,603,560	**(2,135,103)**	(5,316,014)
Retirement benefit obligations paid	**(152,467)**	(229,465)	**-**	(218,750)
Income tax paid	**(791,621)**	(2,923,598)	**(119,991)**	(561,252)
Income tax refunded	**5,240**	170,982	**-**	-
Interest paid	**(1,998,997)**	(4,975,575)	**(122,925)**	(201,415)
Net cash from/(used in) operating activities	**19,034,716**	9,645,904	**(2,378,019)**	(6,297,431)

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (cont'd)

	NOTE	GROUP 1.5.20 to 30.4.21 (12 months) RM	GROUP 1.1.19 to 30.4.20 (16 months) RM	COMPANY 1.5.20 to 30.4.21 (12 months) RM	COMPANY 1.1.19 to 30.4.20 (16 months) RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		**759,413**	1,285,469	**20,460**	327,517
Investment in a subsidiary		**(600,000)**	-	**(600,000)**	-
Net changes in deposits pledged with licensed banks		**4,420,299**	(185,006)	**-**	-
Proceed from disposal of property, plant and equipment		**1,138,158**	83,250	**-**	-
Purchase of property, plant and equipment	A	**(3,644,410)**	(1,073,256)	**(9,790)**	(591,627)
Subsequent expenditure incurred on investment properties		**-**	(44,102)	**-**	-
Net cash from/(used in) investing activities		**2,073,460**	66,355	**(589,330)**	(264,110)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares		**12,717,350**	5,077,450	**12,717,350**	5,077,450
Net changes in short term borrowings	B	**(12,873,865)**	(710,975)	**-**	-
Net changes in subsidiaries' balances		**-**	-	**(8,475,813)**	(6,584,067)
Drawdown of term loans	B	**472,872**	-	**-**	-
Repayment of					
- lease liabilities	B	**(1,547,910)**	(1,160,600)	**(78,000)**	(52,000)
- term loans	B	**-**	(5,237,161)	**-**	-
- finance lease liabilities	B	**(2,510,688)**	(4,778,879)	**-**	(199,680)
Net cash (used in)/from financing activities		**(3,742,241)**	(6,810,165)	**4,163,537**	(1,758,297)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**17,365,935**	2,902,094	**1,196,188**	(8,319,838)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(289,657)**	(605,929)	**-**	-
CASH AND CASH EQUIVALENTS AT BEGINNING		**5,527,459**	3,231,294	**222,035**	8,541,873
CASH AND CASH EQUIVALENTS AT END		**22,603,737**	5,527,459	**1,418,223**	222,035
Represented by:					
Deposits with licensed banks		**25,387,628**	22,413,593	**-**	-
Cash in hand and at banks		**15,442,192**	10,117,976	**1,418,223**	222,035
Bank overdrafts		**(234,134)**	(4,591,862)	**-**	-
		40,595,686	27,939,707	**1,418,223**	222,035
Less: Deposits pledged with licensed banks		**(17,991,949)**	(22,412,248)	**-**	-
		22,603,737	5,527,459	**1,418,223**	222,035
A. Purchase of property, plant and equipment					
Total acquisition cost		**4,076,459**	5,423,760	**9,790**	591,627
Acquired under finance lease liabilities	B	**(432,049)**	(4,350,504)	**-**	-
Total cash acquisition		**3,644,410**	1,073,256	**9,790**	591,627

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (cont'd)

B. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Cash flows RM	Others[1] RM	Balance at end RM
GROUP				
2021				
Borrowings excluding bank overdrafts	**43,922,153**	**(14,479,632)**	**-**	**29,442,521**
Lease liabilities	**2,854,098**	**(1,547,910)**	**3,038,772**	**4,344,960**
Total liabilities arising from financing activities	**46,776,251**	**(16,027,542)**	**3,038,772**	**33,787,481**
2020				
Borrowings excluding bank overdrafts	50,298,664	(6,376,511)	-	43,922,153
Lease liabilities	2,971,446	(1,160,600)	1,043,252	2,854,098
Total liabilities arising from financing activities	53,270,110	(7,537,111)	1,043,252	46,776,251
COMPANY				
2021				
Lease liabilities, representing total liabilities arising from financing activities	**97,431**	**(78,000)**	**5,242**	**24,673**
2020				
Borrowings	199,680	(199,680)	-	-
Lease liabilities	-	(52,000)	149,431	97,431
Total liabilities arising from financing activities	199,680	(251,680)	149,431	97,431

[1] Others consist of non-cash movement as follows:

	2021 RM	2020 RM
GROUP		
Accretion of interest on lease liabilities	**308,060**	204,963
Addition of lease liabilities	**2,730,712**	838,289
	3,038,772	1,043,252
COMPANY		
Accretion of interest on lease liabilities	**5,242**	7,629
Addition of lease liabilities	**-**	141,802
	5,242	149,431

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

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2021

1. **CORPORATE INFORMATION**

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

The registered office of the Company is located at 51-8-A, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal place of business of the Company is located at 51-14-B&C, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 August 2021.

Principal Activities

The principal activities of the Company consist of investment holding and the provision of management services to its subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

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 applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the 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 accounting policies as set out below.

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 best economic interest.

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2021 (cont'd)

A fair value measurement of a non-financial asset 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 uses 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.

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 or liabilities.
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 the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

Ringgit Malaysia ("RM") is the presentation currency of the Group and of the Company.

RM is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operation has different functional currency.

2.4 Adoption of Amendments to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial period except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3 Business Combinations: Definition of a Business
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures: Interest Rate Benchmark Reform

Initial application of the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company.

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 June 2020
Amendments to MFRS 16 Leases: Covid-19-Related Rent Concessions

Effective for annual periods beginning on or after 1 January 2021
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform - Phase 2

Effective for annual periods beginning on or after 1 April 2021
Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021

Effective for annual periods beginning on or after 1 January 2022
Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework
Amendments to MFRS 116 Property, Plant and Equipment: 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 MFRS Standards 2018 - 2020

Effective for annual periods beginning on or after 1 January 2023
MFRS 17 Insurance Contracts
Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current
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

Effective date yet to be confirmed
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

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

2.6 **Significant Accounting Estimates and Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.6.1 **Judgements made in applying accounting policies**

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - Group and Company as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has included the extension options period as part of the lease term for leases of premises and factory buildings as it is reasonably certain that the extension options will be exercised (i.e. 3 years) in view of the Group would suffer a significant economic disincentive and alternative premise is not readily available. Extension option for the Company's premise is not included as part of the lease term as it is not reasonably certain not to be exercised. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

2.6.2 **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Inventories**

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 13 to the financial statements.

(ii) **Provision for expected credit loss ("ECL") of receivables**

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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 are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, 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 expected credit losses is a significant estimate. The amount of expected credit losses 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 ECL on the Group's trade receivables is disclosed in Note 31.3.1 to the financial statements.

(iii) **Leases – Estimating the incremental borrowing rate**

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group and the Company estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(iv) **Impairment in investment in subsidiaries**

Investment in subsidiaries is tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the investment in subsidiaries based on the fair value less cost to sell which approximates the extent of the net assets held by the subsidiaries at the end of the reporting period. If the recoverable amount of the investment in a subsidiary is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiaries. An impairment loss of **RM449,146** (2020: RM Nil) was recognised in profit or loss to write down subsidiaries to their recoverable amount.

An assessment is also made at each end of the reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A reversal of impairment loss in relation to certain subsidiaries which amounted to **RM Nil** (2020: RM150,787) was recognised in profit or loss.

(v) **Defined benefit plan**

Management estimates the defined benefit plan annually with the assistance of independent actuaries. However, the actual outcome may vary due to estimation uncertainties. The estimate of its defined benefit plan of the Group and of the Company is based on standard rates of inflation, medical cost trends and mortality. It also takes into account the Group's and the Company's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and maturity terms approximate to the terms of the related pension plan. Estimation uncertainties exist particularly with regard to medical cost trends, which may vary significantly in future appraisals of the Group's and the Company's defined benefit obligations.

The assumptions and model used for estimating fair value for defined benefit plan, sensitivity analysis and the carrying amounts are disclosed in Note 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

(vi) **Employees' share option**

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and model used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 27 to the financial statements.

3. ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial period unless otherwise indicated below.

3.1 Basis of Consolidation

(i) **Subsidiaries**

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

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

Investment in a subsidiary is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

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

(ii) **Basis of consolidation**

The Group 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 intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.16 to the financial statements.

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.

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 interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(iii) **Business combination**

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

The Group measures the cost of goodwill at the acquisition date as:

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

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iv) **Acquisitions of non-controlling interests**

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

(v) **Loss of control**

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. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an fair value through other comprehensive income depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

(vi) **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 statements of financial position and statements 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 statements of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

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

(vii) **Transactions eliminated on consolidation**

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

Unrealised profits arising on transactions between the Group and its associate which are included in the carrying amount of the related assets and liabilities are eliminated to the extent of the Group's interest in the associate. Unrealised losses on such transactions are also eliminated unless cost cannot be recovered.

3.2 **Operating segments**

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

3.3 **Property, Plant and Equipment**

All property, plant and equipment, except for land and buildings, are measured at cost less accumulated depreciation and less any impairment losses. 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 and the cost of the item can be measured reliably.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land and buildings are recognised in other comprehensive income and credited to the "revaluation reserve" in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful lives, at the following annual rates:

Categories	
Leasehold land	34 to 60 years
Buildings	34 to 50 years
Plant and machinery	10 to 50%
Office furniture, fittings and computer equipment	10 to 33%
Motor vehicles	10 to 20%
Renovation	2 to 33%

Freehold land is not depreciated as it has an infinite life.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period 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. Gains 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 disposed assets and are recognised in profit or loss in the financial year in which the assets are derecognised.

3.4 Investment properties

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction costs. Cost includes expenditures that are directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated as it has an infinite life. Depreciation of investment properties is provided on a straight line basis to write off the cost of each property to its residual value over its estimated useful lives, at the following annual rates:

Categories	Years
Leasehold land	51 to 60
Buildings	50
Renovation	10

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained profits; the transfer is not made through profit or loss.

3.5 Goodwill

Goodwill acquired through business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised but instead is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3.6 Leases

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

As a lessee

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

(i) **Right-of-use assets**

The Group and the Company recognise 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:

Categories	Years
Premises	2 to 6
Factory buildings	6

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

The right-of-use assets are also subject to impairment.

(ii) **Lease liabilities**

At the commencement date of the lease, lease liabilities are recognised and 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 the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

In calculating the present value of lease payments, the Group and the Company use 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.

(iii) **Short term leases and leases of low-value assets**

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of premises and motor vehicles (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.

As a lessor

Leases in which the Group and the Company do 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 the revenue or other income in the statements of comprehensive income. 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 other income in the period in which they are earned.

3.7 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is an indication of impairment. If any such impairment exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, the recoverable amount is estimated at each reporting date or more frequently when there are indications of impairment.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGU to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

Impairment loss recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (groups of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

3.8 **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.

3.8.1 **Financial assets**

(i) **Initial recognition and measurement**

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

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 does not contain a significant financing component or for which 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 FVTPL, at its transaction costs.

In order for a financial asset to be classified and measured at AC or FVOCI, 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 FVTPL, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its 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 AC 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 FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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 or the Company commits to purchase or sell the asset.

(ii) **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 other comprehensive income with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group and the Company do not have any FVOCI and FVTPL as at the end of the reporting period.

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's and the Company's financial assets at amortised cost include cash and bank balances and trade and other receivables.

(iii) **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 (i.e., removed from the Group's and the Company's statements of financial position) 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 have 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 have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, they have retained the risks and rewards of ownership. When they have 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 their 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

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.

(iv) **Impairment**

The Group and the Company recognise 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. ECLs 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 balance 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 and other 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 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 estimates 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.

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 fully) 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 owing. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and the Company's procedures for recovery amounts due.

3.8.2 **Financial liabilities**

(i) **Initial recognition and measurement**

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 borrowings and trade and other payables.

(ii) **Subsequent measurement**

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

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

The Group and the Company do not have any financial liabilities measured at fair value through profit or loss as at the end of the reporting period.

Financial liabilities at amortised cost

This is the category most relevant to the Group and to the Company. After initial recognition, trade and other payables and 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 statements of comprehensive income.

(iii) **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 comprehensive income.

3.8.3 **Offsetting of financial instruments**

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

3.8.4 **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in statements of comprehensive income over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

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AS AT 30 APRIL 2021 (cont'd)

3.9 Inventory properties

Inventory properties comprise property development costs.

Property development costs comprise the related development costs common to the project.

3.10 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials and consumables comprise the original cost of purchase plus the cost of bringing the inventories to their present location and condition and is determined on the first-in, first-out basis.

