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

EXCITING GROWTH
through sustainable transformation

ANNUAL REPORT 2022

CONTENTS

CORPORATE STRUCTURE

SALES & DISTRIBUTION

- 100% D'NONCE (M) SDN BHD
  - 55% D'NONCE (KELANTAN) SDN BHD
- 100% D'NONCE (K.L) SDN BHD
- 55% D'NONCE (JOHORE) SDN BHD
  - 40% (to ATTRACTIVE VENTURE (JB) SDN BHD)
- 48% INTEGRATED SCM CO. LTD

DESIGN & CONVERSION

- 100% ATTRACTIVE VENTURE SDN BHD
- 100% ATTRACTIVE VENTURE (KL) SDN BHD
- 60% ATTRACTIVE VENTURE (JB) SDN BHD
- 75% RICHMOND TECHNOLOGY SDN BHD
- 5% ISCM INDUSTRIES (THAILAND) CO. LTD

CLEANROOM & CONTRACT MANUFACTURING

- 100% ISCM TECHNOLOGY (THAILAND) CO. LTD
  - 95% (ISCM INDUSTRIES (THAILAND) CO. LTD)

51% (LOGISTIC SOLUTION HOLDINGS CO. LTD – INTEGRATED SCM CO. LTD)

PROPERTIES

- 100% D'NONCE PROPERTIES SDN BHD

OTHERS

- 84% AV PLASTICS SDN BHD
  - 100% D'NONCE SINGAPORE PTE LTD
- 100% D'NONCE ENERGY SDN BHD
  - 55% PELITA EMASJAYA SDN BHD (ACQUIRED ON 4 NOVEMBER 2021)
- 100% AV INDUSTRIES SDN BHD
- 99% LOGISTIC SOLUTION HOLDINGS CO. LTD

CORPORATE INFORMATION

BOARD OF DIRECTORS

Independent Non-Executive Chairman
Dato' Moktar Bin Mohd Noor

Executive Director
Choong Lee Aun

Independent Non-Executive Director
Datuk Sham Shamrat Sen Gupta
Kang Teik Yih

AUDIT AND RISK MANAGEMENT COMMITTEE

Kang Teik Yih (Chairman)
Datuk Sham Shamrat Sen Gupta
Dato' Moktar Bin Mohd Noor

NOMINATING COMMITTEE

Datuk Sham Shamrat Sen Gupta (Chairman)
Kang Teik Yih

REMUNERATION COMMITTEE

Datuk Sham Shamrat Sen Gupta (Chairman)
Choong Lee Aun
Kang Teik Yih

COMPANY SECRETARY

Tan Kok Siong
SSM PC No. 202008001592 (LS0009932)

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

A1-2-2 Solaris Dutamas
No 1, Jalan Dutamas 1
50480 Kuala Lumpur
Wilayah Persekutuan
Tel No.: (603) 6413 3271

SHARE REGISTRAR

Workshire Share Registration Sdn. Bhd.
A1-2-2 Solaris Dutamas
No 1, Jalan Dutamas 1
50480 Kuala Lumpur
Wilayah Persekutuan
Tel No.:(603) 6413 3271

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
51 Jalan Sultan Ahmad Shah
10050 Georgetown, Penang
Tel No.: (604) 228 7828
Fax No.: (604) 228 9828

SOLICITORS

Yoong & Partners
Unit 18-2, Binjai 8
No. 2 Lorong Binjai
50450 Kuala Lumpur
Malaysia

STOCK EXCHANGE LISTING

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

CHAIRMAN'S STATEMENT

"

Dear Valued Shareholders,

On behalf of the Board of Directors of D'nonce Technology Bhd ("the Group"), I am pleased to present our Annual Report and Audited Financial Statements for the financial period ended 31 March 2022 ("FPE2022"), my first since my appointment as Chairman of the Group.

FPE 2022 has been a challenging year for the Group. We continued to ensure that our business operations run effectively and efficiently and cautiously capitalise on emerging opportunities to sail through this uncertain and volatile period.

"

Chairman's Statement (cont'd)

OPERATING LANDSCAPE

In the past two years, given the outbreak of COVID-19, we experienced operational disruptions due to the COVID-19 pandemic, an increase in operating costs from the global supply chain disruptions and the geo-political uncertainties in Europe. FPE2022 has also seen demand for the products in the healthcare sector, which had contributed immensely to the results of our subsidiary in Thailand in the preceding financial year cool off as we transitioned into an endemic phase towards the second half of FPE2022.

Despite challenging circumstances, the Group has managed to navigate through the challenges above and has achieved commendable results for the financial period under review. Amidst the business and operating backdrop, the Group has consistently focused on our core businesses and ensured that we are disciplined in our cost controls while investing in strategic capital expenditure to ensure sustainable growth.

FINANCIAL PERFORMANCE

There are no direct comparative figures for the current 11-month financial period ended 31 March 2022 due to a change in financial period end from 30 April to 31 March.

I am pleased to state that we achieved a revenue of RM166.41 million and a profit after tax of RM8.50 million for the financial period under review. The Group has continued to be profitable despite the challenging environment and global economic uncertainties.

CORPORATE GOVERNANCE

We continue to uphold the highest standards of corporate governance and continuously update our policies as per regulatory requirements and industry best practices. Further details on the Group's corporate governance practices are disclosed in the subsequent sections of this annual report.

SUSTAINABILITY

In this day and age, the sustainability of the Group is given top priority, so that we may have continuity and pass on our legacy to consistently achieve the best in all facets of our operations. Sustainability is also critical in the environment and communities that we operate in, so we endeavour to promote and support the introduction of better technologies and ways of doing things that are better for the environment. At the same time, we want to be there to support the communities in which we operate so that they may grow and flourish together with us.

DIVIDEND

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

FORWARD LOOKING STATEMENT

With the pandemic still not abating and economic uncertainties from the global supply chain disruptions, rising inflation and other geo-political uncertainties, the Group remains committed to executing its core strategies that will enable us to respond to challenges and opportunities. When necessary, we will assess and revamp our strategies, initiatives or mindset to deliver long term value to our valued stakeholders.

APPRECIATION

On behalf of the Board, I would like to express gratitude to my fellow Board members, our senior management team and our employees for their continued perseverance and guidance. I would also like to extend my gratitude to all our customers, business partners, regulatory authorities for their unwavering support.

I would also like to welcome on board new Board members and management and thank the outgoing Board members and management for their wisdom and guidance in steering the Group to greater heights.

Lastly, I would like to express my appreciation to all our valued shareholders for their trust and belief in the Group. We will continue to deliver sustainable values for the longer term.

DATO' MOKTAR BIN MOHD NOOR
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

D'nonce Technology Bhd ("D'nonce") is a diversified engineering solutions provider with key customers from healthcare, electrical and electronics ("E&E") sectors and other industries. Established in 1989 and headquartered in Penang, with its trading and manufacturing subsidiaries in Kelantan, Selangor and Johor. D'nonce was listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") in 2001 and the following year, it expanded its operations to Thailand.

The Group offers a wide of services encompassing the following:

End-to-End Packaging and Design Solutions

D'nonce offers end-to-end packaging and design solutions to industrial, commercial and end consumers. The Group's end-to-end solution entails graphic designing, evaluation, quality printing and production of various types of printing. We possess state-of-art machineries to undertake various processes – from designing, printing to packaging conversion. This is further supported by our team of experienced talents. The Group manufactures packaging boxes for key global glove makers based in Thailand and also provides industrial and carton boxes as well as other packaging for E&E, food and beverage ("F&B") and other industries.

Precision Polymer Engineering Services

The Group's polymer engineering capabilites are used across a variety of products, primarily in in-process automation trays and precision component taps and reels. Utilising cutting-edge technology, design and engineering capabilities with industry knowledge, the Group 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 the 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. We pre-assemble or assemble parts and components before delivering it to our customers for export in the healthcare and E & E industries. In addition, the Group also supports its customers in the supply chain process via the provision of goods and services.

BUSINESS AND OPERATIONAL REVIEW

The Covid-19 pandemic had brought on unprecedented challenges for the Group. At the height of the pandemic, governments in both Malaysia and Thailand in their bid to manage the outbreak were forced to impose movement restrictions, which affected our operations. This put further pressure on the existing challenging operating landscapes due to uncertainties from both the local and global markets.

Although our Malaysian operations, which supported mainly the E&E industry, like many others, experienced disruptions during the prolonged movement restrictions, operations have since picked up pace and are currently running close to optimal capacity in this financial period.

Our Thailand operations were also minimally disrupted during the pandemic, as our Sadao subsidiary ran at full capacity as we manufactured packaging boxes for major global glove manufacturers. Demands for our packaging products remained consistent in FPE2022, despite a slow down in the healthcare sector.

Both our Malaysian and Thailand operations were also affected by operating cost challenges, brought about by rising cost of raw materials and logistic costs, supply chain disruprions and geo-polical instability. Our margins for some of our E&E customers were also affected due to changes in the product mix.

For the financial period under review, the Group achieved commendable results, despite the challenging circumstances.

The recent opening of the economy, brought renewed optimism for the Group as we continuously focus on our core businesses and remain disciplined in our cost controls while we strive to adapt to the new norm and continue to explore opportunities and innovation as well as investing in strategic capital expenditure to ensure sustainable growth.

FINANCIAL REVIEW

There are no direct comparative figures available for the current 11-month financial period ended 31 March 2022 ("FPE2022") due to a change in financial period end from 30 April to 31 March. This resulted in a cumulative 11-month period for the current financial period, commencing from 1 May 2021 to 31 March 2022.

Management Discussion and Analysis (Cont'd)

In FPE2022, the Group recorded a revenue of RM166.41 million, consistent with the revenue of RM184.25 million in FPE2021, which was over a 12-month period. The revenue was mainly contributed by our multinational customers in the E&E sector and major glove manufacturers in the healthcare sector. Despite the business and global economic challenges, both of the sectors that the Group serves, which contributed to 86.9% of the Group's total revenue in FPE2022, continued to register consistent demand for our goods and services.

The profit before tax ("PBT") was RM9.37 million in FPE2022 as compared to RM15.37 million in FPE2021, which was over a 12-month period. The decrease in PBT of RM6.00 million or 39.0% was mainly attributed to the factors as disclosed above.

The Group recorded a profit after tax ("PAT") of RM8.50 million in FPE2022, as compared to a PAT of RM13.80 million in the last financial year.

CAPITAL STRUCTURE AND CAPITAL RESOURCES

As part of its overall liquidity management, the Group maintains sufficient cash and cash equivalents to meet its capital requirements. Cash and cash equivalents as at 31 March 2022 stood at RM40.95 million, consistent with RM40.83 million as at 30 April 2021. The Group held encumbered deposits with licensed banks of RM13.39 million as at 31 March 2022, as compared to RM17.99 million the year before.

The Group strives to maintain available banking facilities at a reasonable level to its total debt position. Borrowings of the Group amounted to RM23.35 million as at 31 March 2022, compared to RM29.68 million as at 30 April 2021, a reduction of RM6.33 million or 21.32%, which was mainly attributed to the cost rationalisation efforts to reduce reliance on borrowings during the financial period, and also proceeds from the private placement exercise used to reduce the bank borrowings.

The Group remained in a net cash position as at 31 March 2022. The Group's capital expenditure ("CAPEX") in FPE2022 amounted to approximately RM10.64 million.

CORPORATE PROPOSAL UPDATE

During the financial period under review, D'nonce undertook a private placement of new ordinary shares of the Company and issued a total of 62,625,400 placement shares in four (4) tranches of private placements on 15 October 2021, 19 November 2021, 29 November 2021 and 13 December 2021, which cumulatively raised gross proceeds of RM18.56 million.

The details on utilisation of procceds raised from the private placement exercise are disclosed on page 48 of this Annual Report.

RISK MANAGEMENT

Operational Disruptions

To operate efficiently, the Group is reliant on its facilities, therefore, any disruptions or unplanned shutdowns may bring about an adverse impact on its operations. Any external risk that is beyond our control may materially and negatively affect our operations. In terms of operational risk related to Covid-19, we are still taking extra precautionary measures, particularly with our employees, ensuring minimal disruptions to our operations, although all SOPs and restrictions have since been removed.

Intense Competition

The industries in which we operate in are highly competitive, with many players offering a broad range of services and pricing. To remain competitive, we continued to innovate and invest in the latest technologies that would enhance our offerings and productivity. Some of our subsidiaries are also certified and authorised by certain customers to be its supplier, a testament to our quality and services. This also serves as a barrier for new entrants.

The Group will continue leveraging our professional expertise, a wealth of technical knowledge and proven track record to boost our competitive advantage.

Foreign Currency Exposure

The Group operates in several countries. Our revenue are in Thai Baht, Ringgit Malaysia, Singapore dollar and United States dollar. The cost of our raw materials are also 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 similar currencies, and the remaining is closely monitored continuously to ensure net exposure is at acceptable levels.

Management Discussion and Analysis (Cont'd)

FUTURE OUTLOOK AND PROSPECTS

We anticipate the operating landscape to remain challenging, but with the recent opening of the economy, we expect conditions to improve during the year. The International Monetary Fund is projecting the global economy to slow from an estimated 6.1% in 2021 to 3.6 % in 2022, while Bank Negara Malaysia forecasted Malaysia's GDP to grow between 5.3% to 6.3% for the current year.

The plastic injection moulding industry in relation to the E&E industry is expected to grow by 5.1% and 4.8% in Malaysia and 4.6% and 4.4% in Thailand, in 2022 and 2023 respectively, while the thermoformed plastic packaging industry is projected to increase 1.7% and 4.9%, and 1.6% and 4.8% in 2022 and 2023 respectively. The Group provides polymer engineering services for both the industries, and is expected to continue its positive growth trajectory on the back of demand for electronic components such as semiconductor devices and integrated circuits for cloud computing and data centres, automobiles, smartphones and personal computers and laptops, amongst others.

According to the Malaysian Rubber Glove Manufacturers Association, the demand for gloves is expected to be 10% to 15% higher in 2022 and 2023 as compared to the pre-COVID-19 level of 296 billion pieces. The global demand for rubber gloves is likely to moderate once the COVID-19 pandemic subsides, as vaccination rates continue to rise and herd immunity continues to build among the general population. The primary demand market will continue to be the healthcare industry as rubber gloves are deemed essential in preventing infections. The demand for rubber gloves will also be driven by better overall hygiene and healthcare awareness from the other non-healthcare sectors (F&B, hospitality, airlines).

The Group is involved in the provision of packaging solutions to the glove industry mainly in Thailand, and would be dependant on the prospects of the glove industry as above. The Group will also continue to focus on our cost-rationalisation exercise and enhance automation in our processes to improve our operational efficiency further, while actively pursuing various business strategies for expansion and growth.

The outlook for the Group is promising and we are cautiously optimistic on the prospects and growth for FPE2023 and beyond.

SUSTAINABILITY STATEMENT

Sustainability Governance

The Board of Directors ("Board") has the responsibility to promote and ensure sustainability excellence is embedded and executed in the Group's vision, core values and business philosophies. The Executive Director and key management personnel heads the implementation and are responsible in supervising sustainable practices and operations.

Our goal when it comes to sustainability, is to create value for all stakeholders including customers, employees, shareholders, investors, suppliers, government, regulators and the community. Key material aspects highlighted by the stakeholders, such as economic, environmental and social sustainability, are our focus and influence our daily operations, long-term business growth and safeguarding of the environment. Built on the basis of transparency, fairness and accountability and through unwavering adherence to good corporate governance, our sustainability initiatives are governed thoroughly.

This sustainability statement has been prepared based on Bursa Malaysia Securities Berhad ("Bursa Securities") Sustainability Reporting Guide and its accompanying toolkits in respoonse to the Listing Requirements on sustainability reporting.

Good Corporate Governance and Business Practices

High standards of corporate governance and business practices are maintained to ensure the Group's responsibility and reliability to all stakeholders. Good corporate governance is practiced and embraced throughout the organization are ensured by the Board and the management. Compliance to laws, rules and regulations is equally important to the Group as these are major elements of sustainable, long-term business operations.