Cost of work-in-progress and finished goods include raw materials, direct labour and attributable production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

3.12 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

3.13 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and undertakes activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

3.14 **Revenue Recognition**

The Group is in the business of:

(i) end-to-end packaging and design solutions;
(ii) precision polymer engineering services;
(iii) cleanroom services and contract manufacturing; and
(iv) sales and distribution of advanced packaging materials, electronics products, consumables and industrial chemicals.

Revenue from contracts with customers is recognised when control of the goods or services is 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. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The performance obligations to recognise revenue are as follows:

(i) **Sale of goods**

Revenue from sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

(ii) **Cleanroom services and contract manufacturing**

Revenue from cleanroom services and contract manufacturing is recognised at a point in time when services are rendered to the customer and coincides with the acceptance by customers.

(iii) **Maintenance income**

Maintenance income is recognised over time over the terms of the contract.

(iv) **Management fee**

Management fee is recognised when services are rendered.

(v) **Rental income**

Rental income is accounted for on a straight-line basis over the lease terms. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(vi) **Interest income**

Interest income is recognised as it accrues using the effective interest rate method in profit or loss.

(vii) **Dividend income**

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(viii) **Contract balances**

Contract balances consist of the closing balances of the trade receivables and contract assets as at the end of the reporting period.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

Contract assets

A contract asset is the right to consideration for goods or services transferred to the customer. Contract assets are recorded when the revenue is recognised prior to invoicing a customer. Contract asset will be reclassified to trade receivables when the invoicing are issued to the customer. Contract assets are subject to impairment assessment.

3.15 Employee Benefits

Short term benefits

Wages, salaries, bonuses and social security contributions (including employment insurance scheme) are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised 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 recognised when the absences occur.

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred.

Defined benefit plan

The Group operates an unfunded, defined benefit plan - Retirement Benefit Scheme ("the Scheme") for eligible employees in Thailand in accordance with the Labour Law Act of Thailand. Under the Scheme, eligible employees are entitled to retirement benefits upon attaining their retirement age. This benefits plan is unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements comprise actuarial gains and losses and the effect of the asset ceiling, after excluding amounts included in net interest on the net defined benefit liability and the return on plan assets. It is recognised immediately in the statements of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- the date of the plan amendment or curtailment; and
- the date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation in the statements of comprehensive income:
- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income

Employees' share options scheme ("ESOS")

Eligible employees of the Group and of the Company received remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share options reserve over the vesting period.

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for options that do not ultimately vest, except for options were vesting is conditional upon market or non-vesting condition, which are tested as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share options reserve is transferred to retained profits upon expiry of the share options.

The proceeds received net of directly attributable transaction costs are credited to share capital when the options are exercised.

3.16 Income Tax

Income tax expense comprises current 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.

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.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for temporary differences in respect of the initial recognition of goodwill and/or the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

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.

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.

Unutilised reinvestment allowance being tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised reinvestment allowance can be utilised.

3.17 Sales and Service Tax ("SST")

Revenue, expenses and assets are recognised net of SST except:

- where the SST incurred in a purchase of asset or service is not recoverable from the authority, in which case the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with SST inclusive.

The net SST payable to the taxation authority is included as part of payables in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

3.18 Foreign Currency Translations

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency at the end of the reporting period are translated to the functional currency at the exchange rate at the date of the transaction except for those measured at fair value shall be translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

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

Foreign operations

The assets and liabilities of foreign operations are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the exchange difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, the significant influence or joint control is lost, the cumulative amount in the FTR related to the 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 the FTR in equity.

3.19 Warrants

Warrants are classified as equity instrument and its value is allocated based on the market prices on their first day of quotation in the stock exchange. The issuance of the ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of warrants, the proceeds are credited to share capital. The warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be reversed.

3.20 **Share Capital, Share Issuance Costs and Dividends**

Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Share issuance costs

Incremental external costs directly attributable to the issuance of new shares are deducted against equity.

Dividends

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared or approved.

3.21 **Contingencies**

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 statements 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.

3.22 **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) 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 Group or is a member of the key management personnel of the entity.
- (viii) The entity, or any member of a group of which it is a party, provides key management personnel services to the Group.

4. **PROPERTY, PLANT AND EQUIPMENT**

GROUP

	At valuation			At cost					
	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Renovation RM	Capital work-in-progress RM	Total RM
2021									
At valuation/cost									
Balance at beginning	21,977,423	4,859,669	25,009,044	55,960,457	12,447,011	7,365,835	12,242,119	204,213	140,065,771
Additions	-	-	-	3,068,026	361,637	850	112,184	533,762	4,076,459
Disposals	(520,000)	-	(480,000)	(834,002)	(387,569)	(376,227)	-	-	(2,597,798)
Written offs	-	-	-	(159,000)	(324,572)	-	(333,017)	-	(816,589)
Reclassification	-	-	-	204,309	-	-	-	(204,309)	-
Exchange differences	(113,308)	-	(718,863)	(495,635)	(33,175)	(30,315)	(107,836)	(10,108)	(1,509,240)
Balance at end	21,344,115	4,859,669	23,810,181	57,744,155	12,063,332	6,960,143	11,913,450	523,558	139,218,603
Accumulated depreciation									
Balance at beginning	-	218,609	738,998	40,764,070	9,906,255	5,312,661	8,781,169	-	65,721,762
Current charge	-	133,114	784,340	3,559,941	609,048	707,985	907,530	-	6,701,958
Disposals	-	-	(35,164)	(821,177)	(383,604)	(298,872)	-	-	(1,538,817)
Written offs	-	-	-	(159,000)	(324,572)	-	(326,484)	-	(810,056)
Exchange differences	-	-	(105,067)	(398,586)	(26,628)	(26,906)	(95,243)	-	(652,430)
Balance at end	-	351,723	1,383,107	42,945,248	9,780,499	5,694,868	9,266,972	-	69,422,417
Accumulated impairment losses									
Balance at beginning/end	-	-	-	1,556,435	12,566	-	204,911	-	1,773,912
Carrying amount	21,344,115	4,507,946	22,427,074	13,242,472	2,270,267	1,265,275	2,441,567	523,558	68,022,274

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

	At valuation			At cost					
	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Renovation RM	Capital work-in-progress RM	Total RM
2020									
At valuation/cost									
Balance at beginning	8,380,204	2,539,839	22,530,200	51,570,771	12,199,955	6,912,869	11,780,357	446,473	116,360,668
Additions	-	-	-	959,991	590,672	628,569	367,259	2,877,269	5,423,760
Disposals	-	-	-	(816,426)	-	(93,950)	-	-	(910,376)
Written offs	-	-	-	(59,079)	(664,579)	(182,604)	(275,105)	-	(1,181,367)
Revaluation gain	13,379,024	2,319,830	2,078,373	-	-	-	-	-	17,777,227
Revaluation loss	(143,312)	-	(304,875)	-	-	-	-	-	(448,187)
Reclassification	-	-	-	2,993,410	207,238	-	-	(3,200,648)	-
Exchange differences	361,507	-	705,346	1,311,790	113,725	100,951	369,608	81,119	3,044,046
Balance at end	21,977,423	4,859,669	25,009,044	55,960,457	12,447,011	7,365,835	12,242,119	204,213	140,065,771
Accumulated depreciation									
Balance at beginning	-	518,313	6,932,322	36,254,316	9,594,980	4,429,932	7,507,734	-	65,237,597
Current charge	-	218,609	671,652	4,848,871	831,135	1,056,620	1,251,480	-	8,878,367
Disposals	-	-	-	(767,991)	-	(65,398)	-	-	(833,389)
Written offs	-	-	-	(50,893)	(625,949)	(182,598)	(213,227)	-	(1,072,667)
Elimination of accumulated depreication on revaluation	-	(518,313)	(6,932,322)	-	-	-	-	-	(7,450,635)
Exchange differences	-	-	67,346	479,767	106,089	74,105	235,182	-	962,489
Balance at end	-	218,609	738,998	40,764,070	9,906,255	5,312,661	8,781,169	-	65,721,762
Accumulated impairment losses									
Balance at beginning	-	-	-	1,564,618	12,566	-	204,911	-	1,782,095
Written offs	-	-	-	(8,183)	-	-	-	-	(8,183)
Balance at end	-	-	-	1,556,435	12,566	-	204,911	-	1,773,912
Carrying amount	21,977,423	4,641,060	24,270,046	13,639,952	2,528,190	2,053,174	3,256,039	204,213	72,570,097

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

COMPANY

	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Total RM
2021			
At cost			
Balance at beginning	**1,635,135**	**826,934**	**2,462,069**
Additions	**9,790**	**-**	**9,790**
Balance at end	**1,644,925**	**826,934**	**2,471,859**
Accumulated depreciation			
Balance at beginning	**1,296,441**	**202,850**	**1,499,291**
Current charge	**70,976**	**168,711**	**239,687**
Balance at end	**1,367,417**	**371,561**	**1,738,978**
Accumulated impairment losses			
Balance at beginning/end	**2,592**	**-**	**2,592**
Carrying amount	**274,916**	**455,373**	**730,289**
2020			
At cost			
Balance at beginning	1,558,508	-	1,558,508
Additions	76,627	515,000	591,627
Transfer from a subsidiary	-	477,952	477,952
Transfer to subsidiaries	-	(7,367)	(7,367)
Written offs	-	(158,651)	(158,651)
Balance at end	1,635,135	826,934	2,462,069
Accumulated depreciation			
Balance at beginning	1,153,249	-	1,153,249
Current charge	143,192	158,499	301,691
Transfer from a subsidiary	-	205,362	205,362
Transfer to subsidiaries	-	(2,708)	(2,708)
Written offs	-	(158,303)	(158,303)
Balance at end	1,296,441	202,850	1,499,291
Accumulated impairment losses			
Balance at beginning/end	2,592	-	2,592
Carrying amount	336,102	624,084	960,186

(i) The freehold land, leasehold land and buildings were revalued to fair value based on the valuations performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 3). Please refer to Note 2.2 to the financial statements for definition of Level 1 to 3 of the fair value hierarchy. Had the freehold land, leasehold land and buildings been carried under the cost model, the total carrying amounts of their entire classes that would have been recognised in the financial statements are as follows:

	GROUP	
	2021	2020
	RM	RM
Freehold land	**8,200,584**	8,380,204
Leasehold land	**1,895,406**	1,943,664
Buildings	**12,217,246**	13,657,107
	22,313,236	23,980,975

The fair value measurement of the freehold land, leasehold land and buildings which were derived from the valuation carried out on 1 January 2019 were categorised as follows:

	Level 3
	RM
Freehold land	**21,977,423**
Leasehold land	**4,859,669**
Buildings	**25,009,044**

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, Level 2 and Level 3 during the financial year/period.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the freehold land, leasehold land and buildings.

Level 3 fair value of freehold land, leasehold land and buildings have been generally derived using the market comparison approach. Selling prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is price per square foot of comparable properties.

(ii) The carrying amount of property, plant and equipment which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 18 to the financial statements are as follows:

	GROUP	
	2021	2020
	RM	RM
Freehold land, leasehold land and buildings	**29,255,128**	30,105,982
Plant and machinery	**4,722,561**	5,890,936
Renovation	**-**	125,358
	33,977,689	36,122,276

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

(iii) The carrying amount of lease assets which are pledged as securities for the finance lease liabilities as disclosed in Note 18 to the financial statements are as follows:

	GROUP	
	2021	2020
	RM	RM
Plant and machinery	**6,129,877**	7,056,300
Motor vehicles	**797,371**	1,347,591
	6,927,248	8,403,891

(iv) On 26 June 2020 and 18 August 2020, the Group has entered into Sales and Purchases Agreements with third parties to dispose off two units of freehold land and buildings for a cash consideration of RM520,000 and RM515,000 respectively. The disposal transactions have been completed during the financial year.

(v) The information of right-of-use assets which are included in the property, plant and equipment is as follows:

GROUP

	Carrying amount RM	**Current depreciation RM**	**Additions RM**	**Revaluation RM**
2021				
Leasehold land, at valuation	**4,507,946**	**133,114**	**-**	**-**
Plant and machinery, at cost	**6,129,877**	**896,019**	**432,049**	**-**
Motor vehicles, at cost	**797,371**	**540,315**	**-**	**-**
2020				
Leasehold land, at valuation	4,641,060	218,609	-	2,838,143
Plant and machinery, at cost	7,773,850	1,508,224	2,873,132	-
Motor vehicles, at cost	1,347,591	591,258	224,426	-

5. INVESTMENT PROPERTIES

	GROUP	
	2021	2020
	RM	RM
Freehold land, leasehold land, buildings and renovation		
At cost		
Balance at beginning	**18,143,490**	18,099,388
Additions	**-**	44,102
Balance at end	**18,143,490**	18,143,490

	GROUP	
	2021	2020
	RM	RM
Accumulated depreciation		
Balance at beginning	**4,604,412**	4,160,100
Depreciation	**327,128**	444,312
Balance at end	**4,931,540**	4,604,412
Carrying amount	**13,211,950**	13,539,078

(i) The investment properties have an open market value of approximately **RM23,720,000** (2020: RM22,910,000). The valuations are performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 3). Please refer to Note 2.2 to the financial statements for definition of Level 1 to 3 of the fair value hierarchy.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, Level 2 and Level 3 during the financial year/period.