The Group is supported by an independent internal and external audit team and the Audit and Risk Management Committee. This support assures the Board that the risk management and internal control system of the Group is operating efficiently, effectively and adequately. Each department also has well defined job descriptions and responsibilities that are accompanied by a lean management reporting structure for better and faster communication and decision making.

Stakeholder Engagement

The importance of the interest and support of the stakeholders in our business ecosystem is recognised by the Group. Close engagement and understanding are maintained with our various stakeholders as their perspectives are essential to help the Group prioritise the actions for continuous sustainable improvements.

The table below summarises 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

Sustainability Statement (cont'd)

Materiality Assessment Process

Material issues that shape our business strategies and decisions are not limited to the Group's financial performance. It also involves the Economic, Environmental and Social ("ESS") perspective. Our materiality process follows the guidelines provided by Bursa Securities and Global Reporting Initiative Standards, which define materials issues as: -

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

Material Sustainability Matters

A. ECONOMIC

Sustainable Business Growth

The Group is committed to deliver strong and consistent performances that creates value for all our stakeholders. The highest standards of corporate governance and business ethics in our business dealings are adopted, while consistently delivering top quality products and services to our customers.

Operational control procedures with proper documentation requirements are adopted to ensure that a trail of accountability exists and for continuous improvement. Continuous focus on the optimising of capital expenditure and production capacity utilization, implementing cost controls and improving the efficiency and productivity of our workforce to maintain customer satisfaction and good connections and relationships with our suppliers is enforced.

Response to the COVID-19 Pandemic

The COVID-19 pandemic has brought about unprecedented global economic and social challenges, pushing governments to impose strict measures that have impacted business activities and consumer confidence globally and in regions where we have operations. The Group has focused on cost rationalisation and automation initiatives during this period, while having no major disruptions in its businesses.

Business Ethics and Policies

A set of Code of Conduct, in line with principles of sound corporate governance, have been put in place by the Group. 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, the Code of Conduct governs the desired standard of behaviour and ethical conduct expected from each individual.

Anti-Bribery and Anti-Corruption Policy

The Group is committed to apply the highest standards of ethical conduct and integrity when conducting our business. Maintenance of the Group's reputation as honest and professional is the responsibility of every employee and person acting on the Group's behalf. The Group's Anti-Bribery and Anti-Corruption Policy was adopted on 1 June 2020 and with this, comes a zero tolerance to bribery and corruption, consistent with the Group's business principles. This is also in line with the Guidelines on Adequate Procedures in compliance with the Corporate Liability provision under the Malaysian Anti-Corruption Commission Amendment Act 2018.

Whistleblowing Policy and Procedures

A whistleblowing policy to provide clarity of oversight of the whistleblowing process, protection and confidentiality to whistle-blowers has been adopted by the Board. The policy provides employees within the Group an avenue to raise genuine concerns about improper conducts through formal procedures and confidential channels.

Quality Standards and Recognition

Customer satisfaction is one of the top priorities to achieve economic success and to attain a favourable disposition as a top-quality manufacturer. As such, it is our Group's philosophy to supply quality products with customer satisfaction is the top priority.

Sustainability Statement (cont'd)

Policies, procedures and best practices are in place to achieve this. The Group has put in place regular reviews, process improvements and quality assessments to ensure all of our processes are continually enhanced and remains in compliance with all certifications. Our factories are certified as ISO 9001:2015 Quality Management System certification, ISO 14001:2015 Environmental Management System certification and ISO 13485:2016 Medical Devices Quality Management System certification.

B. ENVIRONMENTAL

The Group recognizes that protecting the environment wherever we operate is of paramount important. As such, we ensure that our business operations are environmentally responsible and adequate steps are taken to protect and manage any potential risks that may adversly impact the surrounding environment.

The Group continues to be committed to:

a) Minimising 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 realises the importance of human capital as the key element behind our growth and sustainability. Guided by high performance culture based on mentoring, performance and delivery and as well as evaluating our innovation, loyalty, integrity and professional values reflected in our daily practices, we also believe in providing equal opportunity in terms of recruitment, career development, promotion, training and reward for employees regardless of age, gender, race, ethnicity, religion or disability.

The Group is committed in conducting its business in a manner that protects the health, safety, and security of all our stakeholders.

Occupational, Safety and Health

The Group's operations require an extensive workforce. Thus, the safety, health and well-being of our people is placed as the top priority. The Group understands that having good safety and health measures in place significantly reduces the risk of accidents as well as improves our employees' wellbeing, increases operational efficiency, and reduces turnover. Therefore, the Group complies with all relevant national laws, regulations and other requirements relating to best practices in Occupational Safety and Health ("OSH"). The Occupational Safety and Health Committee ("OSHC") has been formed with responsibilities including promoting and developing an enforceable practical level of safety and health awareness and commitment among the Company, provision of technical and advisory support and review the effectiveness of safety and health practices.

The Group prioritized the safety and wellbeing of employees during the COVID-19 pandemic by providing face masks and regular swab testing for operational staff. Additionally, a temporary flexible working arrangement for non-essential staff was implemented during the height of the pandemic and employees were encouraged to work from home in line with the government's movement restriction orders in order to minimise unnecessary exposure to COVID-19. Strict Standard Operating Procedure ("SOP") were also put in place, such as social distancing, mandatory wearing of masks, travel restrictions and restrictions of visitors to the workplace. The Group registered for the government vaccination programme

Sustainability Statement (cont'd)

for companies and strongly encouraged employees to get vaccinated as the Group acknowledges that it is vital to play a part in order for the country to achieve herd immunity from COVID-19 as soon as possible.

Employees' Welfare

Equal opportunities for employment advancement in an effort to build long and lasting relationships between employer and employees are provided by the group. Several human resources initiative have been introduced to ensure this relationship is taken of, including: -

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

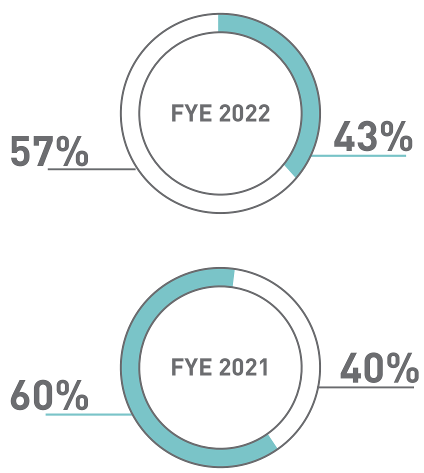
Diversity

The Group is committed to creating 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

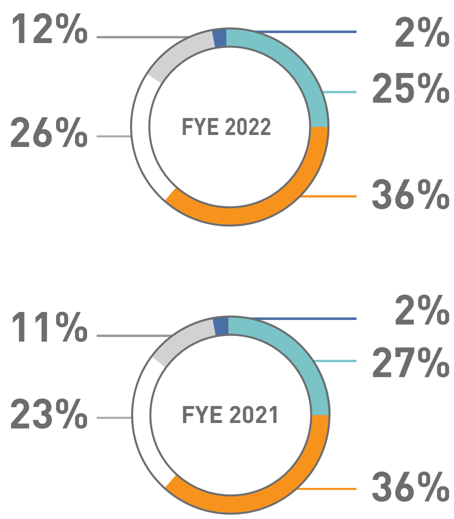
Workforce Diversity for FYE2022 and FYE2021

Employment Diversification in Malaysia and Overseas



● Malaysia ○ Overseas

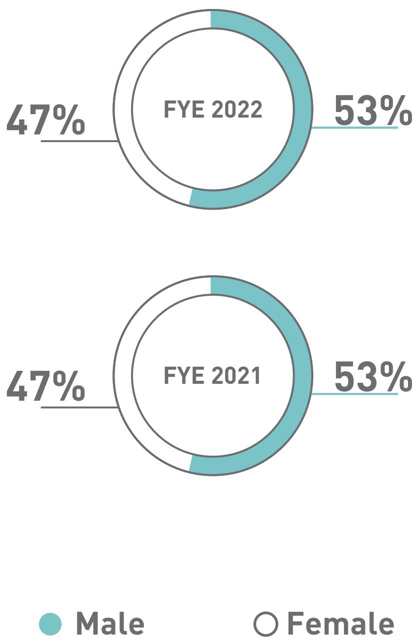
Employment Diversification in terms of Age Group



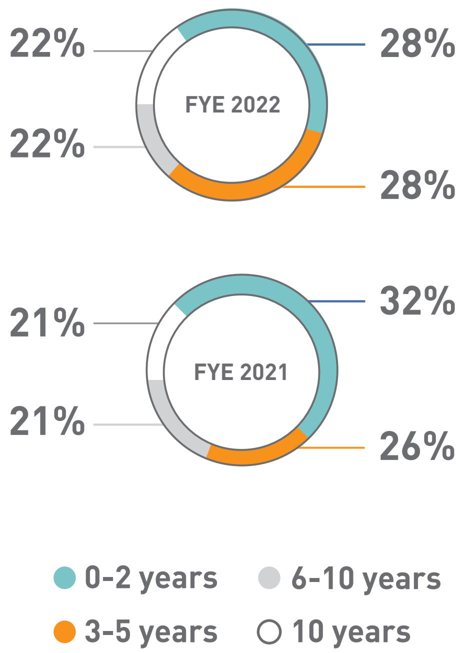
● < 30 Age ● Age 30-39 ○ Age 40-49 ● Age 50-59 ● > 60 Age

Sustainability Statement (cont'd)

Employment Diversification in terms of Gender



Employment Diversification in terms of Length of Services



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.

Training and Development

The Group strongly believes that our human capital resource is of vital importance to us. The Group continues to build and grow its employees' skills and knowledge through efforts like:-

A. Internal and external training workshops (technical/soft-management skills)
B. Regular performance reviews
C. On-the-job job training

Several approaches and plans are also in place to retain the best talents and nurture future leaders as part of the Group's succession planning process.

Social Contributions and Community Activities

Giving back to the community is part of the Group's corporate responsibility. The Group encourages its employees to be involved in community programmes, setting an example by providing monetary donations and other aid contributions to various organisations.

Moving Forward

The Group recognises that including and embedding sustainability into the Group's business is a continuous and evolving process. The Board continuously strives to enhance the embedding of sustainability to achieve the Group's long-term sustainable growth goals.

BOARD OF DIRECTORS

DATO' MOKTAR BIN MOHD NOOR

Age : 64
Gender : Male
Nationality : Malaysian

Independent Non-Executive Chairman

Member of Audit and Risk Management Committee ("ARMC").

Dato' Moktar Bin Mohd Noor was appointed to the Board of D'nonce Technology Bhd. on 9 August 2019. He was subsequently appointed as a member of ARMC, Nominating and Remuneration Committees on 29 September 2021. On 22 December 2021, Dato' Moktar was re-designated to Independent and Non-Executive Chairman. On 30 June 2022, Dato' Moktar ceased as member of the Nominating and Remuneration Committees.

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 is 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 major shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and has not been imposed with any public sanctions or penalty by the relevant regulatory bodies, 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.

CHOONG LEE AUN

Age : 56
Gender : Male
Nationality : Malaysian

Executive Director

Member of Remuneration Committee.

Mr Choong Lee Aun was appointed to the Board of D'nonce Technology Bhd. on 14 September 2021. He was subsequently appointed as the Executive Director on the same date. On 30 June 2022, he was appointed as member of the Remuneration Committee.

Mr Choong has more than 25 years of experience ranging from various general management and sales leadership roles. He is well versed in corporate operations and processes, as well as familiar with the complex business environments globally. He was the Vice President of Arrow China, a worldwide leading distributor of products, services and solutions to the electronics component market across the Asia Pacific region. Subsequently, he joined RS Components, the world's leading high service distributor of electronic and industrial supplies based in Shanghai and was the Head of Marketing and Global Brand ambassador.

Mr Choong currently sits on the Board of AT Systematization Berhad as Managing Director, AE Multi Holdings Berhad and Trive Property Group Berhad as Executive Director. He is also the Non-Independent Non-Executive Director of PNE PCB Berhad.

Mr Choong has no family relationship with any Director and/or major shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and has not been imposed with any public sanctions or penalty by the relevant regulatory bodies, and does not have any conflict of interest with the Company. Mr Choong does not hold any directorship in any other public companies and listed companies, other than the companies listed above.

Board of Directors (cont'd)

DATUK SHAM SHAMRAT SEN GUPTA

Age : 45
Gender : Male
Nationality : Malaysian

Independent Non-Executive Director

Chairman of Nominating and Remuneration Committees, Member of the Audit and Risk Management Committee ("ARMC").

Datuk Sham Shamrat Sen Gupta was appointed to the Board of D'nonce Technology Bhd. on 14 September 2021. He was subsequently appointed as a member of the ARMC, Nominating and Remuneration Committees on the same date. On 29 September 2021, he was re-designated to Chairman of Nominating Committee, and on 30 June 2022, he was re-designated to Chairman of the Remuneration Committee.

He is a Fellow of the Institute of Administrative Management (UK), a Fellow of the Malaysian Institute of Management (MIM, Malaysia), Member Institute of Leadership & Management (UK) and completed his graduate and post graduate studies from Australia.

Datuk Sham worked in Affinbank Corporate HQ in the Marketing and Retail Banking Department. He was appointed as General Manager, South East Asian Operations of an I.T. company in K.L. and after that as General Manager of a Security Systems company for a short period. Datuk Sham subsequently joined a HR and Training Company as Marketing/International Relations Director where he eventually served as Executive Director. Datuk Sham is the founding director and currently Managing Director of a G7, Bumiputera civil construction and management consulting company. He is a Director/investor in multiple other private listed entities in the fields of Consulting, I.T., Rail Infra and F&B.

Datuk Sham currently sits on the Board of Saudee Group Berhad as an Independent Non-Executive Director, Board of Trustee of Yayasan MRCB, Yayasan Kebajikan Negara and Institut Keusahawanan Negara Bhd.

Datuk Sham has no family relationship with any Director and/or major shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and has not been imposed with any public sanctions or penalty by the relevant regulatory bodies, and does not have any conflict of interest with the Company. Datuk Sham does not hold any directorship in any other public companies and listed companies, other than the companies listed above.

KANG TEIK YIH

Age : 47
Gender : Male
Nationality : Malaysian

Independent Non-Executive Director

Chairman of Audit and Risk Management Committee ("ARMC"), Member of the Nominating and Remuneration Committees

Mr Kang Teik Yih was appointed to the Board of D'nonce Technology Bhd. on 29 September 2021. He was subsequently appointed as Chairman of ARMC, member of Nominating, and Remuneration Committees on the same date.

He holds a Bachelor of Business, majoring in Accountancy from Royal Melbourne Institute of Technology. He is a member of Malaysian Institute of Accountants (MIA) and also a member of Certified Practicing Accountants, Australia.

He started his career as an Executive & Admin Assistant in an education establishment from 1998 to 2000 and had assisted in various projects for the growth and expansion of the college as well as their payroll, taxation and accounting related work. In 2001, he worked as an Accounts Executive in a ceramic tiles group of companies specializes in tiles and sanitary wares. Subsequently in 2004, he join an international bank as a Personal Relationship Manager where he was incharge of main customers' portfolios.

He joined an established audit firm in 2006 and since then, he has been actively growing the professional business mainly in accounting, tax planning, payrolls, auditing and all other related corporate services.

He is an Independent Non-Executive Director of Green Ocean Corporation Berhad, Trive Property Group Berhad and Advance Information Marketing Berhad.

Mr Kang Teik Yih has no family relationship with any Director and/or major shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and has not been imposed with any public sanctions or penalty by the relevant regulatory bodies, and does not have any conflict of interest with the Company. Mr Kang Teik Yih does not hold any directorship in any other public companies and listed companies, other than the companies listed above.

KEY SENIOR MANAGEMENT

LOW CHEE MIN

Age : 63
Gender : Male
Nationality : Malaysian

Chief Operating Officer

Director of Attractive Venture (KL) Sdn. Bhd., D'nonce (K.L) Sdn. Bhd. and AV Plastics Sdn. Bhd.

Low Chee Min was appointed as Director of of Attractive Venture (KL) Sdn. Bhd. and D'nonce (K.L) Sdn. Bhd. on 30 December 2018, and appointed Director of AV Plastics Sdn. Bhd. on 15 January 2019. He was subsequently appointed as Chief Operating Officer of the Group on 1 June 2022. He graduated from La Trobe University in 1981 with a Bachelor Degree in Accounting and a Master in Computer Science.

He started his working career 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 major shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and has not been imposed with any public sanctions or penalty by the relevant regulatory bodies, and does not have any conflict of interest with the Company. Low Chee Min does not hold any directorship in any other public companies and listed companies.

TEO TIN JIEN, JIMMY

Age : 56
Gender : Male
Nationality : Singaporean

Managing Director / Director for Thailand Division

Teo Tin Jien, Jimmy is the Managing Director /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 major shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and has not been imposed with any public sanctions or penalty by the relevant regulatory bodies, and does not have any conflict of interest with the Company. Teo Tin Jien, Jimmy does not hold any directorship in any other public companies and listed companies.

Key Senior Management (cont'd)

AW YEONG WENG KWONG

Age : 46
Gender : Male
Nationality : Malaysian

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 Yeong 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 Bhd.

Mr Aw Yeong 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 major shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and has not been imposed with any public sanctions or penalty by the relevant regulatory bodies, and does not have any conflict of interest with the Company. Aw Yeong Weng Kwong does not hold any directorship in any other public companies and listed companies.

ANG OON LING

Age : 61
Gender : Male
Nationality : Malaysian

Head, Eastern Region

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 joined Sri Rampaian Sdn. Bhd. which was a Hong Kong based garment factor 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 major shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and has not been imposed with any public sanctions or penalty by the relevant regulatory bodies, and does not have any conflict of interest with the Company. Ang Oon Ling does not hold any directorship in any other public companies and listed companies.

Key Senior Management (cont'd)

LIM OON JIN, PETER

Age : 55
Gender : Male
Nationality : Malaysian

Head, Southern Region

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 NGO. He is also the Vice Chairman for SME subcommittee.

Lim Oon Jin, Peter has no family relationship with any Director and/or major shareholder of the Company, has never been convicted of any offence within the past five (5) years other than traffic offences, if any, and has not been imposed with any public sanctions or penalty by the relevant regulatory bodies, and does not have any conflict of interest with the Company. Lim Oon Jin, Peter does not hold any directorship in any other public companies and listed companies.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of D'nonce Technology Bhd ("D'Nonce" or "the Company") is pleased to present the Statement on Risk Management and Internal Control ("SORMIC") of the Company and its subsidiaries ("the Group") which outlines the nature and scope of risk management and internal control system of the Group for the financial period from 1 May 2021 to 31 March 2022 ("FPE 31 March 2022"), pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance ("MCCG") and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its overall responsibility for maintaining the Group's sound system of internal control and risk management, and in reviewing the adequacy, integrity and effectiveness of those processes. The Board also recognises that due to the limitations that are inherent in 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 the Group's business objectives. Accordingly, the Board is also of the view that the Group's system of internal control could only provide reasonable but not absolute assurance against material misstatements of financial information, errors, losses, fraud or unforeseen emerging risks.

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

The Board, after taking into consideration the costs and benefits, is of the view that the Group's system of internal control and risk management in place for the financial period under review is sound and adequate to safeguard the Group's assets and the stakeholder's interests, by 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 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, so as to 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.

The risk identification process reviews and identifies issues arising from changes in both external business environment and internal operating conditions. The risk measurement guidelines comprising financial and non-financial qualitative measure of risk consequences are also applied in allocating risk likelihood rating and risk impact rating. The risk control actions are designed and implemented based on the sequence of priority.

The respective risk owners are entrusted to identify risks and to ensure that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring and managing significant risks is embedded in the various work processes and procedures of the respective business and operational functions of the Group. These processes and procedures are undertaken by the Executive Director, Key Senior Management and Management team in their daily course of work on an ongoing basis.

The Board confirms that there is an on-going process of identifying risks, evaluating and managing the significant

Statement on Risk Management and Internal Control (Cont'd)

risks faced by the Group. This process is in place for the financial period under review and up to the date of issuance of this SORMIC.

INTERNAL CONTROL

Apart from risk management and internal audit, the key elements of internal control established within the Group that contribute to a sound system of internal control and enable Management to ensure that the established policies, guidelines and procedures of the Group are followed and complied with, were as follows:-

1. Organisational Structure

The Group has in place an organisational structure with well-defined scope of responsibilities, clear lines of accountability and appropriate levels of delegated authority.

Management of each operating unit has clear responsibilities of identifying risks for the overall Group's business as a whole. They are also responsible for instituting adequate procedures and internal controls to mitigate and monitor such risks on an on-going basis.

2. Policies and Procedures

The Group has documented internal policies and procedures in place to govern the financial and operational functions and ethics of the Group, which are subjected to regular reviews and improvements to reflect on changing risks or to resolve any operational deficiencies, as well as to promote the Group's efficiency and accountability .

3. Performance Reporting and Monitoring

As part of the performance monitoring process, regular and comprehensive information in the form of forecasts and quarterly management accounts and reports are provided to the ARMC and the Board, covering financial and operational performance and key business indicators, for effective monitoring and decision making.

Regular internal audit reviews are carried out to identify any areas of improvement, besides compliance with internal control best practices, guidelines and objectives, to ensure that the system of internal control is effectively administered and regularly monitored.

4. Strategic Business Planning, Budgeting and Reporting

Monthly monitoring of financial results against budget, with major variances being followed up and management action taken, when necessary.

Regular meetings are held to discuss on the overall Group and operating subsidiaries' operational matters and to resolve key operational, financial, human resource and other related issues.

5. Hierarchical Reporting

The Group has in place a process of hierarchical reporting which provides a documented and auditable trail of accountability.

INTERNAL AUDIT FUNCTION

The Group's independent internal audit function is outsourced to Messrs Kloo Point Risk Management Services Sdn Bhd ("Kloo Point"), a professional consulting firm specialised in internal audit services, to assist the Board and the ARMC in conducting independent assessment and systematic reviews on the Group's internal control system and governance practices, so as to provide reasonable assurance on the adequacy, efficiency and effectiveness of the Group's system of internal control.

Kloo Point acts as the Internal Auditors of the Group and reports directly to the ARMC on a quarterly basis during the ARMC meetings. Kloo Point is free from any relationships or conflicts of interest which could impair their objectivity and independency of the internal audit function, and does not have any direct operational responsibility or authority over any of the activities audited. As such, the ARMC is of the opinion that the internal audit function is effective and is able to function independently.

Kloo Point carries out their review procedures in accordance

Statement on Risk Management and Internal Control (Cont'd)

with the applicable standards of the International Professional Practices Framework as adopted and recommended by The Institute of Internal Auditors Malaysia, covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns.

The ARMC would review and approve the Group's Internal Audit Plan, entailing the audit scope, coverage and frequency based on a risk-based approach presented by the Internal Auditors for each financial year. Also, to ensure the objectivity and independence of the audit team, the ARMC reviews the engagement proposed by the Internal Auditors annually.

Scheduled internal audits were carried out and the internal audit reports, summarising the observations of control weaknesses, recommendations for improvement and Management actions were reported 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, in particular, the matters relating to significant risks and the necessary recommendations for changes.

For the FPE 31 March 2022, Kloo Point had carried out the following internal audit reviews covering the relevant business units and functions of the Group, based on the approved Internal Audit Plan and reported to the ARMC:-

- All business units in Penang including Headquarter Office: Payroll Calculation, Overtime and Staff Expense Claims;
- Design and Conversion business unit in Ayutthaya, Thailand: Sourcing, Purchasing and Stock Control;
- Design and Conversion business unit in Sadao, Thailand: Production Control and Quality Assurance; and
- Sale and Distribution units in Ayutthaya and Sadao, Thailand: Sale Ordering and Billing Process, and Stock Control.

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.

The ARMC and the Board agreed that the internal audit review carried out for the financial period under review was in accordance with the approved Internal Audit Plan and the scope of coverage was adequate.

The total cost incurred by the Company in respect of the outsourced internal audit function of the Group and the internal audit services performed by Kloo Point for the FPE 31 March 2022 was RM45,000 (FYE 30 April 2021: RM57,000).

ASSURANCE STATEMENT BY KEY MANAGEMENT TEAM

Management is responsible for assisting the Board in identifying risks relevant to the business and operation of the Group, implementing Board's policies and strategies, maintaining sound system of internal control and risk management, monitoring and reporting to the Board on significant control deficiencies and changes in risks that could affect the Group from achieving its objectives and performance.

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

Statement on Risk Management and Internal Control (Cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this SORMIC in accordance with Paragraph 15.23 of the MMLR of Bursa Securities and the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants.

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 SORMIC intended to be included in this Annual Report is not prepared, in all material aspects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the SORMIC factually inaccurate .

AAPG 3 does not require the External Auditors to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from the External Auditors was made solely for, and directed solely to the Board in connection with their compliance with the Listing Requirements of Bursa Securities and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

CONCLUSION

For the financial period under review and up to the date of approval of this SORMIC, the Board is satisfied that the existing system of risk management and internal control in place is adequate and effective to safeguard the Group's interests and enable the Group to achieve its business objectives.

The Board is also 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 additional disclosure in the Company's Annual Report for the FPE 31 March 2022. The Board and 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 Auditors.

The Board recognises that the development of the system of risk management and 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 SORMIC was made in accordance with a resolution of the Board dated 21 July 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of D'nonce Technology Bhd ("D'nonce" or "the Company") 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

In this Statement, the Board reports on the manner the Group has adopted and applied the principles and recommended best practices as set out in the latest Malaysian Code on Corporate Governance ("MCCG") and the governance standards prescribed in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") throughout the financial period under review, except where stated otherwise.

This Statement is to be read together with the Corporate Governance Report ("CG Report") 2022 of the Company consisting the detailed application of each practices set out in the MCCG by the Group during the financial period ended 31 March 2022, which is available together with this Annual Report on the Bursa Securities' website and the Company's website at http://www.dnoncetech.com.

The Board is of the opinion that the Group has, in all material aspects, applied the principles and adopted the recommended best practices as set out in the MCCG for the financial period ended 31 March 2022, except for its departures on the following practices:-

Practices under MCCG	Description of Practices
Practice 1.4	The Chairman of the board should not be a member of the Audit Committee, Nominating Committee or Remuneration Committee.
Practice 4.4	Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.
Practice 5.9	The board comprises at least 30% women directors.
Practice 5.10	The board discloses in its annual report the company's policy on gender diversity for the board and senior management.
Practice 8.2	The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Explanations for these departures are further elaborated in the CG Report 2022.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Board's Leadership on Objectives and Goals

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 effectively direct and supervise the Group's business activities and oversee the overall management of the Group. A brief profile of each Director is presented on pages 16 and 17 of this Annual Report.

The Board retains full and effective control of the Group and provides an effective oversight of the conduct of the Group's businesses. This includes its responsibilities of reviewing and adopting strategic plans for the Group, as well as ensuring appropriate risk management and internal control systems are in place by regularly reviewing such systems to ensure their adequacy, integrity and effectiveness.

The Board is aware of the importance of business sustainability and reviews the Group's operational practices that affect sustainability of economic, environment, governance and social aspects of its business on a regular basis. The Group has established a formal sustainability framework and undertake material sustainability initiatives, setting the Group's sustainability strategies priorities and targets as outlined in the Company's Sustainability Statement presented on pages 11 to 15 of this Annual Report.

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 Operating 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.

1.2 Clear Roles and Responsibilities

The roles and responsibilities of the Board and its Board Committees are clearly defined in the Board Charter. The Board Charter also sets out the segregated roles and responsibilities of the Chairman, Independent Non-Executive Directors and Executive Directors of the Company. All the Independent Non-Executive Directors are independent of the Executive Directors, Management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgement. This offers a strong check and balance on the Board's deliberations.

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;

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

1. Board's Leadership on Objectives and Goals (cont'd)

1.2 Clear Roles and Responsibilities (cont'd)

(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;

(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, analyse, 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

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

1. Board's Leadership on Objectives and Goals (cont'd)

1.2 Clear Roles and Responsibilities (cont'd)

(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 for the Board's 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.

The Board has delegated specific responsibilities to the following Board Committees to assist the Board in discharging its fiduciary duties and oversight function:-

(a) Nominating Committee
(b) Audit and Risk Management Committee
(c) Remuneration Committee
(d) Employees' Share Option Scheme Committee

Each Board Committee is governed by their respective Terms of Reference approved by the Board and operates its functions as stipulated within, as well as acting on behalf of the Board within the authority as laid out in the Terms of Reference. The Chairman of the respective Board Committees reports to the Board on matters deliberated and recommendations of the Board Committees.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

1. Board's Leadership on Objectives and Goals (cont'd)

1.3 Chairman 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 is 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.

1.4 Separation of Functions between Chairman and Chief Executive Officer ("CEO")

The roles of the Chairman and the CEO are held by different individuals with a clear division of roles and responsibilities which are made clearly distinct to ensure a balance of power and authority.

The CEO is responsible for the day-to-day management of the Company and the Group. The role of the CEO 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 and the Group. The key roles of the CEO, 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 Board 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.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

1. Board's Leadership on Objectives and Goals (cont'd)

1.4 Separation of Functions between Chairman and Chief Executive Officer ("CEO") (cont'd)

The CEO 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 significant fluctuations or changes.

1.5 Board Meetings

The Board meets regularly on quarterly basis to review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Special board meetings may be convened as and when necessary, to consider urgent proposals or matters that require the Board's consideration or decisions. Off-site Board meeting to discuss specific topics will be arranged, when necessary, to facilitate more time for discussion and view sharing. Additionally, where appropriate, the Board may also resolve and approve various matters by way of written resolutions.

During the financial period ended 31 March 2022, nine (9) Board meetings were held and the attendance record of each Director at the Board meetings during their tenure of office is as follows:-

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

1. Board's Leadership on Objectives and Goals (cont'd)

1.5 Board Meetings (cont'd)

Name and Designation of the Directors	Total No. of Meetings attended during tenure of office	Percentage of attendance (%)
Dato' Moktar Bin Mohd Noor **Independent Non-Executive Chairman** *(Re-designated on 22 December 2021)*	9/9	100%
Choong Lee Aun **Executive Director** *(Appointed on 14 September 2021)*	5/5	100%
Datuk Sham Shamrat Sen Gupta **Independent Non-Executive Director** *(Appointed on 14 September 2021)*	5/5	100%
Kang Teik Yih **Independent Non-Executive Director** *(Appointed on 29 September 2021)*	4/4	100%
Leong Choon Fai **Independent Non-Executive Director** *(Appointed on 3 September 2021; Resigned on 30 June 2022)*	6/6	100%
Lim Siang Kai **Non-Independent Non-Executive Chairman** *(Retired on 22 December 2021)*	7/7	100%
Lam Kwong Fai (Lin Guanghui) **Independent Non-Executive Director** *(Resigned on 22 December 2021)*	7/7	100%
Wan Kum Tho **Independent Non-Executive Director** *(Resigned on 29 September 2021)*	5/5	100%
How Wai Mun **Independent Non-Executive Director** *(Resigned on 29 September 2021)*	5/5	100%
Chong Kim Teck **Independent Non-Executive Director** *(Resigned on 15 September 2021)*	3/4	75%
Datuk Tho Yow Yin **Chief Executive Director** *(Resigned on 14 September 2021)*	4/4	100%

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

1. Board's Leadership on Objectives and Goals (cont'd)

1.5 Board Meetings (cont'd)

The Directors' commitment, resources and time allocated to the Company are evident from the attendance record and the Board is satisfied with the level of time and commitment given by each Directors of the Company towards fulfilling their duties and responsibilities.

Directors are encouraged to participate in the meeting and share their views. They are also encouraged to pose queries (if any) to Management prior to each Board meeting. Any Director who has a direct or deemed interest in the subject matter shall declare his interest at the meeting and abstain from deliberation and voting on the respective resolution. Where appropriate, the Board may resolve and approve various matters by way of written resolutions.