(ii) The carrying amount of investment properties which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 18 to the financial statements is **RM13,128,366** (2020: RM13,455,494).

(iii) **Group as lessor**

The Group has entered into operating leases on its investment properties. These leases have terms of between one to three years.

The following are recognised in profit or loss in respect of investment properties:

	GROUP	
	2021	2020
	RM	RM
Rental income from income generating properties	**1,400,190**	2,068,595
Direct operating expenses	**102,148**	147,396

Future minimum rentals receivables under non-cancellable operating leases are as follows:

	GROUP	
	2021	2020
	RM	RM
Within one year	**1,364,400**	1,048,390
More than one year and less than five years	**1,265,000**	1,000
	2,629,400	1,049,390

6. **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

Group and Company as a lessee

The Group and the Company have lease contracts for premises and factory buildings used in its operations that have lease terms between 2 to 6 years. Generally, the Group and the Company are restricted from assigning and subleasing the leased asset.

The Group and the Company also have certain leases of premises and motor vehicle with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets and the movements during the financial year/period:

GROUP

	Premises RM	Factory buildings RM	Total RM
2021			
Balance at beginning	**2,699,103**	**91,182**	**2,790,285**
Additions	**-**	**2,730,712**	**2,730,712**
Depreciation	**(834,780)**	**(535,624)**	**(1,370,404)**
Balance at end	**1,864,323**	**2,286,270**	**4,150,593**
2020			
Balance at beginning	2,971,446	-	2,971,446
Additions	674,162	164,127	838,289
Depreciation	(946,505)	(72,945)	(1,019,450)
Balance at end	2,699,103	91,182	2,790,285

COMPANY

	Premises RM
2021	
Balance at beginning	**94,535**
Depreciation	**(70,901)**
Balance at end	**23,634**
2020	
Balance at beginning	-
Addition	141,802
Depreciation	(47,267)
Balance at end	94,535

Lease liabilities

Set out below are the carrying amount of lease liabilities recognised and the movements during the financial year/period:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Balance at beginning	**2,854,098**	2,971,446	**97,431**	-
Additions	**2,730,712**	838,289	**-**	141,802
Accretion of interest	**308,060**	204,963	**5,242**	7,629
Payments	**(1,547,910)**	(1,160,600)	**(78,000)**	(52,000)
Balance at end	**4,344,960**	2,854,098	**24,673**	97,431
Represented by:				
Non-current liabilities	**2,933,420**	1,993,648	**-**	24,673
Current liabilities	**1,411,540**	860,450	**24,673**	72,758
	4,344,960	2,854,098	**24,673**	97,431

The maturity analysis of lease liabilities is disclosed in Note 31.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months)	1.1.19 to 30.4.20 (16 months)	**1.5.20 to 30.4.21 (12 months)**	1.1.19 to 30.4.20 (16 months)
	RM	RM	**RM**	RM
Depreciation expense of right-of-use assets	**1,370,404**	1,019,450	**70,901**	47,267
Accretion of interest on lease liabilities	**308,060**	204,963	**5,242**	7,629
Expense relating to short-term leases	**1,216,927**	2,871,488	**56,208**	32,788
Expense relating to lease of low value assets	**101,692**	28,412	**3,223**	6,524
Total amount recognised in profit or loss	**2,997,083**	4,124,313	**135,574**	94,208

7. **INVESTMENT IN SUBSIDIARIES**

	COMPANY	
	2021	2020
	RM	RM
Unquoted shares, at cost	**58,807,489**	58,207,489
ESOS granted to employees of subsidiaries	**1,505,552**	1,505,552
	60,313,041	59,713,041
Less: Allowance for impairment		
Balance at beginning	**12,786,872**	12,937,659
Addition/(Reversal)	**449,146**	(150,787)
Balance at end	**13,236,018**	12,786,872
	47,077,023	46,926,169

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Details of the subsidiaries are as follows:

Name of entities	Country of incorporation	Effective equity interest held by the Group 2021 %	2020 %	Principal Activities
D'nonce (M) Sdn. Bhd.	Malaysia	**100**	100	Sales and distribution of advanced packaging materials, electronics products and consumables.
D'nonce (K.L) Sdn. Bhd.	Malaysia	**100**	100	Sales and distribution of advanced packaging materials, electronics products and consumables.
D'nonce (Kelantan) Sdn. Bhd.	Malaysia	**55**	55	Sales and distribution of advanced packaging materials, electronics products and consumables.
D'nonce (Johore) Sdn. Bhd.	Malaysia	**55**	55	Sales and distribution of advanced packaging products.
Attractive Venture Sdn. Bhd.	Malaysia	**100**	100	Design and conversion of advanced packaging materials, precision polymer engineering service and contract manufacturing of electronic components.
Attractive Venture (KL) Sdn. Bhd.	Malaysia	**100**	100	Design and conversion of advanced packaging materials and precision polymer engineering service.
Attractive Venture (JB) Sdn. Bhd. (1)	Malaysia	**82**	82	Design and conversion of advanced packaging materials and distribution of electronic products.
AV Industries Sdn. Bhd.	Malaysia	**100**	100	Dormant.
D'nonce Properties Sdn. Bhd. ("DPPT")	Malaysia	**100**	100	Property development.
AV Plastics Sdn. Bhd.	Malaysia	**84**	84	Dormant.
Richmond Technology Sdn. Bhd. ("RICT")	Malaysia	**75**	55	Design and conversion of advanced of packaging materials.
D'nonce Energy Sdn. Bhd. ("DENE")	Malaysia	**100**	100	Dormant.

Name of entities	Country of incorporation	Effective equity interest held by the Group 2021 %	2020 %	Principal Activities
Integrated SCM Co., Ltd. (2) (3)	Thailand	**99**	99	Wholesale of industrial chemicals.
Logistic Solution Holdings Co., Ltd. (3)	Thailand	**99**	99	Investment holding.
ISCM Technology (Thailand) Co., Ltd. (3)	Thailand	**100**	100	Cleanroom services and contract manufacturing of electronic components and mask.
Indirect - held through ISCM Technology (Thailand) Co., Ltd.				
ISCM Industries (Thailand) Co., Ltd. (3)	Thailand	**100**	100	Design and conversion of advanced of packaging materials.

(1) *The Company has a direct interest of 60% and an indirect interest of 22% via another subsidiary, D'nonce (Johore) Sdn. Bhd.*
(2) *The Company has a direct interest of 48% and an indirect interest of 51% via another subsidiary, Logistic Solution Holdings Co., Ltd.*
(3) *Not audited by Grant Thornton Malaysia PLT.*

7.1 **Acquisition of non-controlling interest**

On 30 January 2021, the Company acquired additional 20% equity interest in RICT for a cash consideration of RM600,000, increasing its ownership from 55% to 75%.

The following summarises the effect of changes in the equity interest in RICT that is attributable to owners of the Company:

	2021 RM
Balance at beginning	**1,232,499**
Share of comprehensive income	**177,264**
Effect of increase in Company's ownership interest	**(612,678)**
Balance at end	**797,085**

7.2 **Impairment on investment in subsidiaries**

The Company reviews the investment in subsidiaries for impairment annually. The recoverable amounts of the investment in subsidiaries are assessed by reference to their fair value less cost to sell, which approximate the net assets of the subsidiaries at the end of the reporting period. Accordingly, an impairment loss of **RM449,146** was recognised in respect of investment in DPPT during the financial year, while there was a reversal of impairment loss of RM150,787 in respect of investment in DENE in prior financial period.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

7.3 **Subsidiaries with material non-controlling interests ("NCI")**

The details of the material NCI are as follows:

	D'nonce (Kelantan) Sdn. Bhd.	D'nonce (Johore) Sdn. Bhd.	Attractive Venture (JB) Sdn. Bhd.	AV Plastics Sdn. Bhd.	Richmond Technology Sdn. Bhd.	Total
2021						
NCI percentage of ownership interest and voting interest (%)	**45%**	**45%**	**18%**	**16%**	**25%**	
Carrying amount of NCI (RM)	**1,561,993**	**1,778,921**	**2,311,347**	**(1,379,648)**	**797,085**	**5,069,698**
Profit allocated to NCI (RM)	**198,567**	**(126,604)**	**77,741**	**(30,786)**	**177,264**	**296,182**
2020						
NCI percentage of ownership interest and voting interest (%)	45%	45%	18%	16%	45%	
Carrying amount of NCI (RM)	1,363,426	1,905,525	2,233,606	(1,348,862)	1,232,499	5,386,194
Profit allocated to NCI (RM)	164,943	64,476	(178,333)	(139,388)	209,880	121,578

The summarised financial information of material NCI presented below is the amount before inter-company elimination:

	D'nonce (Kelantan) Sdn. Bhd. RM	D'nonce (Johore) Sdn. Bhd. RM	Attractive Venture (JB) Sdn. Bhd. RM	AV Plastics Sdn. Bhd. RM	Richmond Technology Sdn. Bhd. RM
2021					
Assets and liabilities					
Non-current assets	**237,951**	**486,766**	**5,743,755**	**1,850**	**1,328,590**
Current assets	**5,417,813**	**3,754,741**	**14,491,024**	**319,933**	**4,610,922**
Non-current liabilities	**(97,642)**	**-**	**(289,367)**	**-**	**(359,062)**
Current liabilities	**(2,087,026)**	**(288,350)**	**(7,104,597)**	**(8,944,586)**	**(2,392,111)**
Net assets	**3,471,096**	**3,953,157**	**12,840,815**	**(8,622,803)**	**3,188,339**
Results					
Revenue	**10,795,159**	**629,050**	**16,401,226**	**-**	**11,358,300**
Net profit/(loss), representing total comprehensive income/(loss) for the financial year	**441,261**	**(281,342)**	**431,896**	**(192,415)**	**449,452**
Net cash (used in)/generated from:					
Operating activities	**299,237**	**(406,524)**	**2,534,288**	**(151,728)**	**911,547**
Investing activities	**(335,922)**	**180,460**	**(185,382)**	**888,783**	**145,300**
Financing activities	**(153,982)**	**638,473**	**(2,506,477)**	**(679,778)**	**(335,776)**
Net change in cash and cash equivalents	**(190,667)**	**412,409**	**(157,571)**	**57,277**	**721,071**

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

	D'nonce (Kelantan) Sdn. Bhd. RM	D'nonce (Johore) Sdn. Bhd. RM	Attractive Venture (JB) Sdn. Bhd. RM	AV Plastics Sdn. Bhd. RM	Richmond Technology Sdn. Bhd. RM
2020					
Assets and liabilities					
Non-current assets	340,412	496,113	7,482,657	140,391	1,463,454
Current assets	4,269,613	4,156,374	15,144,047	1,880,250	3,795,646
Non-current liabilities	(155,064)	-	(526,032)	-	(177,559)
Current liabilities	(1,425,126)	(417,988)	(9,691,749)	(10,451,029)	(2,342,654)
Net assets	3,029,835	4,234,499	12,408,923	(8,430,388)	2,738,887
Results					
Revenue	13,515,941	654,669	19,670,696	4,574,000	15,219,184
Net profit/(loss), representing total comprehensive income/(loss) for the financial period	341,849	2,854	(1,371,041)	(943,474)	288,629
Net cash generated from/(used in):					
Operating activities	786,519	844,775	6,128,203	911,924	154,534
Investing activities	212,194	199,927	(285,821)	(53,995)	(252,825)
Financing activities	(396,216)	(189,896)	(4,929,676)	(853,725)	(380,701)
Net change in cash and cash equivalents	602,497	854,806	912,706	4,204	(478,992)

8. **GOODWILL**

The goodwill is allocated to the Group's cash-generating unit ("CGU") identified as follows:

	GROUP	
	2021	2020
	RM	RM
At cost:		
Contract manufacturing - Thailand	**413,371**	413,371
Less: Allowance for impairment	**(124,243)**	(124,243)
	289,128	289,128

The goodwill arising from the business acquisition has been allocated to the Group's manufacturing segment as the CGU.

For annual impairment testing purposes, the recoverable amount of the CGU are determined based on their value-in-use, which apply a discounted cash flow model using cash flow projections based on approved financial budget and projections covering a five (5)-year period.

Key assumptions used in value-in-use calculations

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

(i) Selling price

The selling price used to calculate the cash inflows from operations was determined after taking into consideration price trends of the industry which the CGUs are exposed to. Values assigned are consistent with the external sources of information.