In fostering the commitment of the Board that the Directors devote sufficient time to carry out their responsibilities, the Directors are required to notify the Chairman before accepting any new directorship in other public listed companies. Such notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company. Currently, all the Directors of the Company hold not more than five (5) directorships in public listed companies, which is in compliance with Paragraph 15.06 of the MMLR.

1.6 Directors' Training

The Directors are mindful of the importance of continuing training and education to enhance their skills and knowledge where relevant, as well as to keep abreast with the changing regulatory and corporate governance development, to enable them to discharge their duties as Directors effectively.

The details of the seminars, conferences and/or training programmes attended by the current Board of Directors during the period are as follows:-

Name of Director	Seminars/Conferences/Training Programmes Attended	Datet
Dato' Moktar Bin Mohd Noor	Audit Oversight Board: Conversation with Audit Committees	7 April 2022
Datuk Sham Shamrat Sen Gupta	Mandatory Accreditation Programme for Directors of Public Listed Companies	1-3 November 2021
Mr Kang Teik Yih	MIA Webinar Series: Advanced Taxation Topics – Keeping in Touch with the Changes	21 October 2021
Mr Choong Lee Aun	• Updated Malaysian Code on Corporate Governance 2021 • Rethinking Business Strategies in Driving the Sustainability Agenda	24 May 2021 29 December 2021

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

1. Board's Leadership on Objectives and Goals (cont'd)

1.6 Directors' Training (cont'd)

All Directors have completed the Mandatory Accreditation Programme as prescribed by Bursa Securities. The Directors will continue to attend other relevant education and/or training programmes to keep abreast with latest developments and knowledge on a continuous basis in compliance with the MMLR of Bursa Securities.

In addition, the Board has also been regularly updated and advised by the Company Secretaries along with other independent professionals on changes in the statutory and regulatory requirements and matters on governance, to enable the Directors to discharge their responsibilities effectively. Overall, the Board actively seeks advice and interact with the relevant professional personnel to enhance their skills and knowledge on specific area.

1.7 Qualified and Competent Company Secretaries

The Company is supported by qualified and competent 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 and compliance with the relevant regulatory requirements, codes or guidance and legislations from time to time. The Company Secretaries will continuously monitor corporate governance developments and regularly update and advise the Board on latest requirements in relation to their duties and responsibilities, to ensure the Board's application of the governance practices to meet the Board's needs and stakeholders' expectations.

The Board is satisfied with the service and support rendered by the Company Secretaries in discharging their functions. The Company Secretaries had and will continuously undertake professional development.

1.8 Access to Information and Independent Professional 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 advice from 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 all information and reports on financial, regulatory and audit matters within the Group, by way of Board papers distributed in advance for Board meetings, to facilitate informed decision making and meaningful discharge of their duties and responsibilities. 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 at the Company's expense, in furtherance of discharging their duties with adequate knowledge.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

1. Board's Leadership on Objectives and Goals (cont'd)

1.8 Access to Information and Independent Professional Advice (cont'd)

All Board and Board Committees are provided with notice of meeting with full agenda and the relevant board papers, reports including matters arising, financial, operational and regulatory compliance matter, at least seven (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/or Board Committees also hold meetings to discuss and/or approve certain urgent matters and these meetings are called with less than 7-day notice, with the consent of all respective Board and Board Committee members.

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 Board Charter on 21 July 2022 and a copy of which is available at the Company's website at http://www.dnoncetech.com.

3. Good Business Conduct and Corporate Culture

3.1 Code of Conduct

The Board has established and adopted a Code of Conduct for all Directors and employees of the Group. The Code of Conduct, as incorporated in the Board Charter, has been formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors.

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

The Board will review the Code of Conduct when necessary to ensure it remains relevant and appropriate. The Code of Conduct for Directors and employees of the Group is made available for reference within the Board Charter published on the Company's website at http://www.dnoncetech.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

3. Good Business Conduct and Corporate Culture (cont'd)

3.2 Whistleblowing Policy

In adhering to good corporate governance practices and with the introduction of the Whistleblower 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 and Chairman of the Audit and Risk Management Committee.

The Whistleblowing Policy is made available for reference within the Board Charter published on the Company's website at http://www.dnoncetech.com.

3.3 Anti-Bribery and Anti-Corruption ("ABAC") Policy

The ABAC Policy has been established to provide the Directors, officers, employees as well as third parties who have dealings with the Group, a guide on the appropriate practices to be complied with in relation to improper solicitation, bribery and other corrupt activities and/or issues that may arise in the course of business. 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 re-enactments that may be made by the relevant authority from time to time. We adopt 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, implementing and enforcing effective systems to counter bribery.

The ABAC Policy is made available for reference within the Board Charter published on the Company's website at http://www.dnoncetech.com.

II. BOARD COMPOSITION

4. Board Objectivity

4.1 Board Composition

The current Board is made up of four (4) members, comprising one (1) Executive Director and three (3) Independent Non-Executive Directors. The composition of the Board complies with Paragraph 15.02 of the MMLR of Bursa Securities, which requires at least one-third (1/3) of the Board to be independent members. The Company has also fulfilled the best practice under the MCCG to have at least half of the Board members comprises a majority of independent directors.

The Board is of the opinion that the Directors, with their diversified background and extensive experience, bring a wide range of technical skills and expertise to the Group and have contributed significantly towards performance monitoring, control as well as governance.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

4. Board Objectivity (cont'd)

4.1 Board Composition (cont'd)

The Board believes that the current board composition is appropriate given the collective skills and experiences of the Directors, 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.

4.2 Tenure of Independent Director

The Board is mindful of the recommendation of the MCCG with regards to the tenure of an Independent Director not exceeding a cumulative or consecutive term limit of nine (9) years. However, an Independent Director who had completed the prescribed nine (9) years may continue to serve the Board, subject to re-designation as Non-Independent Director.

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

4.3 Policy on the Tenure of an Independent Director

The Board Charter limits the tenure of an Independent Director to a cumulative term of 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 its decision and seek shareholders' annual approval at the Annual General Meeting ("AGM").

5. Board Diversity

5.1 Diverse Board and Senior Management Team

The Board is supportive of diversity in the Board's composition and 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, gender and cultural background.

5.2 Gender Diversity

The Board is supportive of the recommended practice under the MCCG in promoting female's representation at the Board level, whereby a Board should comprise at least 30% women directors. Although the Board has yet to establish a Gender Diversity Policy, the Board will endeavor to ensure at least one female director is appointed to the Board by 1 June 2023, pursuant to Paragraph 15.02(1)(b) of the MMLR and in compliance with the implementation date set by the Bursa Securities.

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

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

5. Board Diversity (cont'd)

5.3 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 suitability and mixture of skills, competencies, experience, professionalism and other relevant qualities in meeting the needs of the Company.

In the process of identification of suitable new candidates, the Nominating Committee does not solely rely on recommendations from the existing Board members, Management or major shareholders. The Board will ensure that an appropriate review or search is undertaken by the Nominating Committee and/or an independent third party if necessary, to facilitate informed decision-making and suitable appointment.

6. Board Committees

The Board, in view of assisting the discharge of its stewardship role, has established Board Committees delegated with certain responsibilities as detailed below, as well as the authority to examine specific issues and operate within their respective Terms of Reference ("TOR") as approved by the Board and report to the Board with their proceedings, deliberations and recommendations. The ultimate responsibility for decision making, however, lies with the Board.

6.1 Audit and Risk Management Committee ("ARMC")

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors.

The composition, attendance for meetings and summary of work of activities of the ARMC are set out in the ARMC Report on pages 50 to 56 of this Annual Report. The ARMC's TOR is published within the Board Charter on the Company's website at http://www.dnoncetech.com.

6.2 Nominating Committee ("NC")

The NC comprises two (2) members, both of whom are Independent Non-Executive Directors.

The NC has been entrusted with the responsibility of assessing and proposing new nominees to the Board and evaluate the existing Directors on an on-going basis. The roles and responsibilities of the NC are set out in the NC's TOR, published within the Board Charter on the Company's website at http://www.dnoncetech.com.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

6. Board Committees (cont'd)

6.2 Nominating Committee ("NC") (cont'd)

As of the date of this Statement, the composition of the NC is as follows:-

Designation	Name	Directorship
Chairman	**Datuk Sham Shamrat Sen Gupta**	**Independent Non-Executive Director**
Member	**Kang Teik Yih**	**Independent Non-Executive Director**

The NC meets as and when is required. For the financial period ended 31 March 2022, the NC had conducted four (4) NC meetings and each meeting were attended by all of its members.

During the financial period under review, the key activities undertaken by the NC are summarised as follows:-

(a) Reviewed the composition and size of the Board, mixture of skills and experience and other qualities, including core competencies, as well as contribution of each individual Director.
(b) Reviewed and assessed the effectiveness of the Board as a whole and the Board Committees, as well as the performance of each individual Director and the independence of the Independent Directors.
(c) Reviewed and assessed the performance of the Key Senior Management and ensured their competency and time commitment in discharging their respective roles.
(d) Reviewed and recommended to the Board, the re-election of eligible Directors who were due to retire by rotation at the AGM.
(e) Reviewed the term of office and performance of the ARMC and each of its members pursuant to Paragraph 15.20 of the MMLR of Bursa Securities. The assessment was carried out by way of a discussion in the Board meeting and self-evaluation by the ARMC, given that the composition of the NC was the same with ARMC.
(f) Conducted annual assessment on the Board, Board Committees and individual Directors.
(g) Deliberated on the composition of Board Committees following the change of Directors.

The NC reviews and recommends new nominees to the Board, after taking into consideration the structure, size, balance and composition of the Board and Board Committees. This requires a review of the required mix of skills and experience including core competencies which the new nominees and the existing Directors should bring to the Board, as well as other qualities for the Board to function effectively and efficiently. Thereafter, the Board carries out its own assessment of the recommendations made by the NC and determines the appointments to be made. The Company Secretaries ensure that all appointments are properly made, and that legal and regulatory obligations are met.

All recommendations of the NC are subject to the approval of the Board.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

6. Board Committees (cont'd)

6.3 Remuneration Committee ("RC")

The RC comprises three (3) members, a majority of whom are Independent Non-Executive Directors.

The RC has been entrusted with the responsibility of determining, reviewing and proposing the remuneration of the Executive and Non-Executive Directors (including Non-Executive Chairman) and Key Senior Management of the Company to the Board on an on-going basis. The roles and responsibilities of the RC are set out in the RC's TOR, published within the Board Charter on the Company's website at http://www.dnoncetech.com.

The RC is responsible for carrying out annual reviews whereupon recommendations are submitted to the Board on the overall remuneration package for Directors and Key Senior Management, to ensure that the remuneration package remains in support of its corporate objectives and shareholder value and is in tandem with its culture and strategy.

The RC believes in a remuneration policy that fairly supports the Directors' and Key Senior Management's responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The main objective in this respect is to offer a competitive remuneration package in order to attract, retain and motivate high caliber and talented individuals to work with the Company.

As of the date of this Statement, the composition of the RC is as follows:-

Designation	Name	Directorship
Chairman	Datuk Sham Shamrat Sen Gupta	Independent Non-Executive Director
Member	Kang Teik Yih	Independent Non-Executive Director
Member	Choong Lee Aun	Executive Director

The RC meets as and when is required. For the financial period ended 31 March 2022, the RC met twice and each meeting were attended by all of its members.

The Directors' fees and emolument benefits reviewed by the RC are subject to the endorsement of the Board and approval of the shareholders at the Company's AGM. Directors who are shareholders will abstain from voting and deliberation of their own remuneration at the AGM general meetings to approve their fees.

The RC would also recommend to the Board a remuneration package for Executive Directors that is fairly guided by market norms and industry practice. Executive Directors also will not be involved in deciding and approving their own remuneration.

All recommendations of the RC are subject to the approval of the Board.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

7. Board Assessment

7.1 Overall Effectiveness of the Board

It is the responsibility of the NC for the overall board effectiveness evaluation process, which includes an assessment of the Board, Board Committees and individual Directors. The Board, through the NC, conducts an annual assessment on the Board's effectiveness based on the composition, conduct, responsibilities of the Board and the Board Committees in accordance with the Board Charter and the Board Committees' TORs, through documented questionnaires forms approved to be adopted by the Board, which comprises quantitative and qualitative performance criteria to evaluate the performance of each member of the Board as well as each Board Committee.

The observations of the assessment indicated that the performance of the Board, the Board Committees and the individual Directors during the year had been satisfactory and effective in overall discharge of functions and duties. It was also noted that the relationship between the Board members was good with positive and constructive interactions, coupled with strong leadership shown by the Chairman.

Based on the assessment, taking into consideration the nature and the scope of D'nonce Group's operations and business requirements, the Board is satisfied with the current size and composition of the Board and Board Committees and opined that it is appropriate and well balanced with diversity of skill set, knowledge and experience which would facilitate effective decision-making. The Board is also satisfied with the level of independence demonstrated by the

Independent Directors throughout the year and their abilities to exercise objective judgement and act in the best interest of the Company. The results of the individual Director's assessments had also supported the Board's decision to endorse the retiring Directors standing for re-election.

7.2 Re-election of Retiring Board Members

In accordance with the Company's Constitution, all Directors who are appointed by the Board during the financial year shall hold office only until the following AGM subsequent to their appointment and shall be eligible for re-election. The Constitution also provides that one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at every AGM and be eligible for re-election, provided always that all Directors shall retire from office at least once in every three (3) years.

III. REMUNERATION

8. Remuneration Policy

It is vital for the Group to attract, retain and motivate Directors and Key Senior Management of the necessary caliber to run the Group successfully towards sustainable business. The Board is mindful that fair remuneration is critical and has established RC to develop remuneration strategies that drive performance and provide levels of reward which reflect the performance of the Executive Directors, Non-Executive Directors and Key Senior Management personnel.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. REMUNERATION (cont'd)

8. Remuneration Policy (cont'd)

The remuneration for Executive Directors and Key Senior Management consists of basic salary and other emoluments and it 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 RC.

The Non-Executive Directors will receive a fixed base Directors' Fee, not by a commission or on percentage of profits/ turnover, as consideration for their expected roles and responsibilities, including any additional work and contributions required to discharge their duties as a Board member. The proposed aggregate amount of Directors' Fees to be paid to Non-Executive Directors is not linked to their individual performance and it is subject to the approval of the shareholders at a General Meeting.

9. Remuneration of Directors and Key Senior Management

9.1 Details of Directors' Remuneration

The Company will seek the shareholders' approval at the forthcoming 22nd AGM for Directors' fees and benefits payable to the Directors for the period from this 22nd AGM until the next AGM of the Company in 2023. This is to facilitate the payment of the Directors' fees and benefits on a monthly basis and/or as and when incurred and shall be applicable to the subsequent financial year thereon.

Details of the Directors' Remuneration of the Directors who served the Company during the financial period ended 31 March 2022 are as disclosed in Practice 8.1 of the CG Report.

9.2 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, in consideration of the importance of ensuring stability and continuity of the Group's business operations with a competent and experienced Management team in place, the Board is of the view that disclosure on named basis of the top five (5) Key Senior Management's remuneration components including salary, bonus, benefits-in-kind and other emoluments in the bands of RM50,000 in accordance with the recommendation of Practice 8.2 of the MCCG, is not in the best interest of the Company.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. REMUNERATION (cont'd)

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

Nonetheless, the remuneration paid to the top five (5) Key Senior Management (excluding Executive Director) for the financial period ended 31 March 2022 analysed in the bands of RM50,000 is as follows:-

Remuneration Bands	Number of Key Senior Management
RM250,000 to RM300,000	1
RM350,000 to RM400,000	2
RM400,000 to RM450,000	1
RM850,000 to RM900,000	1

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

10. Effective and independent ARMC

The ARMC comprises three (3) members of the Board, all of whom are Independent Non-Executive Directors. The Chairman of the ARMC is Mr Kang Teik Yih, an Independent Non-Executive Director, who is not the Chairman of the Board, so as not to impair the objectivity of the Board's view of the ARMC's findings and recommendation.

The current composition of the ARMC fulfill the requirement set out under Paragraph 15.09 of the MMLR of Bursa Securities, which stipulates the necessary skills and experiences required to be a member of the ARMC, with all the ARMC members possessing the necessary financial, commercial expertise and capital markets skills, experience required to meet their responsibilities. On an on-going basis, the ARMC members will undertake continuous professional training and development, to keep themselves abreast of the latest developments in accounting and auditing standards, guidelines and practices.

The ARMC assists the Board in discharging its statutory duties and responsibilities by ensuring:-

(a) accurate and timely financial reporting and compliance with applicable financial reporting standards and regulations;
(b) adequate internal control in the systems and processes which enable the Group to operate effectively and efficiently;
(c) that an effective risk management framework is in place to manage risks impacting the Group;
(d) that internal audit functions effectively and audits are performed by External Auditors objectively and independently; and
(e) the Group complies with applicable laws, rules and regulations and has an appropriate code of business conduct in place.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I. AUDIT AND RISK MANAGEMENT COMMITTEE (cont'd)

10. Effective and independent ARMC (cont'd)

The Board through the NC assesses the composition and performance of the ARMC annually, through an annual Board Committee effectiveness assessment. The Board is satisfied that the AC members discharged their functions, duties and responsibilities in accordance with the ARMC's TOR. The ARMC's TOR was reviewed and updated regularly to reflect the requirements of the applicable practices of MCCG.

None of the ARMC member is a former key audit partner of the Company's External Auditors and the Board does not foresee any new appointment of a former key audit partner to the Board. The Board had also adopted and incorporated the policy that requires a former key audit partner of the Company to observe the required cooling-off period of at least three (3) years before being appointed as a member of the ARMC in its TOR, as required under Practice 9.2 of the MCCG.

The ARMC also maintains transparent and professional arrangements in dealing with the Internal and External Auditors. Details of the composition of the ARMC and a summary of activities and the role of the ARMC pertaining thereto are set out in the ARMC Report on pages 50 to 56 of this Annual Report.

11. Suitability, Objectivity and Independence of the External Auditor

The ARMC has formalised the procedures to assess the suitability, objectivity, and independence of the External Auditors, which encompasses the review and consideration of the nature and extent of non-audit services provided by the External Auditors alongside the appropriateness of the fees paid for such services. 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 ARMC conducted an annual assessment on the suitability and independence of the External Auditors based on the following considerations:-

(a) the quality of audit procedures and work provided;
(b) the adequacy of experience, technical support and resources of the audit team;
(c) the safeguard measures in place to ensure the independence and objectivity of the External Auditors;
(d) the internal communication quality of External Auditors with the ARMC and/or the Board;
(e) the compliance of the audit firms and partners with the regulatory requirements; and
(f) any other criteria deemed fit by the ARMC and/or the Board.

In reviewing the audit and non-audit services provided by the External Auditors, the ARMC ensures that the independence and objectivity of the External Auditors are not compromised. The External Auditors are engaged mainly to perform statutory audit on D'nonce Group's financial statements. During the financial period, it was reported that the non-audit related review undertaken by the External Auditors includes review of the Statement on Risk Management and Internal Control.

Furthermore, the External Auditors provided a confirmation to the ARMC 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.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I. AUDIT AND RISK MANAGEMENT COMMITTEE (cont'd)

11. Suitability, Objectivity and Independence of the External Auditor (cont'd)

In addition to the above, the ARMC meets with the External Auditors at least once a year to discuss their audit plans, audit findings and the Company's financial statements. The ARMC would meet with the External Auditors without the presence of any Executive Directors and Management at least once a year and in addition thereto whenever the need arises. For the financial period ended 31 March 2022, the ARMC had met with the External Auditors without the presence of any Executive Directors and Management twice during the ARMC meeting held on 28 June 2021 and 23 March 2022 respectively.

The External Auditors are also invited to attend every AGM whereby the financial statements of the Company for the financial year are laid before the shareholders for notation and discussion, to respond according to his knowledge and ability to any questions raised in regards to the financial statements' audit.

An annual assessment on the suitability and independence of the External Auditors was conducted by the ARMC on 21 July 2022. The ARMC, having assessed the independence of the External Auditors as well as reviewed the level of non-audit services rendered by them for the financial period ended 31 March 2022, was satisfied with their performance, technical competency, suitability and independence. The ARMC has recommended the re-appointment of Messrs Grant Thornton Malaysia PLT as the External Auditors of the Company and the Group for the ensuing year to the Board, upon which shareholders' approval will be sought at the 22nd AGM.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

12. Effective Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility in maintaining a sound system of internal controls that provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. Such system is designed to reduce rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, frauds or losses.

The Board is assisted by the ARMC which functions as an oversight body to review controls and systems in general periodically and to carry out on-going assessment over the adequacy and effectiveness of the risk management and internal control practices within the Group. The ARMC has also acquire the function of the Risk Management Committee within its ambit, to oversee the Group and the Company's risk management framework and policies.

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.

The Board has received assurance from Management 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.

Taking into consideration of the abovesaid assurance during the Board's assessment of the Group's risk management and internal control, the Board is of the view that the overall risk management and internal control in place for the financial period under review are operating adequately and effectively for the purpose of safeguarding D'nonce Group's assets as well as shareholders' investments and the interests of employees and other stakeholders and is considered adequate for the Group's business operations.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

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

12. Effective Risk Management and Internal Control Framework (cont'd)

The information and further details on the Group's risk management framework and internal audit function are disclosed under the Statement on Risk Management and Internal Control on pages 21 to 24 of this Annual Report.

13. Effective Internal Audit Function

The Group's internal audit function is outsourced to an independent professional consulting firm, Messrs Kloo Point Risk Management Services Sdn Bhd, a corporate member of The Institute of Internal Auditors Malaysia, to assist the ARMC and the Board in assuming the task of internal control review and risk assessment functions of D'nonce Group, by providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems.

The Internal Auditors report functionally to the ARMC and have unrestricted direct access to the ARMC. Its function is independent of the activities or operations of other operating units. The Head of Internal Audit is invited to attend the ARMC meetings to facilitate the deliberation of internal audit reports.

The ARMC carries out an assessment on the performance of the outsourced internal audit function and the effectiveness of the Group's internal control systems on an annual basis and report such assessment findings to the Board for consideration.

The Internal Auditors adopt a risk-based approach towards the planning and conduct of their audits, which is consistent with the Group's approach in designing, implementing and monitoring its internal control systems. The activities of the Internal Auditors during the financial period under review are set out in the ARMC Report on pages 50 to 56 of this Annual Report.

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

I. ENGAGEMENT WITH STAKEHOLDERS

14. Continuous Communication Between the Company and Stakeholders

The Board believes that effective communication fosters better understanding of the Group's objectives and maintaining of transparency and accountability to all its stakeholders, particularly its shareholders and investors as it ensures that market credibility and investors' confidence are maintained.

In order to promote effective communication with the Company's stakeholders, material developments, information and financial results of the Group and the Company are made available through timely announcements and disclosure to Bursa Securities, publication on the Company's webpage, press releases, circulars and Annual Reports, in line with the disclosure requirements of MMLR of Bursa Securities.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

I. ENGAGEMENT WITH STAKEHOLDERS (cont'd)

15. Corporate Disclosure Policy

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to D'nonce Group to the regulators, shareholders and stakeholders. The Board formalised pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the MMLR, but also setting out the persons authorised and responsible to approve and disclose material information to regulators, shareholders and stakeholders.

The Corporate Disclosure Policy is made available for reference within the Board Charter published on the Company's website at http://www.dnoncetech.com.

16. Leveraging Information Technology for Effective Dissemination of Information

To augment the process of disclosure, the Board has established a dedicated Investor Relations section on the Company's website at http://www.dnoncetech.com that provide access to corporate governance related information, such as the Company's announcements made to Bursa Securities, financial results and the Company's Annual Report. Shareholders are encouraged to access the Company's website as well as Bursa Securities' website at www.bursamalaysia.com to obtain the latest information of the Company. Continuous improvement and development of the website will be undertaken by the Company to ensure easy and convenient access.

II. CONDUCT OF GENERAL MEETINGS

17. Encourage Shareholders' Participation at General Meetings

In addition to disseminating information via announcements and/or disclosures to Bursa Securities, the Company's website, circulars and press releases, the Company's General Meetings, i.e. AGM or any Extraordinary General Meetings serve as the principal platform for dialogue and interactions with all shareholders and other stakeholders.

Shareholders were encouraged to participate in the Questions and Answers session on the proposed resolutions or about D'nonce Group's operations in general during the General Meetings. They will be allowed to raise questions or seek more information or clarification from the Board and/or Key Senior Management team on the proposed resolutions during the meeting. All the Directors of the Company are to present at all General Meetings of the Company, in order to engage directly with shareholders and to take up any relevant queries which are related to matters that fall under the purview of the relevant Board Committees or Board, unless unforeseen circumstances preclude them from attending so. The External Auditors of the Company will also be present to provide their professional and independent clarification on any issues and concerns raised by the shareholders.

The Notice of the Twenty-First ("21st") AGM of the Company was circulated twenty-eight (28) days prior to the date of the meeting, to provide shareholders ample time to read through the Annual Report. Due to the Covid-19 situation and restrictions imposed by the Government on physical meetings, the 21st AGM was conducted on a fully virtual basis through live streaming via Online Meeting Platform hosted on Securities Services e-Portal in Malaysia on 22 December 2021. All resolutions set out in the Notice of 21st AGM were put to vote electronically (e-vote). The 21st AGM that was conducted virtually provided an opportunity for shareholders to participate remotely at the meeting and pose relevant questions to the Chairman and the Board via real time submission of typed texts.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

II. CONDUCT OF GENERAL MEETINGS (cont'd)

18. Leveraging on Technology for Remote Shareholders' Participation and E-Voting

The Company will continue to leverage on technology to facilitate remote shareholders' participation and e-voting for the conduct of polls on all resolutions via remote participation and voting facilities for its forthcoming 22nd AGM to be held on 26 September 2022.

Shareholders are encouraged to attend the forthcoming 22nd AGM through the remote participation and voting ("RPV") facilities via the online platform stated in the Notice of 22nd AGM.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement, and considers that the Statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied by the Company. The Board considers and is satisfied that the Group has fulfilled its obligation under the MMLR of Bursa Securities and all applicable laws and regulations, as well as applied to the best practices of MCCG at its best throughout the financial period ended 31 March 2022.

This Statement was made in accordance with a resolution of the Board dated 21 July 2022.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made in accordance with Paragraph 9.25(1) and Part A of Appendix 9C of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

UTILISATION OF PROCEEDS

On 28 September 2021, the Company proposed to undertake a private placement of up to 62,677,200 new ordinary shares, representing not more than 20% of the total number of issued shares of the Company (excluding treasury shares, if any) to third party investors at an issue price to be determined later.

With the completion of the private placement exercise on 13 December 2021, the Company had raised total gross proceeds of RM18,554,728 from the issuance of a total of 62,625,400 ordinary shares of the Company, which had been utilised in the following manner:-

Purpose	Proposed Utilisation RM	Actual Utilisation RM	Balance to be Utilised RM	Proposed Timeframe
Repayment of bank borrowings	14,483,676	14,483,676	-	Within 12 months
Working Capital	3,877,378	3,877,378	-	Within 12 months
Estimated expenses for the Private Placement	193,674	193,674	-	Immediate
Total	**18,554,728**	**18,554,728**	-	

AUDIT AND NON-AUDIT FEES

The amount of audit fees paid or payable to the external auditors by the Group and the Company for the financial period ended 31 March 2022 are RM232,000 and RM105,000 respectively.

Non audit fees paid or payable to the external auditors or a firm or corporation affiliated to the external auditors for the Group and the Company for the financial period from 1 May 2022 to 31 March 2022 amounted to RM56,500 and RM12,500.

MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE OFFICER AND MAJOR SHAREHOLDERS

There were no material contracts entered into the company and/or its subsidiaries involving the above mentioned parties during the financial period ended 31 March 2022.

RELATED PARTY TRANSACTIONS/RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

An internal compliance framework exists to ensure the Company meets its obligations, including that of all related party transactions under the MMLR of Bursa Securities. The Board reviews all related party transactions during the financial period from 1 May 2021 to 31 March 2022, and the details are disclosed in Note 31 to the Financial Statements.

EMPLOYEES' SHARE OPTION SCHEME

The Company's Employees' Share Option Scheme ("ESOS") was established on 18 May 2016. On 17 May 2021, the Board of Directors approved the extension of the ESOS until 17 May 2026.

A total of 30,500 options were forfeited and no options were exercised during the financial period 31 March 2022. The total ESOS options outstanding was 228,500 as at 31 March 2022.

DIRECTORS RESPONSIBILITY STATEMENT
IN RESPECT OF ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements of the Group and the Company for each financial year, made out in accordance with the applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards and the requirements of the Companies Act 2016 ("the Act") in Malaysia.

The Directors are also responsible to ensure that the necessary internal control is in place, to facilitate the preparation of the financial statements that give a true and fair view of the state of affairs of the Group and the Company at the end of the financial period and of their financial performance and cash flows from 1 May 2021 to 31 March 2022, and that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company for the financial period from 1 May 2021 to 31 March 2022, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- presented information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- stated whether the applicable accounting standards have been applied, subject to any material departures disclosed and explained in the financial statements;
- reviewed the adequacy and integrity of the internal control system and management information system in the Company and within the Group;
- identified the principal risks and ensuring that an appropriate internal control system is in place to manage these risks;
- made judgements and estimates where applicable that are prudent, just and reasonable;
- prepared the financial statements on a going concern basis; and
- assessed the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in compliance with all applicable approved financial reporting standards in Malaysia, subject to any material departures, if any.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Act.

The Directors 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. The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

The Directors are satisfied that appropriate accounting policies were used and applied consistently in preparing the financial statements of the Group and the Company for the financial period ended 31 March 2022. The Directors are also of the view that the relevant approved financial reporting standards have been observed and adopted in the preparation of these financial statements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("the Board") of D'nonce Technology Bhd ("D'Nonce" or "the Company") is pleased to present the Audit and Risk Management Committee ("ARMC") Report for the financial period ended ("FPE") 31 March 2022.

COMPOSITION OF THE ARMC

The AC comprises the following three (3) members of the Board, all of whom are Independent Non-Executive Directors:-

Designation	Name	Directorship
Chairman	Kang Teik Yih	Independent Non-Executive Director
Member	Dato' Moktar Bin Mohd Noor	Independent Non-Executive Chairman
Member	Datuk Sham Shamrat Sen Gupta	Independent Non-Executive Director

Mr Kang Teik Yih is a qualified professional Chartered Accountant, who is a member of both the Malaysian Institute of Accountants as well as Certified Practicing Accountants, Australia.

The Board assesses the composition and performance of the ARMC and its members through an annual Board Committee effectiveness assessment. Based on the assessment conducted for the FPE 31 March 2022, the Board was of the view that the present composition of the ARMC was appropriate. The Board was also satisfied that the ARMC and its members discharged their functions, duties and responsibilities, in accordance with the ARMC's Terms of Reference.

MEETINGS AND ATTENDANCE

The ARMC had met five (5) times during the FPE 31 March 2022. The composition and the attendance record of ARMC members are as follows:-

Name and Designation of the Members of ARMC	Attendance	Percentage of Attendance
Mr Kang Teik Yih **Chairman of ARMC, Independent Non-Executive Director** *(Appointed w.e.f. 29 September 2021)*	4/4	100%
Dato' Moktar Bin Mohd Noor **Member, Independent Non-Executive Chairman** *(Appointed w.e.f. 29 September 2021)*	4/4	100%
Datuk Sham Shamrat Sen Gupta **Member, Independent Non-Executive Director** *(Appointed w.e.f. 14 September 2021)*	4/4	100%
Mr Leong Choon Fai **Member, Independent Non-Executive Director** *(Appointed w.e.f. 3 September 2021; Ceased w.e.f. 30 June 2022)*	4/4	100%
Mr Wan Kum Tho **Chairman of ARMC, Independent Non-Executive Director** *(Resigned w.e.f. 29 September 2021)*	1/1	100%
Mr Lim Siang Kai **Member, Non-Independent Non-Executive Chairman** *(Resigned w.e.f. 14 September 2021)*	1/1	100%
Mr Lam Kwong Fai (Lin GuangHui) **Member, Independent Non-Executive Director** *(Resigned w.e.f. 22 December 2021)*	3/3	100%
Mr How Wai Mun **Member, Independent Non-Executive Director** *(Resigned w.e.f. 29 September 2021)*	1/1	100%

Audit and Risk Management Committee Report (Cont'd)

Other Board members, Key Senior Management and representatives of the External Auditors, and Internal Auditors of D'Nonce Group of Companies ("the Group") were present by invitation to provide opinion and/or brief the ARMC on specific issues, as and when necessary, with the Company Secretaries in attendance. Certain members of the Management team were also invited to attend these meetings to assist in clarifying matters raised at the meetings on a need basis.