(ii) Exchange rate

The exchange rate used to translate foreign currencies into the CGUs' functional currency is based on the average exchange rates obtained immediately before the forecast year. Values assigned are consistent with external sources of information.

(iii) Cash flow projections and growth rate

The five-year cash flow projections are prepared based on management's past experience. The revenue for the first year of the five-year cash flow projections is prepared based on the most recent approved financial budget by the Board of Directors. Thereafter, a **10%** (2020: 10%) annual growth rate is applied to the remaining years of the cash flow projections. A terminal value is assigned at the end of the five-year cash flow projections period based on an assumed growth rate of **0%** (2020: 0%) in perpetuity.

(iv) Discount rate

Pre-tax discount rate at **10%** (2020: 10%) was applied to the calculations in determining the recoverable amount of the CGUs. The discount rate is estimated based on the weighted average cost of capital of the Group for the financial year.

Sensitivity to changes in key assumptions

The management believes that any reasonable change in the key assumptions would not cause the recoverable amounts of the CGUs to differ materially from their carrying amounts.

9. **DEFERRED TAX (ASSETS)/LIABILITIES**

	GROUP	
	2021	2020
	RM	RM
Balance at beginning	**5,770,864**	262,185
Recognised in profit or loss	**128,377**	380,113
Recognised in other comprehensive income	**-**	5,124,917
Exchange differences	**2,630**	(4,792)
	5,901,871	5,762,423
(Over)/Under provision in prior year/period	**(121,345)**	8,441
Balance at end	**5,780,526**	5,770,864

The recognised deferred tax (assets)/liabilities, after appropriate offsetting, are as follows:

	GROUP	
	2021	2020
	RM	RM
Deferred tax assets	**(164,840)**	(167,470)
Deferred tax liabilities	**5,945,366**	5,938,334
	5,780,526	5,770,864

The deferred tax (assets)/liabilities as at the end of the reporting period are made up of the temporary differences arising from:

	GROUP	
	2021	2020
	RM	RM
Property, plant and equipment	**1,548,887**	1,026,772
Revaluation reserve	**4,881,243**	5,006,114
Right-of-use assets	**280,196**	412,604
Lease liabilities	**(297,224)**	(420,694)
Unabsorbed allowance for increased exports allowance	**(91,919)**	(91,919)
Provisions	**(540,657)**	(162,013)
	5,780,526	5,770,864

The following deferred tax assets have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Unused tax losses	**15,413,323**	31,016,340	**200,364**	200,364
Unabsorbed capital allowances	**9,355,977**	9,863,606	**675,303**	541,411
Unabsorbed reinvestment allowance	**8,088,287**	8,220,898	**-**	-
Unabsorbed allowance for increase in export allowance	**382,995**	382,995	**-**	-
Other deductible temporary difference	**1,725,769**	1,392,053	**-**	-
	34,966,351	50,875,892	**875,667**	741,775

NOTES TO THE FINANCIAL STATEMENTS
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The gross amount and future availability of unused tax losses and unabsorbed allowances which are available to be carried forward for set-off against future taxable income are estimated as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Unused tax losses	**15,413,323**	31,016,340	**200,364**	200,364
Unabsorbed capital allowances	**9,355,977**	9,863,606	**675,303**	541,411
Unabsorbed reinvestment allowance	**8,112,729**	8,588,874	**-**	-
Unabsorbed allowance for increase in export allowance	**382,995**	382,995	**-**	-

The unused tax losses can be carried forward for seven consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred and this is effective from YA 2018. Unabsorbed reinvestment allowance at the end of the qualifying reinvestment allowance period of fifteen years can be carried forward for seven consecutive years of assessment. However, unabsorbed capital allowance can be carried forward indefinitely.

The unabsorbed reinvestment allowance will expire in the YA 2025, while the unused tax losses will expire in the following YAs:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
YA 2025	**15,020,025**	30,429,954	**200,364**	200,364
YA 2026	**391,712**	584,800	**-**	-
YA 2027	**1,586**	1,586	**-**	-
	15,413,323	31,016,340	**200,364**	200,364

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of the Group's certain subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to **RM15,456,000** (2020: RM14,462,000). The deferred tax liability is estimated to be **RM1,545,600** (2020: RM1,446,200).

10. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2021	(Restated) 2020	**2021**	2020
	RM	RM	**RM**	RM
Non-current				
Trade receivables				
Third party - interest bearing at **3.25% - 6.00%** (2020: 3.25% - 6.00%)	**178,115**	320,591	**-**	-
Other receivables				
Third party - interest bearing at **6.00%** (2020: 6.00%)	**16,250**	29,250	**-**	-
Amount due from subsidiaries	**-**	-	**2,911,906**	2,703,720
Deposits	**-**	1,419,344	**-**	-
	194,365	1,769,185	**2,911,906**	2,703,720
Current				
Trade receivables				
Third party - interest bearing at **3.25% - 6.00%** (2020: 3.25% - 6.00%)	**2,632,478**	4,837,439	**-**	-
Third parties - non-interest bearing	**29,711,261**	27,971,249	**-**	-
	32,343,739	32,808,688	**-**	-
Less: Allowance for expected credit losses	**(1,011,373)**	(2,623,743)	**-**	-
	31,332,366	30,184,945	**-**	-
Other receivables				
Amount due from subsidiaries	-	-	**42,559,447**	35,840,336
Less: Allowance for expected credit losses	-	-	**(10,144,625)**	(9,714,978)
	-	-	**32,414,822**	26,125,358
Sundry receivables	**1,691,871**	1,378,374	**74,410**	22,480
Less: Allowance for expected credit losses	**(78,883)**	(23,896)	**-**	**-**
	1,612,988	1,354,478	**74,410**	22,480
Deposits	**18,006,820**	12,932,765	**29,160**	29,160
Prepayments	**8,549,013**	3,146,546	**56,910**	33,848
GST recoverable	**52,192**	223,341	**52,192**	35,273
	28,221,013	17,657,130	**32,627,494**	26,246,119

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	GROUP		COMPANY	
	2021	(Restated) 2020	**2021**	2020
	RM	RM	**RM**	RM
Total current trade and other receivables	**59,553,379**	47,842,075	**32,627,494**	26,246,119
Total trade and other receivables	**59,747,744**	49,611,260	**35,539,400**	28,949,839

The normal trade credit terms granted by the Group range from **30 to 120 days** (2020: 30 to 120 days). Other credit terms are assessed and approved on case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the trade receivables of the Group is an amount of **RM231,368** (2020: RM242,461) due from a Company in which a director of a subsidiary has substantial financial interests.

Included in the deposits of the Group are an amount of:

(i) **RM9,880,000** (2020: RM7,880,000) paid to accept rights granted to the Group for the development of freehold land; and
(ii) **RM2,835,000** (2020: RM Nil) paid to a licensed bank for banking guarantee purpose.

The amount due from subsidiaries is unsecured, non-interest bearing, classified based on expected timing of realisation and to be settled in cash except for **RM19,005,418** (2020: RM19,427,496) on which interest is charged at **6.70%** (2020: 7.70%) per annum.

The currency profile of trade and other receivables of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2021	(Restated) 2020	**2021**	2020
	RM	RM	**RM**	RM
Ringgit Malaysia	**43,669,582**	31,232,027	**33,853,970**	25,532,521
Thai Baht	**10,771,921**	13,177,339	**698,875**	713,598
United States Dollar	**5,067,242**	3,398,810	**986,555**	2,703,720
Singapore Dollar	**238,999**	1,761,674	**-**	-
Others	**-**	41,410	**-**	-
	59,747,744	49,611,260	**35,539,400**	28,949,839

The movement of the allowance for expected credit losses is as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Trade receivables				
Balance at beginning	**2,623,743**	3,072,780	**-**	-
Current financial year/period	**128,779**	222,656	**-**	-
Written off	**(1,626,624)**	(349,670)	**-**	-
Reversal	**(102,622)**	(420,959)	**-**	-
Exchange differences	**(11,903)**	98,936	**-**	-
Balance at end	**1,011,373**	2,623,743	**-**	-
Balance carried forward	**1,011,373**	2,623,743	**-**	-

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Balance brought forward	**1,011,373**	2,623,743	**-**	-
Other receivables				
Balance at beginning	**23,896**	227,957	**-**	165,879
Current financial year/period	**151,397**	23,896	**-**	-
Written off	**(2,000)**	(27,957)	**-**	(165,879)
Reversal	**(94,410)**	(200,000)	**-**	-
Balance at end	**78,883**	23,896	**-**	-
	1,090,256	2,647,639	**-**	-
Amount due from subsidiaries				
Balance at beginning	**-**	-	**9,714,978**	8,615,975
Current financial year/period	**-**	-	**429,647**	1,099,003
Balance at end	**-**	-	**10,144,625**	9,714,978
	1,090,256	2,647,639	**10,144,625**	9,714,978

11. **CASH AND BANK BALANCES**

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Non-current				
Deposits with licensed banks				
- Encumbered	**-**	127,441	**-**	-
Current				
Deposits with licensed banks				
- Unencumbered	**7,395,679**	1,345	**-**	-
- Encumbered	**17,991,949**	22,284,807	**-**	-
Cash in hand and at banks	**15,442,192**	10,117,976	**1,418,223**	222,035
	40,829,820	32,404,128	**1,418,223**	222,035
Total cash and bank balances	**40,829,820**	32,531,569	**1,418,223**	222,035

The encumbered fixed deposits are pledged to licensed banks for banking facilities granted to certain subsidiaries as disclosed in Note 18 to the financial statements.

The effective interest rates per annum and maturities of the deposits with licensed banks as at the end of the reporting period ranged from **0.15% to 2.63%** (2020: 0.15% to 3.40%) per annum and **1 month to 12 months** (2020: 1 month to 60 months) respectively.

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Ringgit Malaysia	**33,930,767**	29,542,686	**1,415,979**	219,756
Thai Baht	**6,343,302**	2,389,234	**2,244**	2,279
United States Dollar	**517,712**	175,275	**-**	-
Singapore Dollar	**34,610**	420,994	**-**	-
Others	**3,429**	3,380	**-**	-
	40,829,820	32,531,569	**1,418,223**	222,035

12. **INVENTORY PROPERTY**

	GROUP	
	2021	2020
	RM	RM
Property development cost		
- Development costs	**425,068**	-

13. **INVENTORIES**

	GROUP	
	2021	2020
	RM	RM
At cost		
Raw materials	**8,798,385**	14,634,500
Work-in-progress	**1,087,345**	1,370,816
Finished goods	**4,100,480**	3,362,285
Trading goods	**5,852,209**	5,689,627
	19,838,419	25,057,228
At net realisable value		
Raw materials	**15,006**	65,251
Work-in-progress	**-**	39,804
Finished goods	**15,863**	215,991
Trading goods	**141,176**	328,101
	172,045	649,147
	20,010,464	25,706,375

Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	**100,886,237**	129,746,441
Inventories written down		
- Addition	**556,130**	2,116,520
- Reversal	**(168,251)**	(32,004)
Inventories written off	**128,226**	66,853

The reversal of inventories written down was made during the financial year/period when the related inventories were sold above their carrying amounts.

14. CONTRACT ASSETS

	Group 2021 RM	Group (Restated) 2020 RM
Contract assets as a result of recognising revenue during the year/period	**696,204**	820,457

Contract assets relate to the Group's rights to consideration for work completed on service contracts but not yet billed at the end of the reporting period.

15. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2021	2020	**2021 RM**	2020 RM
Issued and fully paid:				
Balance at beginning	**262,257,900**	241,948,100	**75,119,205**	67,976,735
Issuance of shares pursuant to:				
- Exercise of ESOS	**500,500**	2,250,000	**125,125**	562,500
- Exercise of warrants	**50,368,900**	18,059,800	**12,592,225**	4,514,950
Transfer of share options reserve upon exercised	**-**	-	**68,469**	307,800
Transfer of warrant reserve upon exercised	**-**	-	**4,900,894**	1,757,220
Balance at end	**313,127,300**	262,257,900	**92,805,918**	75,119,205

During the financial year, the Company had increased its issued and fully paid up ordinary share capital by way of issuance of:

(i) 500,500 (2020: 2,250,000) new ordinary shares pursuant to the exercise of the ESOS at an exercise price of RM0.25 per ESOS; and

(ii) 50,368,900 (2020: 18,059,800) new ordinary shares pursuant to the exercise of the warrants at an exercise price of RM0.25 per warrant.