The ARMC Chairman reports to the Board on matters deliberated at every ARMC meeting and recommendations made by the ARMC.

TERMS OF REFERENCE

The Terms of Reference of the ARMC is published 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 Terms of Reference of the ARMC requires a former key audit partner of the External Auditors of the Group to observe a cooling-off period of at least three (3) years, before being appointed as a member of the ARMC.

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 16 and 17 of this Annual Report. During the FPE 31 March 2022, 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 ARMC had carried out the following main activities during the FPE 31 March 2022:-

1. Financial Reporting

(a) Reviewed the quarterly financial results of the Group and the relevant announcements in relation thereto, to ensure the Company's compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), applicable approved accounting standards and other legal and regulatory requirements, prior recommending them for the Board's consideration and approval to be submitted to Bursa Securities.

(b) Reviewed and approved the Directors' Report and Audited Financial Statements in repect of their audit of the Group for the financial year ended 30 April 2021. The Committee also reviewed and approved the Audit Plan for financial period ended 31 March 2022 as presented by the external auditors.

Audit and Risk Management Committee Report (Cont'd)

(c) Reviewed and discussed the quarterly financial and treasury reports from Management, including monitoring the progress on long outstanding debts, banking facilities and project updates.

The following reviews have been carried out to ensure that the Group and the Company's quarterly interim financial statements and related disclosures present a true and fair view of the Group's and the Company's financial position and performance and are in compliance with the applicable approved financial reporting standards in Malaysia as well as the applicable disclosure provisions of the MMLR of Bursa Securities:

Date of Review/Approval	Review of Financial Statements
28 June 2021	Fourth quarter financial results for the financial year ended 30 April 2021
27 August 2021	Draft AFS for the financial year ended 30 April 2021
29 September 2021	First quarter financial results for the FPE 31 March 2022
22 December 2021	Second quarter financial results for the FPE 31 March 2022
23 March 2022	Third quarter financial results for the FPE 31 March 2022

2. External Audit

(a) Reviewed and approved the audit scope and audit plan, as well as the proposed fees for the statutory audit of the Group for FPE 31 March 2022 as presented and proposed by the External Auditors.

(b) Reviewed and discussed with the External Auditors of their audit findings and areas of concern highlighted, including significant and unusual events or transactions, audit recommendations and Management's response to the audit findings raised and audit recommendations.

(c) Discussed with the external auditors the significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements applicable to the Group.

(d) Met with the External Auditors in the absence of Management to discuss on any significant audit issues or concerns which may have arisen in the course of their audit of the Group for FPE 31 March 2022.

(e) Assessed the independence and objectivity of the External Auditors in carrying out statutory audit for the Group and prior to the engagement of the External Auditors for ad-hoc non-audit services.

(f) Make recommendation to the Board on the re-appointment of the External Auditors and their remuneration for ensuing year, based on the annual assessment performed on the External Auditors.

Audit and Risk Management Committee Report (Cont'd)

The ARMC received confirmation from the External Auditors, Messrs Grant Thornton Malaysia PLT ("Grant Thornton") that they adhered to the By-Laws (on Professional Conduct and Ethics) of the Malaysian Institute of Accountants ("By-Laws") in relation to communication of breaches of auditors independence, in which they have not identified or aware of any matter that impairs their professional independence and they were in compliance with the independence requirements set out in the By-Laws.

The ARMC was satisfied that Grant Thornton was unlikely to create any conflict of interest nor impair the independence, suitability and performance of Grant Thornton and thus, recommended to the Board to seek shareholders' approval for the re-appointment of Grant Thornton as External Auditors for the FPE 31 March 2022.

3. Internal Audit

(a) Received, discussed and reviewed the adequacy of the scope and areas of coverage of the Internal Audit Plan and the proposed internal audit fee for the FPE 31 March 2022, to ensure comprehensive coverage over the activities of the Group and the significant risk areas identified are audited annually.

(b) Reviewed the Internal Audit Reports containing the audit findings on the areas of concern and recommendations highlighted by the Internal Auditors to improve on the identified weaknesses in the system of internal control or non-compliance issues and the respective Management responses thereto.

(c) The ARMC and the Internal Auditors monitored the progress of the implementation of the corrective actions by Management on outstanding issues through follow-up reports on a quarterly basis until they are satisfied that all key risks and control weaknesses identified had been adequately addressed.

(d) Met with the Internal Auditors once in the absence of Management to discuss on any significant audit findings.

(e) 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 Management on the processes for the monitoring of the Group's internal control and risk management and their continuance to operate as intended. The ARMC also proposed to engage an external professional firm to review the Group's risk management and internal control system, as and when necessary.

4. Recurrent Related Party Transactions and Related Party Transactions

The report of Recurrent Related Party Transactions ("RRPT") and/or Related Party Transactions ("RPT") of the Group was tabled and reviewed by the ARMC at every quarterly meeting, to discuss on the possible conflict of interest situation that may arise within the Company or the Group and to ensure that:

(i) transactions with related parties and/or interested persons were conducted at arm's length basis and on normal commercial terms and that the internal control procedures with regards to such transactions were sufficient, not prejudicial to the interests of the Group and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons (pursuant to Chapter 10 of the MMLR of Bursa Securities); and

(ii) the transactions are fair and reasonable and are not detrimental to the minority shareholders.

The ARMC was satisfied that the processes that the Group has in place for identifying, evaluating, approving, reporting and monitoring of RRPT/RPT were adequate to ensure all the transactions have been made at arm's length basis and not prejudicial to the interest of the Group or its minority shareholders and will be tracked and reported in a timely manner.

5. Other Activities

(a) Reviewed corporate governance practices adopted by the Group based on the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia ("SC") in April 2017. The ARMC has taken note of the revisions made to the MCCG by the SC in April 2021, whereby the Company is required to report its application to the revised MCCG for the FPE 31 March 2022.

(b) Reviewed the Corporate Governance Overview Statement, ARMC Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The ARMC is supported by an outsourced internal audit function in discharging its duties and responsibilities. The internal audit function's principal role is to assist the ARMC and the Board in conducting independent assessment and systematic reviews on the Group's internal control system and governance practices, so as to provide reasonable assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance. The ARMC reviews the adequacy of the scope, functions, competency and resources of the internal audit function to ensure that it is adequately resourced with competent and proficient internal auditors.

The Group outsourced its internal audit function by engaging Messrs Kloo Point Risk Management Services Sdn Bhd ("Kloo Point"), an independent and established consulting company specialised in internal audit services as the Internal Auditors of the Company and the Group, to assist the ARMC in ensuring the adequacy and effectiveness of the Group's internal control systems by identifying the areas of improvement, if any, and to improve the adequacy and robustness of the internal control functions of the Group. Each audit review is engaged by approximately two to three internal auditors, depending on the areas of audit. Whenever required, the Internal Auditors would make reference to the Group's policies and procedures, established practices, listing requirements and recommended industry practices.

For the FPE 31 March 2022, the following activities were conducted by the Internal Auditors:-

1. Tabled the Internal Audit Plan for the FPE 31 March 2022 for the ARMC's review and endorsement;

2. Conducted internal audit reviews based on the approved Internal Audit Plan;

3. Performed follow-up reviews on previously reported findings and status update of the implementation of their recommendations by Management;

4. Issued internal audit reports incorporating audit recommendations and Management's responses in relation to the audit findings on the areas of improvement in the systems and controls of the Group to the ARMC and Management; and

5. Presented internal audit reports to the ARMC for review and consideration.

Audit and Risk Management Committee Report (Cont'd)

During the financial period, the Internal Auditors have reviewed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the Group and recommended possible improvements to the internal control process, which were all presented to the ARMC via internal audit reports together with the relevant action plans formulated by Management to address the issues noted. These findings were not limited to matters relating to financial and accounting controls, but also cover certain key operational and management control areas. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively within the Group.

The Group's internal audit activities were carried out mainly in accordance with the scope and annual Internal Audit Plan which had been reviewed and approved by the ARMC. For the FPE 31 March 2022, the Internal Auditors carried out the internal audit work covering the relevant business units and functions of the Group as follows:-

- All business units in Penang including Headquarter Office: Payroll Calculation, Overtime and Staff Expense Claims;
- Design and Conversion business unit in Ayutthaya, Thailand: Sourcing, Purchasing and Stock Control;
- Design and Conversion business unit in Sadao, Thailand: Production Control and Quality Assurance; and
- Sale and Distribution units in Ayutthaya and Sadao, Thailand: Sale Ordering and Billing Process, and Stock Control

The total cost incurred by the Company in respect of the outsourced internal audit function of the Group and the internal audit services performed by Kloo Point for the FPE 31 March 2022 was RM45,000.

For further details on the risk management, internal controls and internal audit functions of the Company and the Group, please refer to the Statement on Risk Management and Internal Control on pages 21 to 24 in this Annual Report.

This ARMC Report was made in accordance with a resolution of the Board dated 21 July 2022.

FINANCIAL STATEMENTS

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 period from **1 May 2021 to 31 March 2022**.

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 period.

CHANGE OF FINANCIAL YEAR END

The financial year end of the Group and of the Company were changed from 30 April to 31 March so as to be coterminous with the financial year end of their substantial corporate shareholder. Accordingly, comparative amounts for the statements of comprehensive income, statements of changes in equity and statements of cash flows and the related notes are not entirely comparable.

RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) for the financial period	**8,499,322**	**(3,158,012)**
Attributable to:		
Owners of the Company	**8,348,376**	**(3,158,012)**
Non-controlling interests	**150,946**	**-**
	8,499,322	**(3,158,012)**

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial period from **1 May 2021 to 31 March 2022** 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 year.

The directors do not recommend any final dividend payment for the financial period.

DIRECTORS' REPORT (cont'd)

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

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

(i) 10,000,000 new ordinary shares through a private placement at an issue price of RM0.335 per ordinary share for cash on 15 October 2021;

(ii) 10,000,000 new ordinary shares through a private placement at an issue price of RM0.315 per ordinary share for cash on 19 November 2021;

(iii) 20,000,000 new ordinary shares through a private placement at an issue price of RM0.312 per ordinary share for cash on 29 November 2021; and

(iv) 22,625,400 new ordinary shares through a private placement at an issue price of RM0.257 per ordinary share for cash on 13 December 2021.

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 until 17 May 2026.

There were no share options granted during the financial period.

The salient features of the ESOS are disclosed in Note 28 to the financial statements.

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

		|------------------ Number of share options ------------------|			
Grant date	Exercise price (RM)	Balance at 1.5.2021	Exercised	Forfeited	Balance at 31.3.2022
18 May 2016	**0.25**	**259,000**	**-**	**(30,500)**	**228,500**

DIRECTORS' REPORT (cont'd)

DIRECTORS

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

Directors of the Company:

Dato' Moktar Bin Mohd Noor
***Choong Lee Aun (appointed on 14.9.2021)**
Datuk Sham Shamrat Sen Gupta (appointed on 14.9.2021)
Kang Teik Yih (appointed on 29.9.2021)
Leong Choon Fai (appointed on 3.9.2021 and resigned on 30.6.2022)
Lim Siang Kai (retired on 22.12.2021)
Datuk Tho Yow Yin (resigned on 14.9.2021)
Lam Kwong Fai (Lin Guanghui) (resigned on 22.12.2021)
Chong Kim Teck (resigned on 15.9.2021)
Wan Kum Tho (resigned on 29.9.2021)
How Wai Mun (resigned on 29.9.2021)

Directors of the subsidiaries:

The directors of the subsidiaries of the Company since the beginning of the financial period 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
Shuib Bin Hassan
Mak Siew Wei (appointed on 15.9.2021)
Ong Chee Keong (appointed on 6.12.2021)
Teoh Lim Oay (appointed on 29.1.2022)
Yew Boon Teik (resigned on 29.1.2022)
Roslant Bin Abu (resigned on 7.6.2022)

*The director is also director of the Company's subsidiaries

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholding, none of the directors in office at the end of the financial period held or dealt in the shares of the Company and its related corporations at any time during the financial period.

DIRECTORS' REPORT (cont'd)

DIRECTORS' REMUNERATION AND BENEFITS

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

	GROUP AND COMPANY RM
Fees	**533,123**
Salaries, bonus and allowances	**813,058**
Defined contribution plan	**89,275**
SOCSO	**736**
	1,436,192

During and at the end of the financial period, 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 period, 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 AND OFFICERS

The amount of insurance premium paid for professional indemnity for the directors and officers of the Company during the financial period is RM15,750.

DIRECTORS' REPORT (cont'd)

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.

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 period 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 period.

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 period 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 period 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 period in which this report is made.

DIRECTORS' REPORT (cont'd)

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 period from 1 May 2021 to 31 March 2022 are RM232,000 and RM105,000 respectively.

The Group and the Company have agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial period.

The auditors 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:

....

Dato' Moktar Bin Mohd Noor **Choong Lee Aun**

Penang,

Date: 21 July 2022

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 69 to 182 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 **31 March 2022** and of their financial performance and cash flows for the financial period from 1 May 2021 to 31 March 2022.

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

....
Dato' Moktar Bin Mohd Noor

....
Choong Lee Aun

Date: 21 July 2022

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 69 to 182 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 **21st**)
day of **July 2022**.)

....
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 **31 March 2022** 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 period from 1 May 2021 to 31 March 2022, and notes to the financial statements, including a summary of accounting policies, as set out on pages 69 to 182.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 March 2022** and of their financial performance and cash flows for the financial period from 1 May 2021 to 31 March 2022 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 period. 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 (cont'd)
TO THE MEMBERS OF D'NONCE TECHNOLOGY BHD.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition *(Note 21 to the financial statements)* The Group's revenue is mainly derived from the provision of end-to-end packaging and design solutions, precision polymer engineering services, cleanroom services and contract manufacturing and is recognised at a point in time. We focus on this area due to the magnitude and voluminous transactions which may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised.	Our audit procedures in relation to the revenue recognition included, amongst others, the following: • Obtained an understanding of the Group's revenue recognition process and application and thereafter tested key controls on the occurrence of revenue; • Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities; • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to the documents which evidenced the delivery of goods to the customers; • Assessed whether revenue was recognised in the correct period by testing cut-off through assessing sales transactions taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting date; and • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices references and evaluated the nature of the transactions to determine whether they were *bona fide* transactions.

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

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.

- 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.

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

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

- 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 period 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.