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

16. RESERVES

		GROUP		COMPANY	
	NOTE	**2021 RM**	2020 RM	**2021 RM**	2020 RM
Non-distributable:					
Foreign currency translation reserve	**16.1**	**6,089,040**	7,173,750	**-**	-
Revaluation reserve	**16.2**	**19,284,165**	20,065,145	**-**	-
Legal reserve	**16.3**	**32,510**	32,510	**-**	-
Share options reserve	**16.4**	**35,371**	103,840	**35,371**	103,840
Warrant reserve	**16.5**	**-**	4,958,330	**-**	4,958,330
Other capital reserve	**16.6**	**5,120,000**	5,120,000	**-**	-
		30,561,086	37,453,575	**35,371**	5,062,170

16.1 Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

16.2 Revaluation reserve

	GROUP	
	2021 RM	2020 RM
Balance at beginning	**20,065,145**	-
Revaluation of land and building	**-**	25,953,471
Attributable of non-controlling interests	**-**	(337,754)
Realisation of revaluation surplus upon depreciation	**(276,903)**	(425,655)
Realisation of revaluation surplus upon disposal	**(504,077)**	-
Deferred tax impact on revaluation surplus	**-**	(5,124,917)
Balance at end	**19,284,165**	20,065,145

This is in respect of revaluation surplus net of deferred tax arising from the revaluation of the Group's freehold land, leasehold land and buildings and is non-distributable.

16.3 Legal reserve

Legal reserve was set up in prior years upon payment of dividends of RM650,210 by a subsidiary in Thailand. The amount transferred from retained profits to the legal reserve is fixed at 5% of the subsidiary's retained profits at each dividend payment date. This transfer is mandatory until the reserve reaches 10% of the subsidiary's issued and fully paid capital.

16.4 Share options reserve

Share options reserve represents the equity-settled share options granted to the employees. This reserve is made up of the cumulative value of services received from the employees recorded on the grant date of share options, and is reduced by the exercise or lapse of share options.

16.5 Warrant reserve

Pursuant to a Deed Poll dated 12 October 2015 ("Deed Poll"), the Company issued 90,202,000 new warrants ("Warrants") in conjunction with the rights issue of 90,202,000 shares.

The salient features of the Warrants as stated in the Deed Poll are as follows:

(i) The issue date of the Warrants was 26 November 2015 and the expiry date is 25 November 2020. Any warrants not exercised during the exercise period will thereafter lapse and cease to be valid for any purpose;

(ii) Each Warrant entitles the registered holder, at any time during the exercise period, to subscribe for one (1) new ordinary share at an exercise price of RM0.25 per Warrant, subject to adjustments in accordance with the provisions of the Deed Poll;

(iii) The exercise price and/or the number of unexercised Warrants shall be adjusted in the event of alteration to the share capital by reason of any issue of shares, consolidation, subdivision, conversion or capital distribution in accordance with the provisions of the Deed Poll;

(iv) The new ordinary shares arising from the exercise of the Warrants are not entitled to any dividends, rights, allotments and/or other distributions. It will only be entitled if the exercise of Warrants is prior to the date of allotment and issuance of the new ordinary shares.

(v) The Warrant holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in the Company until and unless such Warrant holders exercise their Warrants into new ordinary shares; and

(vi) If the Company is wound up or an order has been granted for such compromise or arrangement, all exercise rights which are not exercised within six weeks of the passing of the resolution for winding-up or within six weeks after granting of the court order approving the winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), will cease to be valid for any purpose.

The movement of the Warrants during the financial year/period are as follows:

	Number of warrants			
	Balance at beginning	**Exercised**	**Lapsed**	**Balance at end**
2021				
Warrants expiring 26 November 2020	**50,959,200**	**(50,368,900)**	**(590,300)**	**-**
2020				
Warrants expiring 26 November 2020	69,019,000	(18,059,800)	-	50,959,200

16.6 **Other capital reserve**

Other capital reserve arose as a result of the capitalisation of retained profits for bonus issues made by subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

17. RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded, defined benefit plan - Retirement Benefit Scheme ("the Scheme") for eligible employees in Thailand. Under the Scheme, eligible employees are entitled to retirement benefits upon attaining their retirement age. The Group's obligation under the Scheme is determined based on the latest actuarial valuation by an independent actuary.

The amounts recognised in the statements of financial position are determined as follows:

	GROUP	
	2021	2020
	RM	RM
Present value of defined benefit plan, representing net liability	**2,406,454**	2,182,633
Analysed as:		
Non-current	**2,406,454**	2,182,633

The amounts recognised in the profit and loss are as follows:

	GROUP	
	1.5.20 to 30.4.21 (12 months)	1.1.19 to 30.4.20 (16 months)
	RM	RM
Current service cost	**323,379**	537,035
Interest cost	**34,923**	82,163
	358,302	619,198

The movement of the defined benefit plan are as follows:

	GROUP	
	2021	2020
	RM	RM
Balance at beginning	**2,182,633**	1,292,836
Recognised in profit or loss	**358,302**	619,198
Recognised in other comprehensive income	**66,091**	473,476
Paid during the financial year/period	**(152,467)**	(229,465)
Exchange differences	**(48,105)**	26,588
Balance at end	**2,406,454**	2,182,633

The principal actuarial assumptions used in determining the defined benefit plan are as follows:

	GROUP	
	2021	2020
	%	%
Discount rate	**2.10**	1.60 – 3.00
Expected salary increment rate	**6.00**	5.00 – 6.00

The following table demonstrates the sensitivity analysis of the Group if significant actuarial assumptions at the end of the reporting period changed by one hundred (100) basis points with all other variables held constant:

	GROUP			
	2021	2020	**2021**	2020
	%	%	**RM**	RM
Discount rate increase	**1**	1	**(272,210)**	(250,513)
Discount rate decrease	**(1)**	(1)	**319,224**	296,515
Expected salary increment rate increase	**1**	1	**301,360**	280,298
Expected salary increment rate decrease	**(1)**	(1)	**(263,577)**	(243,033)

The expected payments to the defined benefit plan in future years are as follows:

	GROUP	
	2021	2020
	RM	RM
Within next 12 months	**19,740**	6,685
Between 2 to 5 years	**130,340**	136,895
Beyond 5 years	**14,834,757**	8,641,408
	14,984,837	8,784,988

The average duration of the defined benefit plan obligation at the end of the reporting period is **13.85 years** (2020: 14.18 years).

18. **BORROWINGS**

	GROUP	
	2021	2020
	RM	RM
Non-current liabilities		
Secured:		
Finance lease liabilities		
Minimum payments:		
Within one year	**2,436,936**	2,828,524
More than one year and less than two years	**1,747,643**	2,360,323
More than two years and less than five years	**436,481**	1,795,165
	4,621,060	6,984,012
Future finance charges	**(312,074)**	(596,387)
	4,308,986	6,387,625
Amount due within one year included under current liabilities	**(2,305,520)**	(2,411,548)
Balance carried forward	**2,003,466**	3,976,077

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

	GROUP	
	2021	2020
	RM	RM
Balance brought forward	**2,003,466**	3,976,077
<u>Term loans</u>		
Total amount repayable	**10,478,757**	10,005,885
Amount due within one year included under current liabilities	**(2,547,299)**	(1,180,276)
	7,931,458	8,825,609
	9,934,924	12,801,686
Current liabilities		
Secured:		
Bankers' acceptance	**7,603,331**	8,759,857
Bank overdrafts	**234,134**	4,591,862
Finance lease liabilities	**2,305,520**	2,411,548
Invoice factoring	**-**	3,229,345
Promissory notes	**1,072,184**	3,657,728
Revolving credit	**4,350,000**	9,049,987
Term loans	**2,547,299**	1,180,276
Trust receipts	**1,629,263**	2,831,726
	19,741,731	35,712,329
Total borrowings	**29,676,655**	48,514,015

The borrowings are secured by way of:

(i) Legal charges over certain subsidiaries' property, plant and equipment and investment properties as disclosed in Note 4 and Note 5 to the financial statements respectively;
(ii) Deposits with licensed banks of the Group as disclosed in Note 11 to the financial statements;
(iii) Corporate guarantee of the Company and certain subsidiaries; and
(iv) Leased assets as disclosed in Note 4 to the financial statements.

The currency profile of borrowings is as follows:

	GROUP	
	2021	2020
	RM	RM
Ringgit Malaysia	**23,023,399**	31,527,555
Thai Baht	**6,653,256**	16,986,460
	29,676,655	48,514,015

A summary of the effective interest rates and maturities of the borrowings is as follows:

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
2021						
Bankers' acceptance	**1.90 - 4.91**	**7,603,331**	**7,603,331**	**-**	**-**	**-**
Bank overdrafts	**6.90 - 7.07**	**234,134**	**234,134**	**-**	**-**	**-**
Finance lease liabilities	**2.29 - 13.00**	**4,308,986**	**2,305,520**	**1,588,467**	**414,999**	**-**
Promissory notes	**7.00**	**1,072,184**	**1,072,184**	**-**	**-**	**-**
Revolving credit	**2.94**	**4,350,000**	**4,350,000**	**-**	**-**	**-**
Term loans	**3.45 - 10.00**	**10,478,757**	**2,547,299**	**908,995**	**1,797,090**	**5,225,373**
Trust receipts	**6.00**	**1,629,263**	**1,629,263**	**-**	**-**	**-**
2020						
Bankers' acceptance	2.65 - 6.65	8,759,857	8,759,857	-	-	-
Bank overdrafts	6.22 - 7.65	4,591,862	4,591,862	-	-	-
Finance lease liabilities	2.29 - 13.00	6,387,625	2,411,548	2,281,168	1,694,909	-
Invoice factoring	8.00	3,229,345	3,229,345	-	-	-
Promissory notes	6.00 - 7.00	3,657,728	3,657,728	-	-	-
Revolving credit	3.69 - 8.00	9,049,987	9,049,987	-	-	-
Term loans	3.70 - 10.00	10,005,885	1,180,276	1,553,222	2,440,325	4,832,062
Trust receipts	5.40 - 8.54	2,831,726	2,831,726	-	-	-

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Trade payables				
Third parties	**12,508,034**	11,567,764	**-**	-
Other payables				
Sundry payables	**3,101,718**	3,568,095	**9,912**	623,178
Amount due to subsidiaries	**-**	-	**3,787,109**	6,257,091
Accruals	**3,972,430**	3,357,794	**352,139**	475,704
Amount due to directors	**108,700**	151,925	**-**	-
Deposits received	**694,431**	642,000	**-**	-
	7,877,279	7,719,814	**4,149,160**	7,355,973
	20,385,313	19,287,578	**4,149,160**	7,355,973

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Ringgit Malaysia	**8,541,241**	10,104,806	**4,149,160**	3,955,037
United States Dollar	**3,714,664**	5,759,485	**-**	-
Thai Baht	**8,109,026**	3,296,712	**-**	3,400,936
Others	**20,382**	126,575	**-**	-
	20,385,313	19,287,578	**4,149,160**	7,355,973

Trade payables of the Group are non-interest bearing and are normally settled within **30 to 90 days** (2020: 30 to 90 days) credit terms.

The amount due to subsidiaries are unsecured, non-interest bearing, repayable on demand and to be settled in cash except for **RM2,747,685** (2020: RM6,257,091) on which interest is charged at **6.70%** (2020: 6.13% to 8.87%) per annum.

The amount due to directors of the Group are unsecured, non-interest bearing and repayable on demand.

20. REVENUE

20.1 Disaggregated revenue information

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months)	1.1.19 to 30.4.20 (16 months)	**1.5.20 to 30.4.21 (12 months)**	1.1.19 to 30.4.20 (16 months)
	RM	RM	**RM**	RM
Types of goods or service				
Sales of goods	**168,655,809**	204,102,144	**-**	-
Contract manufacturing	**14,243,031**	20,103,787	**-**	-
Maintenance income	**-**	2,412,313	**-**	-
Management fees	**-**	-	**4,414,522**	5,086,647
Rental income from investment properties	**1,350,000**	2,000,000	**-**	-
Total revenue from contracts with customers	**184,248,840**	228,618,244	**4,414,522**	5,086,647
Geographical markets				
Thailand	**88,278,627**	107,998,461	**-**	-
Malaysia	**67,855,426**	87,527,507	**4,414,522**	5,086,647
Singapore	**21,962,131**	21,774,579	**-**	-
Denmark	**2,636,163**	4,961,720	**-**	-
United Kingdom	**2,253,005**	3,311,529	**-**	-
Indonesia	**483,501**	1,693,621	**-**	-
United States of America	**289,395**	299,550	**-**	-
China	**125,285**	512,821	**-**	-
Others	**365,307**	538,456	**-**	-
Total revenue from contracts with customers	**184,248,840**	228,618,244	**4,414,522**	5,086,647

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
Timing of revenue recognition				
Revenue recognised at a point in time	**184,248,840**	226,205,931	**4,414,522**	5,086,647
Revenue recognised over time	**-**	2,412,313	**-**	-
Total revenue from contracts with customers	**184,248,840**	228,618,244	**4,414,522**	5,086,647

20.2 **Performance obligations**

The performance obligations are spelt out in Note 3.14 to the financial statements.