Other Matter

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

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

Loo Wei Teng
No. 03487/03/2024 J
Chartered Accountant

Penang

Date: 21 July 2022

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022

		GROUP		COMPANY	
		31.3.2022	30.4.2021	31.3.2022	30.4.2021
	NOTE	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	**4**	**94,671,047**	68,022,274	**517,461**	730,289
Investment properties	**5**	**12,911,919**	13,211,950	**-**	-
Right-of-use assets	**6**	**4,998,978**	4,150,593	**-**	23,634
Investment in subsidiaries	**7**	**-**	-	**48,185,323**	47,077,023
Goodwill	**8**	**289,128**	289,128	**-**	-
Deferred tax assets	**9**	**-**	164,840	**-**	-
Trade and other receivables	**10**	**51,845**	194,365	**23,637,640**	2,911,906
		112,922,917	86,033,150	**72,340,424**	50,742,852
Current assets					
Inventory property	**11**	**349,488**	425,068	**-**	-
Inventories	**12**	**29,762,778**	20,010,464	**-**	-
Trade and other receivables	**10**	**50,616,230**	59,553,379	**20,409,385**	32,627,494
Contract assets	**13**	**719,593**	696,204	**-**	-
Current tax assets		**1,767,774**	1,508,400	**478,512**	434,134
Other investments	**14**	**13,398,146**	-	**5,008,133**	-
Cash and bank balances	**15**	**40,955,843**	40,829,820	**7,771,700**	1,418,223
		137,569,852	123,023,335	**33,667,730**	34,479,851
TOTAL ASSETS		**250,492,769**	209,056,485	**106,008,154**	85,222,703
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	**16**	**111,159,207**	92,805,918	**111,159,207**	92,805,918
Reserves	**17**	**47,359,571**	30,561,086	**31,260**	35,371
Retained profits/(Accumulated losses)		**26,081,409**	17,526,827	**(14,946,320)**	(11,792,419)
		184,600,187	140,893,831	**96,244,147**	81,048,870
Non-controlling interests		**5,151,520**	5,077,307	**-**	-
Total equity		**189,751,707**	145,971,138	**96,244,147**	81,048,870

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

STATEMENTS OF FINANCIAL POSITION (cont'd)
AS AT 31 MARCH 2022

		GROUP		COMPANY	
		31.3.2022	30.4.2021	31.3.2022	30.4.2021
	NOTE	RM	RM	RM	RM
Non-current liabilities					
Retirement benefit obligations	**18**	**2,471,341**	2,406,454	**-**	-
Borrowings	**19**	**8,867,610**	9,934,924	**-**	-
Lease liabilities	**6**	**3,114,049**	2,933,420	**-**	-
Deferred tax liabilities	**9**	**10,519,432**	5,945,366	**-**	-
		24,972,432	21,220,164	**-**	-
Current liabilities					
Trade and other payables	**20**	**19,141,835**	20,385,313	**9,764,007**	4,149,160
Borrowings	**19**	**14,484,785**	19,741,731	**-**	-
Lease liabilities	**6**	**2,141,861**	1,411,540	**-**	24,673
Current tax liabilities		**149**	326,599	**-**	-
		35,768,630	41,865,183	**9,764,007**	4,173,833
Total liabilities		**60,741,062**	63,085,347	**9,764,007**	4,173,833
TOTAL EQUITY AND LIABILITIES		**250,492,769**	209,056,485	**106,008,154**	85,222,703

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

		GROUP		COMPANY	
	NOTE	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Revenue	21	**166,406,009**	184,248,840	**4,366,560**	4,414,522
Other income	22	**4,864,043**	4,993,762	**852,690**	1,373,727
Changes in inventories of work-in-progress and finished goods		**3,309,507**	799,157	**-**	-
Raw materials and consumables used		**(69,094,363)**	(70,283,717)	**-**	-
Trading goods		**(30,140,898)**	(31,401,677)	**-**	-
Allowance for expected credit losses		**(111,099)**	(280,176)	**(772,927)**	(429,647)
Carriage outwards		**(1,353,289)**	(1,292,428)	**-**	-
Depreciation of					
- property, plant and equipment		**(6,008,419)**	(6,701,958)	**(217,417)**	(239,687)
- investment properties		**(300,031)**	(327,128)	**-**	-
- right-of-use assets		**(2,036,560)**	(1,370,404)	**(23,634)**	(70,901)
Employee benefits expense	23	**(35,436,362)**	(38,764,341)	**(4,197,056)**	(4,550,360)
Expense relating to lease of low value assets		**(148,856)**	(29,099)	**(3,475)**	(3,223)
Expense relating to short-term leases		**(524,708)**	(1,289,520)	**(97,024)**	(56,208)
Fair value loss on other investments		**(483,823)**	-	**-**	-
Impairment loss on investment in a subsidiary		**-**	-	**-**	(449,146)
Inventories written down		**(450,721)**	(556,130)	**-**	-
Inventories written off		**(24,482)**	(128,226)	**-**	-
Property, plant and equipment written off		**(3,077)**	(6,533)	**-**	-
Realised loss on foreign exchange		**(194,648)**	(249,237)	**(16,790)**	(45,702)
Unrealised (loss)/gain on foreign exchange		**(665,171)**	(1,072,404)	**28,066**	(203,787)
Unwinding discount on amount due from subsidiaries		**-**	-	**(1,279,129)**	208,186
Utilities		**(3,689,922)**	(4,272,170)	**(12,908)**	(16,245)
Other operating expenses		**(13,126,962)**	(14,339,690)	**(1,560,969)**	(1,253,724)
Operating profit/(loss)		**10,786,168**	17,676,921	**(2,934,013)**	(1,322,195)
Finance costs	24	**(1,419,136)**	(2,307,057)	**(221,153)**	(359,788)
Profit/(Loss) before tax	25	**9,367,032**	15,369,864	**(3,155,166)**	(1,681,983)
Taxation	26	**(867,710)**	(1,573,720)	**(2,846)**	34,437
Profit/(Loss) for the financial period/ year carried forward		**8,499,322**	13,796,144	**(3,158,012)**	(1,647,546)

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

STATEMENTS OF COMPREHENSIVE INCOME (cont'd)
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

	NOTE	GROUP 1.5.2021 to 31.3.2022 (11 months) RM	GROUP 1.5.2020 to 30.4.2021 (12 months) RM	COMPANY 1.5.2021 to 31.3.2022 (11 months) RM	COMPANY 1.5.2020 to 30.4.2021 (12 months) RM
Profit/(Loss) for the financial period/ year brought forward		**8,499,322**	13,796,144	**(3,158,012)**	(1,647,546)
Total other comprehensive income/(loss), net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		**(1,238,257)**	(1,084,804)	**-**	-
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement loss on retirement benefit obligations		**(58,871)**	(66,091)	**-**	-
Revaluation of land and buildings, net		**18,382,586**	-	**-**	-
Transfer of revaluation surplus to retained profits		**260,966**	780,980	**-**	-
Realisation of revaluation surplus upon depreciation		**(260,966)**	(276,903)	**-**	-
Realisation of revaluation surplus upon disposal		**-**	(504,077)	**-**	-
Total comprehensive income/(loss) for the financial period/year		**25,584,780**	12,645,249	**(3,158,012)**	(1,647,546)
Profit/(Loss) attributable to:					
Owners of the Company		**8,348,376**	13,501,744	**(3,158,012)**	(1,647,546)
Non-controlling interests		**150,946**	294,400	**-**	-
		8,499,322	13,796,144	**(3,158,012)**	(1,647,546)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**25,353,067**	12,350,943	**(3,158,012)**	(1,647,546)
Non-controlling interests		**231,713**	294,306	**-**	-
		25,584,780	12,645,249	**(3,158,012)**	(1,647,546)
Earnings per share attributable to owners of the Company (sen)	27				
- Basic		**2.45**	4.61		
- Diluted		**2.45**	4.61		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

	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					--------|				
31.3.2022												
Balance at beginning		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
Foreign currency translation differences for foreign operation		-	(1,238,024)	-	-	-	-	-	-	(1,238,024)	(233)	(1,238,257)
Remeasurement loss on retirement benefit obligations		-	-	-	-	-	-	-	(58,871)	(58,871)	-	(58,871)
Revaluation of land and buildings, net		-	-	18,301,586	-	-	-	-	-	18,301,586	81,000	18,382,586
Transfer of revaluation surplus to retained profits		-	-	(260,966)	-	-	-	-	260,966	-	-	-
Profit for the financial period		-	-	-	-	-	-	-	8,348,376	8,348,376	150,946	8,499,322
Total comprehensive income for the financial period		-	(1,238,024)	18,040,620	-	-	-	-	8,550,471	25,353,067	231,713	25,584,780
Balance carried forward		92,805,918	4,851,016	37,324,785	32,510	35,371	-	5,120,000	26,077,298	166,246,898	5,309,020	171,555,918

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

	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					------------|				
31.3.2022 (cont'd)												
Balance brought forward		92,805,918	4,851,016	37,324,785	32,510	35,371	-	5,120,000	26,077,298	166,246,898	5,309,020	171,555,918
Transactions with owners of the Company:												
Issuance of ordinary shares	16	18,554,728	-	-	-	-	-	-	-	18,554,728	-	18,554,728
Shares issuance expenses	16	(201,439)	-	-	-	-	-	-	-	(201,439)	-	(201,439)
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	(202,500)	(202,500)
Issuance of shares to non-controlling interests		-	-	-	-	-	-	-	-	-	45,000	45,000
Share options forfeited		-	-	-	-	(4,111)	-	-	4,111	-	-	-
Total transactions with owners		18,353,289	-	-	-	(4,111)	-	-	4,111	18,353,289	(157,500)	18,195,789
Balance at end		111,159,207	4,851,016	37,324,785	32,510	31,260	-	5,120,000	26,081,409	184,600,187	5,151,520	189,751,707

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

	NOTE	Share Capital RM	Non-distributable: Foreign Currency Translation Reserve RM	Non-distributable: Revaluation Reserve RM	Non-distributable: Legal Reserve RM	Non-distributable: Share Options Reserve RM	Non-distributable: Warrant Reserve RM	Non-distributable: Other Capital Reserve RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total Equity RM
30.4.2021												
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
Balance carried forward		75,119,205	6,089,040	19,284,165	32,510	103,840	4,958,330	5,120,000	17,456,713	128,163,803	5,689,985	133,853,788

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

			|------ 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
30.4.2021 (cont'd)												
Balance brought forward		75,119,205	6,089,040	19,284,165	32,510	103,840	4,958,330	5,120,000	17,456,713	128,163,803	5,689,985	133,853,788
Transactions with owners of the Company:												
Issuance of ordinary shares pursuant to:												
- Exercise of ESOS	16	125,125	-	-	-	-	-	-	-	125,125	-	125,125
- Exercise of warrants	16	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	16	68,469	-	-	-	(68,469)	-	-	-	-	-	-
Transfer of warrant reserve upon exercised	16	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.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

		|------- Non-distributable -------|				
	NOTE	Share Capital RM	Share Options Reserve RM	Warrant Reserve RM	Accumulated Losses RM	Total Equity RM
31.3.2022						
Balance at beginning		**92,805,918**	**35,371**	**-**	**(11,792,419)**	**81,048,870**
Total comprehensive loss for the financial period		**-**	**-**	**-**	**(3,158,012)**	**(3,158,012)**
Transactions with owners of the Company:						
Issuance of ordinary shares	**16**	**18,554,728**	**-**	**-**	**-**	**18,554,728**
Shares issuance expenses	**16**	**(201,439)**	**-**	**-**	**-**	**(201,439)**
Share options forfeited		**-**	**(4,111)**	**-**	**4,111**	**-**
Total transactions with owners		**18,353,289**	**(4,111)**	**-**	**4,111**	**18,353,289**
Balance at end		**111,159,207**	**31,260**	**-**	**(14,946,320)**	**96,244,147**

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

STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

		|-------------- Non-distributable	--------------	-------------|		
	NOTE	Share Capital RM	Share Options Reserve RM	Warrant Reserve RM	Accumulated Losses RM	Total Equity RM
30.4.2021						
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 ordinary shares pursuant to:						
- Exercise of ESOS	16	125,125	-	-	-	125,125
- Exercise of warrants	16	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	16	68,469	(68,469)	-	-	-
Transfer of warrant reserve upon exercised	16	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

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	**9,367,032**	15,369,864	**(3,155,166)**	(1,681,983)
Adjustments for:				
Accretion of interest on lease liabilities	**310,950**	308,060	**1,327**	5,242
Allowance for expected credit losses	**111,099**	280,176	**772,927**	429,647
Dividend income	**-**	-	**(247,500)**	-
Defined benefit plan	**328,832**	358,302	**-**	-
Depreciation of				
- property, plant and equipment	**6,008,419**	6,701,958	**217,417**	239,687
- investment properties	**300,031**	327,128	**-**	-
- right-of-use assets	**2,036,560**	1,370,404	**23,634**	70,901
Fair value loss on other investments	**483,823**	-	**-**	-
Gain on disposal of property, plant and equipment	**(64,800)**	(79,177)	**(26,000)**	-
Impairment loss on investment in a subsidiary	**-**	-	**-**	449,146
Interest expenses	**1,108,186**	1,998,997	**219,826**	354,546
Interest income	**(432,116)**	(759,413)	**(732,392)**	(1,169,148)
Inventories written down	**450,721**	556,130	**-**	-
Inventories written off	**24,482**	128,226	**-**	-
Property, plant and equipment written off	**3,077**	6,533	**-**	-
Reversal of allowance for expected credit losses	**(90,072)**	(197,032)	**(89,645)**	-
Reversal of inventories written down	**-**	(168,251)	**-**	-
Unrealised loss/(gain) on foreign exchange, net	**219,273**	274,546	**(28,066)**	203,787
Unwinding discount on amount due from subsidiaries	**-**	-	**1,279,129**	(208,186)
Operating profit/(loss) before working capital changes	**20,165,497**	26,476,451	**(1,764,509)**	(1,306,361)
Changes in:				
Inventory property	**75,580**	(425,068)	**-**	-
Inventories	**(10,227,517)**	5,179,806	**-**	-
Trade and other receivables	**8,944,830**	(10,333,440)	**(102,314)**	(91,911)
Contract assets	**(23,389)**	124,253	**-**	-
Trade and other payables	**(1,390,654)**	950,559	**14,492**	(736,831)
Cash generated from/(used in) operations	**17,544,347**	21,972,561	**(1,852,331)**	(2,135,103)

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

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

	NOTE	GROUP 1.5.2021 to 31.3.2022 (11 months) RM	GROUP 1.5.2020 to 30.4.2021 (12 months) RM	COMPANY 1.5.2021 to 31.3.2022 (11 months) RM	COMPANY 1.5.2020 to 30.4.2021 (12 months) RM
Retirement benefit obligations paid		**(100,876)**	(152,467)	**-**	-
Income tax paid		**(1,485,249)**	(791,621)	**(47,224)**	(119,991)
Income tax refunded		**124,547**	5,240	**-**	-
Interest paid		**(1,108,186)**	(1,998,997)	**(20,435)**	(122,925)
Net cash from/(used in) operating activities		**14,974,583**	19,034,716	**(1,919,990)**	(2,378,019)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received		**-**	-	**247,500**	-
Interest received		**432,116**	759,413	**116,043**	20,460
Investment in subsidiaries		**-**	(600,000)	**(300)**	(600,000)
Addition in other investments		**(13,881,969)**	-	**(5,008,133)**	-
Proceeds from disposal of property, plant and equipment		**71,986**	1,138,158	**26,000**	-
Proceeds from issuance of shares to non-controlling interests		**45,000**	-	**-**	-
Purchase of property, plant and equipment	A	**(10,375,812)**	(3,644,410)	**(7,640)**	(9,790)
Net changes in deposits pledged with licensed banks		**4,598,704**	4,420,299	**-**	-
Net cash (used in)/from investing activities		**(19,109,975)**	2,073,460	**(4,626,530)**	(589,330)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid to non-controlling interests		**(202,500)**	-	**-**	-
Net changes in short term borrowings	B	**(4,377,845)**	(12,873,865)	**-**	-
Drawdown of term loans	B	**3,286,030**	472,872	**-**	-
Repayment of					
- lease liabilities	B	**(2,281,209)**	(1,547,910)	**(26,000)**	(78,000)
- term loans	B	**(3,164,965)**	-	**-**	-
- finance lease liabilities	B	**(2,095,093)**	(2,510,688)	**-**	-
Net changes in subsidiaries' balances		**-**	-	**(5,427,292)**	(8,475,813)
Proceeds from issuance of ordinary shares, net		**18,353,289**	12,717,350	**18,353,289**	12,717,350
Net cash from/(used in) financing activities		**9,517,707**	(3,742,241)	**12,899,997**	4,163,537