21. **OTHER INCOME**

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
Bad debts recovered	**-**	260,282	**94,410**	100,000
Gain on disposal of property, plant and equipment	**79,177**	27,048	**-**	-
Insurance claims	**22,489**	19,978	**-**	-
Interest income from:				
- amounts due from subsidiaries	**-**	-	**1,148,688**	2,039,672
- deposits with licensed banks	**719,853**	837,337	**20,460**	326,407
- trade and other receivables	**39,560**	448,132	**-**	1,110
Mould income	**131,127**	95,865	**-**	-
Others	**295,837**	1,787,450	**49,201**	20,546
Realised gain on foreign exchange	**542,526**	-	**-**	-
Rental income	**50,190**	68,595	**-**	-
Reversal of allowance for expected credit losses	**197,032**	620,959	**-**	-
Reversal of impairment loss on investment in a subsidiary	**-**	-	**-**	150,787
Reversal of inventories written down	**168,251**	32,004	**-**	-
Sales commission	**114,134**	201,254	**-**	-
Scrap sales	**1,835,728**	2,667,889	-	**-**
Sub-leasing fee from subsidiaries	**-**	-	**60,968**	327,876
Unrealised gain on foreign exchange	**797,858**	291,155	**-**	37,036
	4,993,762	7,357,948	**1,373,727**	3,003,434

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

22. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
Fee	**883,463**	656,119	**778,463**	517,786
Salaries, wages, bonus and allowances	**34,652,042**	42,482,911	**3,315,612**	4,207,356
EPF	**1,840,567**	2,454,983	**433,708**	519,104
SOCSO	**463,755**	732,499	**14,412**	29,043
Defined benefit plan (Note 17)	**358,302**	619,198	**-**	-
EIS	**14,057**	17,649	**1,513**	2,505
Other benefits	**552,155**	1,127,665	**6,652**	277,174
	38,764,341	48,091,024	**4,550,360**	5,552,968

Included in the employee benefits expense of the Group and of the Company is directors' remuneration as follows:

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
Executive directors of the Company:				
- Fee				
- current year	**-**	34,564	**-**	34,564
- over provision in prior years	**(37,333)**	-	**(37,333)**	-
- Salaries, bonus and allowances				
- current year	**1,290,307**	1,564,907	**1,290,307**	1,564,907
- over provision in prior year	**(43,065)**	-	**(43,065)**	-
- EPF	**218,503**	197,991	**218,503**	197,991
- SOCSO	**593**	977	**593**	977
- EIS	**-**	55	**-**	55
	1,429,005	1,798,494	**1,429,005**	1,798,494
Non-executive directors of the Company:				
- Fee				
- current year	**900,630**	483,222	**900,630**	483,222
- over provision in prior year	**(84,833)**	-	**(84,833)**	-
- Allowances	**341,777**	289,686	**341,777**	289,686
- EPF	**-**	5,520	**-**	5,520
	1,157,574	778,428	**1,157,574**	778,428
Balance carried forward	**2,586,579**	2,576,922	**2,586,579**	2,576,922

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
Balance carried forward	**2,586,579**	2,576,922	**2,586,579**	2,576,922
Executive directors of subsidiaries:				
- Fee	**105,000**	138,333	**-**	-
- Salaries, bonus and allowances	**1,513,410**	1,887,834	**-**	-
- EPF	**189,465**	223,068	**-**	-
- SOCSO	**3,573**	3,378	**-**	-
- EIS	**220**	374	**-**	-
	1,811,668	2,252,987	**-**	-
Total directors' remuneration	**4,398,247**	4,829,909	**2,586,579**	2,576,922

The directors' remuneration can be further analysed as:

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
Present directors:				
- Executive	**3,321,072**	3,314,135	**1,509,403**	1,061,148
- Non-executive	**1,242,406**	609,846	**1,242,407**	609,846
	4,563,478	3,923,981	**2,751,810**	1,670,994
Past directors:				
- Executive	**(80,398)**	737,346	**(80,398)**	737,346
- Non-executive	**(84,833)**	168,582	**(84,833)**	168,582
	(165,231)	905,928	**(165,231)**	905,928
	4,398,247	4,829,909	**2,586,579**	2,576,922

23. FINANCE COSTS

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
Interest expenses on:				
- Accretion of interest on lease liabilities	**308,060**	204,963	**5,242**	7,629
- term loans	**755,970**	853,950	**-**	-
- finance lease liabilities	**325,104**	608,111	**-**	-
- other banks borrowings	**917,923**	3,144,226	**122,925**	201,415
- amount due to subsidiaries	**-**	-	**231,621**	432,522
	2,307,057	4,811,250	**359,788**	641,566

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

24. PROFIT/(LOSS) BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
After charging:				
Auditors' remuneration				
- Statutory audit				
- Company's auditors				
- Current year	**232,600**	250,000	**95,000**	111,300
- Under provision in prior year/period	**858**	149,328	**-**	150,000
- Other auditors	**104,043**	234,682	**-**	-
- Other services	**5,000**	5,000	**5,000**	5,000
Loss on disposal of property, plant and equipment	**-**	20,785	**-**	-
Property, plant and equipment written off	**6,533**	100,517	**-**	348
Revaluation loss on land and building	**-**	448,187	**-**	-

25. TAXATION

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
Statements of comprehensive income:				
Malaysian income tax:				
Based on results for the financial year				
- Current tax	**(2,138,302)**	(1,246,089)	**(67,000)**	(160,000)
- Real property gains tax	**(52,136)**	-	**-**	-
- Deferred tax relating to the origination and reversal of temporary differences	**(128,377)**	(380,113)	**-**	-
	(2,318,815)	(1,626,202)	**(67,000)**	(160,000)
Over/(Under) provision in prior year/period				
- Current tax	**623,750**	(34,641)	**101,437**	(16,224)
- Deferred tax	**121,345**	(8,441)	**-**	-
	745,095	(43,082)	**101,437**	(16,224)
Tax (expense)/income recognised in profit or loss	**(1,573,720)**	(1,669,284)	**34,437**	(176,224)

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
Deferred tax relate to items recognised in other comprehensive income (Note 9)				
Revaluation of land and buildings	**-**	(5,124,917)	**-**	-

Taxation for other jurisdiction is calculated at the rate prevailing in that jurisdiction.

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
Profit/(Loss) before tax	**15,369,864**	2,399,433	**(1,681,983)**	(5,327,699)
Income tax at Malaysian statutory tax rate of 24%	**(3,688,767)**	(575,864)	**403,676**	1,278,648
Effect of tax rate in foreign jurisdiction	**370,751**	155,005	**-**	-
Income not subject to tax	**-**	10,901	**61,992**	-
Expenses not deductible for tax purposes	**(2,990,251)**	(1,442,820)	**(500,534)**	(1,389,822)
Effect of double deduction	**20,337**	24,996	**-**	-
Utilisation of reinvestment allowance	**78,090**	-	**-**	-
Utilisation of unrecognised unused tax losses and unabsorbed allowances	**3,898,382**	601,868	**-**	-
Deferred tax assets not recognised	**(80,092)**	(519,091)	**(32,134)**	(48,826)
Crystallisation of deferred tax on disposal of land and buildings	**40,299**	-	**-**	-
Annual crystallisation of deferred tax on revaluation reserve	**84,572**	118,803	**-**	-
Effect of real property gains tax	**(52,136)**	-	**-**	-
	(2,318,815)	(1,626,202)	**(67,000)**	(160,000)
Over/(Under) provision in prior year/period	**745,095**	(43,082)	**101,437**	(16,224)
	(1,573,720)	(1,669,284)	**34,437**	(176,224)

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

26. EARNINGS PER SHARE

26.1 Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to owners of the Company for the financial year/period by the weighted average number of ordinary shares in issue during the financial year/period as follows:

	GROUP	
	1.5.20 to 30.4.21 (12 months)	1.1.19 to 30.4.20 (16 months)
Profit attributable to owners of the Company (RM)	**13,501,744**	580,822
Weighted average number of ordinary shares in issue	**292,615,000**	257,662,044
Basic earnings per share (in sen)	**4.61**	0.23

26.2 Diluted earnings per share

Diluted earnings per share of the Group is calculated by dividing the profit attributable to owners of the Company for the financial year/period by the weighted average number of ordinary shares in issue during the financial year/period adjusted for the dilutive effects of all potential ordinary shares as follows:

	GROUP	
	1.5.20 to 30.4.21 (12 months)	1.1.19 to 30.4.20 (16 months)
Profit attributable to owners of the Company (RM)	**13,501,744**	580,822
Weighted average number of ordinary shares in issue	**292,615,000**	257,662,044
Adjustment for conversion of ESOS	**125,000**	684,429
Adjustment for conversion of warrants	**-**	18,434,437
	292,740,000	276,780,910
Diluted earnings per share (in sen)	**4.61**	0.21

27. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS is governed by the ESOS By-Laws and was approved by shareholders on 3 July 2015. The ESOS was to be in force for a period of five (5) years effective from 18 May 2016. On 17 May 2021, the board of directors has approved the extension of ESOS until 17 May 2026.

The main features of the ESOS were as follows:

(i) Eligible persons meet the following criteria as at the date of offer:

- if he has attained the age of eighteen (18) years on the date offer and is not an undercharged bankrupt;
- if he is employed on a full-time basis on the payroll of a company within the Group and his employment must have been confirmed in writing on or prior to the date of offer;
- if he is a contract worker on a full-time basis serving under a contract of employment; and

- if he fulfils any other criteria and/or falls within such category that the ESOS Committee may from time to time at its absolute discretion determine.

(ii) The maximum number of new shares of the Company, which may be available under the Scheme, shall not exceed in aggregate 15% of the total issued and paid-up share capital of the Company at any point in time during the duration of the Scheme and includes any extension thereof.

(iii) The option price shall be determined by the Option Committee based on the 5-day weighted average market price of shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%, or at the par value of shares of the Company, whichever is higher.

(iv) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new shares of the Company comprised in the ESOS.

(v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank *pari passu* in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new shares.

The movement of the share options during the financial year/period are as follows:

	Number of share options			
	Balance at beginning	**Exercised**	**Lapsed**	**Balance at end**
2021				
Share option expiring 17 May 2021	**759,500**	**(500,500)**	**-**	**259,000**
2020				
Share option expiring 17 May 2021	4,142,000	(2,250,000)	(1,132,500)	759,500

The fair values of share options granted in the previous financial years was estimated by using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted.

The fair value of the share options measured at grant date and the assumptions are as follows:

	Grant date at 18 May 2016
Fair value of share options at grant date (RM)	0.14
Share price (RM)	0.22
Exercise price (RM)	0.25
Expected volatility (%)	77.76
Expected life (years)	5.00
Risk free rate (%)	3.22
Expected dividend yield (%)	-

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

28. SEGMENTAL INFORMATION

Business Segments

Business segments are based on the Group's management and internal reporting structure.

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

The Group has arrived at three reportable segments divided by the customers' industries that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

	Reportable segments by customers' industries	Description
(i)	Healthcare	End-to-end packaging and design solutions primarily supporting customers in the healthcare industry.
(ii)	Electrical and electronics	End-to-end packaging and design solutions, precision polymer engineering services, cleanroom services and contract manufacturing primarily supporting customers in the electrical and electronics industry.
(iii)	Other industries	End-to-end packaging and design solutions and supply of goods and services primarily supporting customers in the automotive, food and beverage and other manufacturing industries.

Other operating segments that do not meet the quantitative thresholds of an individual reporting segment consist of investment holding and others.

Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's Chief Executive Officer (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current financial year and previous financial period.

Segment assets exclude tax assets and unallocated assets.

Segment liabilities exclude tax liabilities and unallocated liabilities.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

By business segments divided by the customers' industries

2021

	Healthcare RM	Electrical and electronics RM	Other industries RM	Others RM	Elimination RM	Note	Total RM
Revenue							
External sales	61,016,537	97,315,031	25,917,272	-	-		184,248,840
Inter-segment sales	4,626,400	9,541,702	4,138,731	4,414,522	(22,721,355)	A	-
Total revenue	65,642,937	106,856,733	30,056,003	4,414,522	(22,721,355)		184,248,840
Results							
Segment results	11,408,680	11,591,045	1,019,315	(307,052)			23,711,988
Unallocated expenses							(6,035,067)
Operating profit							17,676,921
Finance costs							(2,307,057)
Profit before tax							15,369,864
Taxation							(1,573,720)
Profit for the financial year							13,796,144
Assets							
Segment assets	59,142,768	106,079,449	28,581,962	10,888,810			204,692,989
Unallocated assets							2,690,256
Deferred tax assets							164,840
Current tax assets							1,508,400
Total assets							209,056,485
Liabilities							
Segment liabilities	11,752,477	38,964,917	5,196,722	503,081			56,417,197
Unallocated liabilities							396,185
Deferred tax liabilities							5,945,366
Current tax liabilities							326,599
Total liabilities							63,085,347
Other segment information							
Additions to non-current assets	987,773	3,029,203	49,693	9,790		B	4,076,459
Depreciation							
- property, plant and equipment	2,359,389	3,932,254	120,634	289,681			6,701,958
- investment properties	-	319,080	8,048	-			327,128
- right-of-use assets	-	1,114,425	143,436	112,543			1,370,404
Non-cash expenses other than depreciation	617,578	462,983	78,892	-		C	1,159,453

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

By business segments divided by the customers' industries

2020

	Healthcare RM	Electrical and electronics RM	Other industries RM	Others RM	Elimination RM	Note	Total RM
Revenue							
External sales	68,683,551	118,333,316	41,601,377	-	-		228,618,244
Inter-segment sales	4,477,308	14,870,765	2,825,675	16,000	(22,189,748)	A	-
Total revenue	73,160,859	133,204,081	44,427,052	16,000	(22,189,748)		228,618,244
Results							
Segment results	8,476,640	5,526,542	3,688,997	(474,271)			17,217,908
Unallocated expenses							(10,007,225)
Operating profit							7,210,683
Finance costs							(4,811,250)
Profit before tax							2,399,433
Taxation							(1,669,284)
Profit for the financial period							730,149
Assets							
Segment assets	58,469,451	108,984,603	20,188,521	8,379,756			196,022,331
Unallocated assets							1,835,918
Deferred tax assets							167,470
Current tax assets							2,130,910
Total assets							200,156,629
Liabilities							
Segment liabilities	17,932,204	37,903,599	11,812,547	154,270			67,802,620
Unallocated liabilities							5,035,704
Deferred tax liabilities							5,938,334
Current tax liabilities							171,432
Total liabilities							78,948,090
Other segment information							
Additions to non-current assets	3,250,394	1,274,146	662,215	237,005		B	5,423,760
Depreciation							
- property, plant and equipment	2,707,282	5,555,001	553,191	62,893			8,878,367
- investment properties	-	433,581	10,731	-			444,312
- right-of-use assets	-	815,797	179,363	24,290			1,019,450
Non-cash expenses other than depreciation	278,675	2,210,766	158,005	-		C	2,647,446

A Inter-segment revenues are eliminated on consolidation.

B Additions to non-current assets consist of total costs incurred to acquire property, plant and equipment and investment properties. It excludes the additions of right-of-use assets, financial instruments and deferred tax assets.

C Other material non-cash expenses/(income) other than depreciation consist of the following items:

	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM
Allowance for expected credit losses	**280,176**	246,552
Defined benefit plan	**358,302**	619,198
Gain on disposal of property, plant and equipment, net	**(79,177)**	(6,263)
Inventories written down	**556,130**	2,116,520
Inventories written off	**128,226**	66,853
Property, plant and equipment written off	**6,533**	100,517
Revaluation loss on land and building	**-**	448,187
Reversal of allowance for expected credit losses	**(197,032)**	(620,959)
Reversal of inventories written down	**(168,251)**	(32,004)
Unrealised loss/(gain) on foreign exchange	**274,546**	(291,155)
	1,159,453	2,647,446

By geographical segments

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

	Revenue		**Non-current assets**	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**2021 RM**	2020 RM
Malaysia	**91,911,822**	118,509,601	**43,011,058**	47,473,455
Thailand	**92,337,018**	110,108,643	**43,022,092**	43,779,229
	184,248,840	228,618,244	**86,033,150**	91,252,684

Information about major customers

Total revenue from **1** (2020: 1) major customer which individually contributed to 10% or more of the Group's revenue from the supply of end-to-end packaging and design solutions, amounted to **RM38,994,293** (2020: RM34,247,690).

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

29. CAPITAL COMMITMENTS

	GROUP	
	2021	2020
	RM	RM
Approved but not provided for:		
- Leasehold land and building	**3,870,000**	3,870,000
- Plant and machinery	**1,730,743**	322,226
- Computer equipment	**-**	2,112
- Development right	**-**	2,000,000
Approved but not contracted for:		
- Plant and machinery	**427,000**	

30. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group has related party relationship with its subsidiaries, key management personnel and the following parties:

Related parties	**Relationship**
- Master-Pack Sdn. Bhd.	Corporate shareholder of a subsidiary, Richmond Technology Sdn. Bhd. which has ceased to be corporate shareholder with effect from 30 January 2021.
- Wangsa Interaktif Sdn. Bhd.	A company in which a director of a subsidiary, En. Roslant Bin Abu, has substantial financial interests.
- An Marketing Trading Sdn. Bhd.	A company in which a person connected to a former director of the Company, Mr. Tan Than Kau, has substantial financial interests which has ceased to be a related party with effect from 11 July 2019.
- Koh Kim Leng and Company	A firm in which a director of the Company, Mr. Chong Kim Teck, has substantial financial interests.

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year/period.

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
Interest expense paid to subsidiaries	**-**	-	**231,621**	432,522
Interest income from subsidiaries	**-**	-	**1,148,688**	2,039,672

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	**1.5.20 to 30.4.21 (12 months) RM**	1.1.19 to 30.4.20 (16 months) RM
Management fees from subsidiaries	**-**	-	**4,414,522**	5,086,647
Sub-leasing fee from subsidiaries	**-**	-	**60,968**	327,876
Disposal of motor vehicle to a director of a subsidiary, Mr. Lim Oon Jin	**89,656**	-	**-**	-
Rental of motor vehicles paid to a subsidiary	**-**	-	**56,208**	32,788
Rental of premises paid to a director of a subsidiary, Mr. Lim Oon Jin	**-**	28,000	**-**	-
Sales to Wangsa Interaktif Sdn. Bhd.	**428,983**	445,296	**-**	-
Purchase of goods from:				
- Master-Pack Sdn. Bhd.	**262,436**	1,657,645	**-**	-
- An Marketing Trading Sdn. Bhd.	**-**	240,667	**-**	-
Transfer of property, plant and equipment from a subsidiary	**-**	-	**-**	272,590
Transfer of property, plant and equipment to subsidiaries	**-**	-	**-**	4,659
Legal fee paid to Koh Kim Leng and Company	**62,083**	-	**-**	-
Development right paid to a former director	**-**	5,880,000	**-**	-

(iii) **Compensation of key management personnel**

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

The Company has no other members of key management personnel apart from the Board of Directors which compensation has been shown in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

31. **FINANCIAL INSTRUMENTS**

31.1 **Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Carrying amount RM	AC RM
GROUP		
2021		
Financial assets		
Trade and other receivables, excluding non-refundable deposits, prepayments and GST recoverable	**41,266,539**	**41,266,539**
Cash and bank balances	**40,829,820**	**40,829,820**
	82,096,359	**82,096,359**
Financial liabilities		
Borrowings	**29,676,655**	**29,676,655**
Trade and other payables	**20,385,313**	**20,385,313**
	50,061,968	**50,061,968**
2020		
Financial assets		
Trade and other receivables, excluding non-refundable deposits, prepayments and GST recoverable	38,361,373	38,361,373
Cash and bank balances	32,531,569	32,531,569
	70,892,942	70,892,942
Financial liabilities		
Borrowings	48,514,015	48,514,015
Trade and other payables	19,287,578	19,287,578
	67,801,593	67,801,593
COMPANY		
2021		
Financial assets		
Trade and other receivables, excluding prepayments and GST recoverable	**35,430,298**	**35,430,298**
Cash and bank balances	**1,418,223**	**1,418,223**
	36,848,521	**36,848,521**
Financial liability		
Trade and other payables	**4,149,160**	**4,149,160**

	Carrying amount RM	AC RM
COMPANY		
2020		
Financial assets		
Trade and other receivables, excluding prepayments and GST recoverable	28,880,718	28,880,718
Cash and bank balances	222,035	222,035
	29,102,753	29,102,753
Financial liability		
Trade and other payables	7,355,973	7,355,973

31.2 **Financial risk management**

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

31.3 **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

31.3.1 **Trade receivables**

The Group gives its customers credit terms that range between **30 to 120 days** (2020: 30 to 120 days). In deciding whether credit shall be extended, the Group will take into consideration factors such as relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, receivables balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

The ageing analysis of trade receivables of the Group as at the end of the reporting period is as follows:

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP			
2021			
Not past due	**24,639,637**	**-**	**24,639,637**
1 to 30 days past due	**4,086,095**	**-**	**4,086,095**
31 to 60 days past due	**586,995**	**-**	**586,995**
61 to 90 days past due	**163,250**	**-**	**163,250**
More than 90 days past due	**2,034,504**	**-**	**2,034,504**
	6,870,844	**-**	**6,870,844**
Impaired	**1,011,373**	**(1,011,373)**	**-**
	32,521,854	**(1,011,373)**	**31,510,481**
2020			
Not past due	17,390,418	-	17,390,418
1 to 30 days past due	4,460,789	-	4,460,789
31 to 60 days past due	2,055,587	-	2,055,587
61 to 90 days past due	779,272	-	779,272
More than 90 days past due	5,819,470	-	5,819,470
	13,115,118	-	13,115,118
Impaired	2,623,743	(2,623,743)	-
	33,129,279	(2,623,743)	30,505,536

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to **RM6,870,844** (2020: RM13,115,118) that are past due but not impaired as the management is of the view that these debts will be collected in due course.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The Group has significant concentration of credit risk in the form of outstanding balance due from **1 customer** (2020: 2 customers) representing **10%** (2020: 21%) of the total trade receivables.

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross RM	Allowance for expected credit losses RM	Net RM
Credit risk rating			
GROUP			
2021			
Low risk	**31,510,481**	**-**	**31,510,481**
Individually impaired	**1,011,373**	**(1,011,373)**	**-**
	32,521,854	**(1,011,373)**	**31,510,481**
2020			
Low risk	30,505,536	-	30,505,536
Individually impaired	2,623,743	(2,623,743)	-
	33,129,279	(2,623,743)	30,505,536

In managing the credit risk of the trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses.

Trade receivables are usually collectable and the Group does not have much historical bad debts written off or impairment of trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. No expected credit losses is provided during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

31.3.2 **Intercompany balances**

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

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

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable except for the impairment made for advance to the subsidiaries which the Company deems uncollectable as disclosed in Note 10 to the financial statements. The Company does not specifically monitor the ageing of these advances.

31.3.3 **Financial guarantees**

The Company has issued financial guarantees to financial institutions for banking facilities granted to certain subsidiaries.

	COMPANY	
	2021 RM	2020 RM
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries		
- Limit	**100,431,565**	106,215,026
- Maximum exposure	**34,618,062**	47,563,458

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (cont'd)

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

31.4 **Liquidity risk**

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM	More than five years RM
GROUP					
2021					
Non-derivative financial liabilities					
Borrowings	**29,676,655**	**32,605,747**	**20,282,915**	**5,455,013**	**6,867,819**
Lease liabilities	**4,344,960**	**5,266,002**	**1,358,839**	**3,655,163**	**252,000**
Trade and other payables	**20,385,313**	**20,385,313**	**20,385,313**	**-**	**-**
	54,406,928	**58,257,062**	**42,027,067**	**9,110,176**	**7,119,819**
2020					
Non-derivative financial liabilities					
Borrowings	48,514,015	51,870,296	35,894,963	10,268,314	5,707,019
Lease liabilities	2,854,098	3,260,500	988,000	2,272,500	-
Trade and other payables	19,287,578	19,287,578	19,287,578	-	-
	70,655,691	74,418,374	56,170,541	12,540,814	5,707,019
COMPANY					
2021					
Non-derivative financial liabilities					
Lease liabilities	**24,673**	**26,000**	**26,000**	**-**	**-**
Trade and other payables	**4,149,160**	**4,149,160**	**4,149,160**	**-**	**-**
* Financial guarantees	**-**	**34,618,062**	**34,618,062**	**-**	**-**
	4,173,833	**38,793,222**	**38,793,222**	**-**	**-**

	Carrying amount RM	Contractual Cash flows RM	Within one year RM	More than one year and less than five years RM	More than five years RM
2020					
Non-derivative financial liabilities					
Lease liabilities	97,431	156,000	52,000	104,000	-
Trade and other payables	7,355,973	7,355,973	7,355,973	-	-
* Financial guarantees	-	47,563,458	47,563,458	-	-
	7,453,404	55,075,431	54,971,431	104,000	-

* This has been included for illustration purpose only as the related financial guarantees have not crystallised as at the end of the reporting period.

31.5 **Interest rate risk**

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

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

	Group		Company	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Fixed rate instruments				
Financial assets	**28,214,471**	27,600,873	**19,005,418**	19,427,496
Financial liabilities	**11,912,317**	15,147,482	**2,747,685**	6,257,091
Floating rate instruments				
Financial liabilities	**17,764,338**	33,366,533	**-**	-

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value 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 rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for variable rate instruments

An increase of 20 basis point at the end of the reporting period would have decreased the Group's profit before tax by **RM54,233** (2020: RM100,307) and a corresponding decrease would have an equal but opposite effect. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

31.6 **Foreign currency risk**

The objectives of the Group's and the Company's foreign exchange policies are to allow the Group and the Company to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group and the Company to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency of the Group entities. The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Thai Baht ("THB") and Singapore Dollar ("SGD").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's and of the Company's profit/(loss) before tax. A 5% weakening of RM against the following currencies at the end of the reporting period would have increased/(decreased) profit before tax by the amount shown below and a corresponding strengthening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period.

	GROUP		**COMPANY**	
	2021 RM	2020 RM	**2021 RM**	2020 RM
USD	**93,515**	(109,270)	**49,328**	135,186
SGD	**12,661**	109,133	**-**	-
THB	**117,647**	(149,366)	**35,056**	(45,857)
Other currencies	**171**	(4,089)	**-**	-
Increase/(Decrease) in profit before tax	**223,994**	(153,592)	**84,384**	89,329

32 **FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

The carrying amounts of financial assets and financial liabilities approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the non-current portion of finance lease liabilities are reasonable approximation of fair values due to the insignificant impact of discounting.

33. **CAPITAL MANAGEMENT**

The primary objective of the Group's capital management policy is to maintain a strong capital base to support their business and to maximise shareholders' value.

The Group and the Company manage their capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group and the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial period.

The Group and the Company consider their total equity and total loans and borrowings to be the key components of their capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group and the Company monitor capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Total borrowings	**29,676,655**	48,514,015	**-**	-
Less: Cash and banks balances	**(40,829,820)**	(32,531,569)	**(1,418,223)**	(222,035)
(Net cash)/Net debt	**(11,153,165)**	15,982,446	**(1,418,223)**	(222,035)
Total equity	**145,971,138**	121,208,539	**81,048,870**	69,979,066
Gearing ratio	**-**	0.13	**-**	-

34. **MATERIAL LITIGATION**

SJRMS Solution Sdn. Bhd. ("SJRMS") has filed against and served on a subsidiary of the Company, Attractive Venture (KL) Sdn. Bhd. ("AVKL"), a Writ of Summons in Shah Alam High Court (the "Suit"). The Suit pertains to a Management Appointment Agreement purportedly dated 15 July 2014 relating to the recruitment, supply and management of certain foreign workers. SJRMS alleges that AVKL had wrongfully terminated the Purported Agreement, and claims special damages of RM797,301.37 and general damages.

The Group has appointed a solicitor to address the Suit from SJRMS. The next case management date for the Suit is fixed on 22 September 2021.

35. **SIGNIFICANT EVENT**

The World Health Organisation declared the 2019 Novel Coronavirus ("COVID-19") outbreak a pandemic on 11 March 2020. This was followed by our government issuing a Gazetted Order known as the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates.

The pandemic has significantly disrupted many business operations globally. While the Group has experienced some operational disruptions during this period, there has been opportunities in the healthcare and electrical and electronics industries in which the Group has benefitted from. As the outbreak continues to evolve, it is challenging to predict the full extent and duration of its impact on the global economy. Stringent safety and cost cutting measures have been taken to minimise the Group's impact arising from this pandemic.

Notwithstanding the challenging environment, the Group remains optimistic of its business with the expectation of continued strong demand from the healthcare and electrical and electronics industries.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (cont'd)

36. EVENT AFTER THE REPORTING PERIOD

On 11 June 2021, the Company has incorporated a wholly-owned subsidiary, D'nonce Singapore Pte. Ltd., which will be engaged in investment holding activities and the provision of management services.

37. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation as follows:

	Previously stated RM	Reclassification RM	Restated RM
GROUP			
2020			
Statements of financial position			
Current assets			
Trade and other receivables	48,615,070	(772,995)	47,842,075
Contract assets	47,462	772,995	820,457
Statements of comprehensive income			
Carriage outwards	-	(1,669,953)	(1,669,953)
Finance cost	(5,180,538)	369,288	(4,811,250)
Realised loss on foreign exchange	-	(135,461)	(135,461)
Sub-contractor and other installation costs	(46,510)	46,510	-
Other operating expenses	(28,766,780)	1,389,616	(27,377,164)

The comparative figures of the Group has been prepared for the financial period from 1 January 2019 to 30 April 2020. Accordingly, the comparative amounts presented in the financial statements are not entirely comparable.

LIST OF PROPERTIES OWNED
AS AT 30 APRIL 2021

Beneficial owner / Location	Description / Existing Use	Land / Built in area (sq. ft.)	Age of building (years) as at 30.04.2021	Type of land / tenure (Year of expiry for leasehold)	Net book value as at 30.04.2021 RM'000	Date of acquisition
D'nonce (M) Sdn. Bhd.						
No. 12 Hujung Perusahaan 2, Kawasan MIEL, Prai Industrial Estate, 13600 Penang. #	Industrial land and building / Factory	1,875 / 2,500	30	60 years - leasehold (2045)	274	05.11.1990
51-14 B & C, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang. #	Building / Corporate Head Office	* / 3,670	26	Freehold	1,325	14-B: 21.03.1994 14-C: 18.04.1994
BAM Villa, Unit 42C-7-5C, Taman Maluri, Cheras, 56000 Kuala Lumpur.	Condominium	* / 975	28	99 years - leasehold (2090)	80	02.01.1992
Attractive Venture Sdn. Bhd.						
Plot 425, Tingkat Perusahaan 6A, Free Trade Zone, 13600 Prai, Penang. #	Industrial land and building / Factory	46,800 / 29,614	32	60 years - leasehold (2046)	4,206	17.08.1998
Lot 1218 Jalan Sri Putri 3/4, Taman Putri Kulai, 81000 Kulai, Johor. #	Industrial land and building / Factory	5,381 / 2,777	25	Freehold	755	10.05.1995
Plot 37, 1652 Mukim 11, Lorong Perusahaan Maju 7, Taman Perindustrian Bukit Tengah, Phase IV, 13600 Prai, Penang.	Industrial land and building / Factory	44,800 / 50,000	19	60 years - leasehold (2052)	4,160	27.08.1997
Plot 314, Penang Science Park, Bukit Minyak, Mukim 13, Daerah Seberang Perai Tengah, Penang.	Industrial land and building / Factory	111,148 / 51,955	4	60 years - leasehold (2072)	8,723	29.04.2011
No. 2733, Tingkat Perusahaan 6A, 13600 Prai, Penang. #	Industrial land and building / Factory	43,706 / 25,649	17	60 years - leasehold (2049)	4,619	01.07.2015

LIST OF PROPERTIES OWNED
AS AT 30 APRIL 2021
(cont'd)

Beneficial owner / Location	Description / Existing Use	Land / Built in area (sq. ft.)	Age of building (years) as at 30.04.2021	Type of land / tenure (Year of expiry for leasehold)	Net book value as at 30.04.2021 RM'000	Date of acquisition
Attractive Venture (JB) Sdn. Bhd.						
No. 17 1/4, Jalan Air Hitam, 81400 Saleng, Senai, Johor. #	Building / Factory	103,226 / 31,300	24	Freehold	3,548	14.12.2010
D'nonce (Johore) Sdn. Bhd.						
8 Jalan Mutiara Emas 5/17, Taman Mount Austin, Johore Bahru, 81100 Johor.	Industrial land and building / Office	3,120 / 2,568	24	Freehold	249	05.08.1996
ISCM Industries (Thailand) Co., Ltd.						
188 Moo 1, Kanchanavanich Road, Tambol Samnakkam, Sadao, Songkhla, 90320, Thailand. #	Industrial land and building / Factory	876,169 / 270,695	21	Freehold	29,173	15.03.2007
ISCM Technology (Thailand) Co., Ltd.						
Plot No. 33, Thanu, U-Thai, Pranakorn Sri Ayutthaya, Thailand. #	Vacant industrial land	62,157 / *	0	Freehold	1,777	21.01.2011
70/6 Moo 9, Rojana Industrial Park, Tambol Thanu, U-Thai Ayutthaya, 13210, Thailand. #	Industrial land and building / Factory	27,900 / 21,533	12	Freehold	3,097	05.02.2016

** Not applicable*
 # Revalued as at 1 January 2019

ANALYSIS OF SHAREHOLDINGS

AS AT 16 AUGUST 2021

Total Number of Issued Shares	:	313,127,300
Class of Shares	:	Ordinary Shares
Number of Shareholders	:	5,058
Voting Rights	:	On show of hand – One vote per person On a poll – One vote for one Ordinary Share

ANALYSIS OF SHAREHOLDINGS AS AT 16 AUGUST 2021

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	NO. OF SHARES	% OF TOTAL ISSUED CAPITAL
Less than 100 shares	67	1.32	2,543	0.00^
100 to 1,000 shares	770	15.22	580,236	0.19
1,001 to 10,000 shares	2,588	51.17	14,892,464	4.76
10,001 to 100,000 shares	1,414	27.96	47,352,757	15.12
100,001 to less than 5% of issued shares	216	4.27	139,253,100	44.47
5% and above of issued shares	3	0.06	111,046,200	35.46
TOTAL	**5,058**	**100.00**	**313,127,300**	**100.00**

^ *Negligible*

SUBSTANTIAL SHAREHOLDERS AS AT 16 AUGUST 2021

	Number of Shares Held			
Names	Direct	%	Deemed	%
Blackstream Investments Pte Ltd	67,860,000	21.67	–	–
Lim Siang Kai	–	–	67,860,000 *	21.67
Toe Teow Heng	28,207,900	9.01	–	–

* *Deemed interested by virtue of his shareholdings of more than 20% equity interest in Blackstream Investments Pte Ltd pursuant to Section 8 of the Companies Act, 2016*

DIRECTORS' SHAREHOLDINGS AS AT 16 AUGUST 2021

	Number of Shares Held			
Names	Direct	%	Deemed	%
Lim Siang Kai	–	–	67,860,000	21.67
Datuk Tho Yow Yin	4,000,000	1.28	–	–
Lam Kwong Fai (Lin Guanghui)	–	–	–	–
Chong Kim Teck	–	–	–	–
Dato' Moktar Bin Mohd Noor	–	–	–	–
Wan Kum Tho	–	–	–	–
How Wai Mun	–	–	–	–

ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2021
(cont'd)

THIRTY LARGEST SHAREHOLDERS AS AT 16 AUGUST 2021

No.	Name	No. of Shares Held	Percentage
1.	RHB NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR PHILLIP SECURITIES SINGAPORE PTE. LTD. (A/C CLIENTS)	67,899,200	21.68
2.	CIMB GROUP NOMINEES (ASING) SDN. BHD EXEMPT AN FOR DBS BANK LTD (SFS-PB)	25,385,000	8.11
3.	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	17,762,400	5.67
4.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR NOMURA PB NOMINEES LTD	9,079,200	2.90
5.	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (HONG KONG) LIMITED (FOREIGN CLIENT)	8,089,400	2.58
6.	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	4,864,900	1.55
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW KIM CHOON	4,711,000	1.50
8.	OH CHYE SOON	4,601,000	1.47
9.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	4,554,900	1.45
10.	HO PHON GUAN	4,500,000	1.44
11.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR TOE TEOW HENG	3,722,900	1.19
12.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG WEI YEE	3,457,000	1.10
13.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG SAY KHEONG (MARGIN)	3,400,000	1.09
14.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW KIM CHOON (MARGIN)	3,050,000	0.97
15.	GRACE CHEAH YEONG SEN	2,943,000	0.94
16.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG SAY KHEONG (E-PPG/JMR)	2,545,100	0.81
17.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THO YOW YIN (MARGIN)	2,400,000	0.77
18.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (PF)	2,308,000	0.74
19.	CHEW KWI PEK @ CHEW KWI GAIK	2,250,000	0.72
20.	JF APEX NOMINEES (TEMPATAN) PLEDGED SECURITIES ACCOUNT FOR TCY GLOBAL SDN BHD (MARGIN)	1,930,000	0.62
21.	LEE KOK HOONG	1,880,000	0.60
22.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THO YOW YIN	1,600,000	0.51
23.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBAP-SGDIV-ACCL)	1,500,000	0.48
24.	KAF EQUITIES SDN BHD EXEMPT AN CLR (CLRTML) FOR TOKIO MARINE LIFE INSURANCE MALAYSIA BHD	1,500,000	0.48
25.	LENA LEONG OY LIN	1,500,000	0.48
26.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,361,100	0.43
27.	LAM MEI PHENG	1,355,300	0.43
28.	HEW YIN CHONG	1,350,000	0.43
29.	LOW CHEE MIN	1,300,000	0.42
30.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEAH SAY BAH (E-BBB/BBA)	1,205,000	0.38
	Total	**194,004,000**	**61.94**

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