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

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

	NOTE	GROUP 1.5.2021 to 31.3.2022 (11 months) RM	GROUP 1.5.2020 to 30.4.2021 (12 months) RM	COMPANY 1.5.2021 to 31.3.2022 (11 months) RM	COMPANY 1.5.2020 to 30.4.2021 (12 months) RM
NET INCREASE IN CASH AND CASH EQUIVALENTS		**5,382,315**	17,365,935	**6,353,477**	1,196,188
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(423,454)**	(289,657)	**-**	-
CASH AND CASH EQUIVALENTS AT BEGINNING		**22,603,737**	5,527,459	**1,418,223**	222,035
CASH AND CASH EQUIVALENTS AT END		**27,562,598**	22,603,737	**7,771,700**	1,418,223
Represented by:					
Deposits with licensed banks		**16,760,602**	25,387,628	**1,500,000**	-
Short term money market deposit		**5,917,361**	1,335,994	**5,917,361**	1,335,994
Cash in hand and at banks		**18,277,880**	14,106,198	**354,339**	82,229
Bank overdrafts		**-**	(234,134)	**-**	-
		40,955,843	40,595,686	**7,771,700**	1,418,223
Less: Deposits pledged with licensed banks		**(13,393,245)**	(17,991,949)	**-**	-
		27,562,598	22,603,737	**7,771,700**	1,418,223
A. Purchase of property, plant and equipment					
Total acquisition cost		**10,637,559**	4,076,459	**7,640**	9,790
Acquired under finance lease liabilities	**B**	**(261,747)**	(432,049)	**-**	-
Total cash acquisition		**10,375,812**	3,644,410	**7,640**	9,790

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

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

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				
31.3.2022				
Borrowings excluding bank overdrafts	**29,442,521**	**(6,090,126)**	**-**	**23,352,395**
Lease liabilities	**4,344,960**	**(2,281,209)**	**3,192,159**	**5,255,910**
Total liabilities arising from financing activities	**33,787,481**	**(8,371,335)**	**3,192,159**	**28,608,305**
30.4.2021				
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
COMPANY				
31.3.2022				
Lease liabilities, representing total liabilities arising from financing activities	**24,673**	**(26,000)**	**1,327**	**-**
30.4.2021				
Lease liabilities, representing total liabilities arising from financing activities	97,431	(78,000)	5,242	24,673

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE FINANCIAL PERIOD FROM 1 MAY 2021 TO 31 MARCH 2022

B. Liabilities arising from financing activities (cont'd)

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

	31.3.2022 RM	30.4.2021 RM
GROUP		
Accretion of interest on lease liabilities	**310,950**	308,060
Addition of lease liabilities	**2,961,467**	2,730,712
Exchange differences	**(80,258)**	-
	3,192,159	3,038,772
COMPANY		
Accretion of interest on lease liabilities	**1,327**	5,242

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022

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 A1-2-2 Solaris Dutamas, No.1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan.

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 21 July 2022.

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 period.

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.

2. BASIS OF PREPARATION (cont'd)

2.2 Basis of Measurement (cont'd)

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.

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

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 and the Company have 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 year except for the adoption of the following amendments to MFRSs that are mandatory for the current financial period:

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

2. BASIS OF PREPARATION (cont'd)

2.4 Adoption of Amendments to MFRSs (cont'd)

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

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 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 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 - Comparative Information
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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

2. BASIS OF PREPARATION (cont'd)

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 and the Company reassess 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

2. BASIS OF PREPARATION (cont'd)

2.6 Significant Accounting Estimates and Judgements (cont'd)

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) Revaluation of property, plant and equipment

The Group measures its land and buildings at revalued amount with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuers to determine fair value as at the end of reporting period.

The carrying amount of the land and buildings as at the end of reporting period and the relevant revaluation bases and fair value, are disclosed in Note 4 to the financial statements.

(ii) 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 12 to the financial statements.

(iii) 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 32.3.1 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

2. BASIS OF PREPARATION (cont'd)

2.6 Significant Accounting Estimates and Judgements (cont'd)

2.6.2 Key sources of estimation uncertainty (cont'd)

(iv) 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).

(v) 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 **RM Nil** (30.4.2021: RM449,146) was recognised in profit or loss to write down subsidiaries to their recoverable amount.

(vi) 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 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

2. BASIS OF PREPARATION (cont'd)

2.6 Significant Accounting Estimates and Judgements (cont'd)

2.6.2 Key sources of estimation uncertainty (cont'd)

(vii) 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 28 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.

3. ACCOUNTING POLICIES (cont'd)

3.1 Basis of Consolidation (cont'd)

(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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

3.1 Basis of Consolidation (cont'd)

(iii) Business combination (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

3.1 Basis of Consolidation (cont'd)

(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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

3.3 Property, Plant and Equipment (cont'd)

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 period/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.

3. ACCOUNTING POLICIES (cont'd)

3.4 Investment properties (cont'd)

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

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 period/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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

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	2 to 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.

3. ACCOUNTING POLICIES (cont'd)

3.6 Leases (cont'd)

As a lessee (cont'd)

(ii) Lease liabilities (cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

3.7 Impairment of Non-Financial Assets (cont'd)

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 period/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").

3. ACCOUNTING POLICIES (cont'd)

3.8 Financial Instruments (cont'd)

3.8.1 Financial assets (cont'd)

(i) Initial recognition and measurement (cont'd)

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 as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

3.8 Financial Instruments (cont'd)

3.8.1 Financial assets (cont'd)

(ii) Subsequent measurement (cont'd)

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.

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of comprehensive income.

This category includes derivative instruments and listed equity investments which the Group and the Company have not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are recognised as other income in the statements of comprehensive income when the right of payment has been established.

The Group's and the Company's finance assets at FVTPL includes other investments.

(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.

3. ACCOUNTING POLICIES (cont'd)

3.8 Financial Instruments (cont'd)

3.8.1 Financial assets (cont'd)

(iii) Derecognition (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

3.8 Financial Instruments (cont'd)

3.8.1 Financial assets (cont'd)

(iv) Impairment (cont'd)

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

3.8 Financial Instruments (cont'd)

3.8.2 Financial liabilities (cont'd)

(ii) Subsequent measurement (cont'd)

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 if incurs because a specified debtor fails to make payment when due.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (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 trading goods 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. ACCOUNTING POLICIES (cont'd)

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

3.14 Revenue Recognition (cont'd)

(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 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).

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

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 period/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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

3.15 Employee Benefits (cont'd)

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.

3. ACCOUNTING POLICIES (cont'd)

3.16 Income Tax (cont'd)

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 Tax

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

3.18 Foreign Currency Translations (cont'd)

Foreign currency transactions (cont'd)

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. ACCOUNTING POLICIES (cont'd)

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

3. ACCOUNTING POLICIES (cont'd)

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

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
31.3.2022									
At valuation/cost									
Balance at beginning	21,095,917	4,720,000	23,976,525	57,965,678	12,063,332	6,960,143	11,913,450	523,558	139,218,603
Additions	-	-	-	4,745,676	450,783	531,593	45,115	4,864,392	10,637,559
Disposals	-	-	-	(65,400)	(12,699)	(331,874)	-	-	(409,973)
Written offs	-	-	-	-	(43,284)	(53,020)	-	-	(96,304)
Reclassification	-	-	-	1,190,096	-	-	-	(1,190,096)	-
Revaluation gain/(loss)	20,380,482	(40,000)	73,038	-	-	-	-	-	20,413,520
Exchange differences	(315,079)	-	(296,307)	(1,336,834)	(91,323)	(82,659)	(287,428)	(50,699)	(2,460,329)
Balance at end	41,161,320	4,680,000	23,753,256	62,499,216	12,366,809	7,024,183	11,671,137	4,147,155	167,303,076
Accumulated depreciation									
Balance at beginning	-	351,723	1,515,683	42,812,672	9,780,499	5,694,868	9,266,972	-	69,422,417
Current charge	-	131,618	618,502	3,298,842	559,143	577,446	822,868	-	6,008,419
Disposals	-	-	-	(65,399)	(5,514)	(331,874)	-	-	(402,787)
Written offs	-	-	-	-	(40,207)	(53,020)	-	-	(93,227)
Elimination of accumulated depreciation on revaluation	-	(483,341)	(2,131,799)	-	-	-	-	-	(2,615,140)
Exchange differences	-	-	(2,386)	(1,062,360)	(74,279)	(71,065)	(251,475)	-	(1,461,565)
Balance at end	-	-	-	44,983,755	10,219,642	5,816,355	9,838,365	-	70,858,117

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

GROUP (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
31.3.2022 (cont'd)									
Accumulated impairment losses									
Balance at beginning/end	**-**	**-**	**-**	**1,556,435**	**12,566**	**-**	**204,911**	**-**	**1,773,912**
Carrying amount	**41,161,320**	**4,680,000**	**23,753,256**	**15,959,026**	**2,134,601**	**1,207,828**	**1,627,861**	**4,147,155**	**94,671,047**
30.4.2021									
At valuation/cost									
Balance at beginning	21,729,225	4,720,000	25,175,388	56,181,980	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	21,095,917	4,720,000	23,976,525	57,965,678	12,063,332	6,960,143	11,913,450	523,558	139,218,603

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

GROUP (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
30.4.2021 (cont'd)									
Accumulated depreciation									
Balance at beginning	-	218,609	871,574	40,631,494	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	1,515,683	42,812,672	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	21,095,917	4,368,277	22,460,842	13,596,571	2,270,267	1,265,275	2,441,567	523,558	68,022,274

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY

	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Total RM
31.3.2022			
At cost			
Balance at beginning	1,644,925	826,934	2,471,859
Additions	7,640	-	7,640
Disposal	-	(149,390)	(149,390)
Transfer to a subsidiary	(4,120)	-	(4,120)
Balance at end	1,648,445	677,544	2,325,989
Accumulated depreciation			
Balance at beginning	1,367,417	371,561	1,738,978
Current charge	62,764	154,653	217,417
Disposal	-	(149,390)	(149,390)
Transfer to a subsidiary	(1,069)	-	(1,069)
Balance at end	1,429,112	376,824	1,805,936
Accumulated impairment losses			
Balance at beginning/end	2,592	-	2,592
Carrying amount	216,741	300,720	517,461

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY (cont'd)

	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Total RM
30.4.2021			
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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(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	
	31.3.2022 RM	30.4.2021 RM
Freehold land	**8,200,584**	8,200,584
Leasehold land	**1,850,597**	1,895,406
Buildings	**11,644,948**	12,217,246
	21,696,129	22,313,236

The fair value measurement of the freehold land, leasehold land and buildings which were derived from the valuation carried out on 31 March 2022 were categorised as follows:

	Level 3 RM
Freehold land	**41,161,320**
Leasehold land	**4,680,000**
Buildings	**23,753,256**

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 period/year.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(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 19 to the financial statements are as follows:

	GROUP	
	31.3.2022	30.4.2021
	RM	RM
Freehold land, leasehold land and buildings	**43,717,078**	29,255,128
Plant and machinery	**4,069,441**	4,722,561
	47,786,519	33,977,689

(iii) The carrying amount of lease assets which are pledged as securities for the finance lease liabilities as disclosed in Note 19 to the financial statements are as follows:

	GROUP	
	31.3.2022	30.4.2021
	RM	RM
Plant and machinery	**5,487,614**	6,129,877
Motor vehicles	**767,099**	797,371
	6,254,713	6,927,248

(iv) On 26 June 2020 and 18 August 2020, the Group had entered into Sales and Purchases Agreements with third parties to dispose of two units of freehold land and buildings for a cash consideration of RM520,000 and RM515,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(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
31.3.2022				
Leasehold land, at valuation	**5,129,669**	**131,618**	**-**	**753,341**
Plant and machinery, at cost	**5,487,614**	**642,263**	**-**	**-**
Motor vehicles, at cost	**767,099**	**328,502**	**298,230**	**-**
30.4.2021				
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	-	-

5. INVESTMENT PROPERTIES

	GROUP	
	31.3.2022 RM	30.4.2021 RM
Freehold land, leasehold land, buildings and renovation		
At cost		
Balance at beginning/end	**18,143,490**	18,143,490
Accumulated depreciation		
Balance at beginning	**4,931,540**	4,604,412
Depreciation	**300,031**	327,128
Balance at end	**5,231,571**	4,931,540
Carrying amount	**12,911,919**	13,211,950

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

5. **INVESTMENT PROPERTIES (cont'd)**

(i) The investment properties have an open market value of approximately **RM25,260,000** (30.4.2021: RM23,720,000). 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 period/year.

(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 19 to the financial statements is **RM12,834,417** (30.4.2021: RM13,128,366).

(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	
	31.3.2022 RM	30.4.2021 RM
Rental income from income generating properties	**1,598,585**	1,400,190
Direct operating expenses	**89,553**	102,148

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

	GROUP	
	31.3.2022 RM	30.4.2021 RM
Within one year	**920,750**	1,364,400
More than one year and less than five years	**660,000**	1,265,000
	1,580,750	2,629,400

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

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 their 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 and the Company apply 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 period/year:

GROUP

	Premises RM	Factory buildings RM	Total RM
31.3.2022			
Balance at beginning	**1,864,323**	**2,286,270**	**4,150,593**
Additions	**57,944**	**2,903,523**	**2,961,467**
Depreciation	**(727,324)**	**(1,309,236)**	**(2,036,560)**
Exchange differences	**-**	**(76,522)**	**(76,522)**
Balance at end	**1,194,943**	**3,804,035**	**4,998,978**
30.4.2021			
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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

Group and Company as a lessee (cont'd)

Right-of-use assets (cont'd)

COMPANY

	Premises RM
31.3.2022	
Balance at beginning	**23,634**
Depreciation	**(23,634)**
Balance at end	**-**
30.4.2021	
Balance at beginning	94,535
Depreciation	(70,901)
Balance at end	23,634

Lease liabilities

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

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Balance at beginning	**4,344,960**	2,854,098	**24,673**	97,431
Additions	**2,961,467**	2,730,712	**-**	-
Accretion of interest on lease liabilities	**310,950**	308,060	**1,327**	5,242
Payments	**(2,281,209)**	(1,547,910)	**(26,000)**	(78,000)
Exchange differences	**(80,258)**	-	**-**	-
Balance at end	**5,255,910**	4,344,960	**-**	24,673

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

Lease liabilities (cont'd)

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Represented by:				
Non-current liabilities	**3,114,049**	2,933,420	**-**	-
Current liabilities	**2,141,861**	1,411,540	**-**	24,673
	5,255,910	4,344,960	**-**	24,673

The maturity analysis of lease liabilities is disclosed in Note 32.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Depreciation expense of right-of-use assets	**2,036,560**	1,370,404	**23,634**	70,901
Accretion of interest on lease liabilities	**310,950**	308,060	**1,327**	5,242
Expense relating to lease of low value assets	**148,856**	29,099	**3,475**	3,223
Expense relating to short-term leases	**524,708**	1,289,520	**97,024**	56,208
Total amount recognised in profit or loss	**3,021,074**	2,997,083	**125,460**	135,574

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

7. INVESTMENT IN SUBSIDIARIES

		COMPANY 31.3.2022 RM	COMPANY 30.4.2021 RM
Unquoted shares, at cost		**59,915,789**	58,807,489
ESOS granted to employees of subsidiaries		**1,505,552**	1,505,552
		61,421,341	60,313,041
Less:	Allowance for impairment		
	Balance at beginning	**13,236,018**	12,786,872
	Addition	**-**	449,146
	Balance at end	**13,236,018**	13,236,018
		48,185,323	47,077,023

Details of the subsidiaries are as follows:

Name of entities	Country of incorporation	Effective equity interest held by the Group 31.3.2022 %	Effective equity interest held by the Group 30.4.2021 %	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 materials.
Attractive Venture Sdn. Bhd.	Malaysia	**100**	100	Design and conversion of advanced packaging materials, precision polymer engineering service and contract manufacturing of electronic components.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

7. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of entities	Country of incorporation	Effective equity interest held by the Group		Principal Activities
		31.3.2022 %	30.4.2021 %	
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**	75	Design and conversion of advanced of packaging materials.
D'nonce Energy Sdn. Bhd. ("DENE")	Malaysia	**100**	100	Dormant.
Integrated SCM Co., Ltd. [2] [4]	Thailand	**99**	99	Wholesale of industrial chemicals.
Logistic Solution Holdings Co., Ltd. [4]	Thailand	**99**	99	Investment holding.
ISCM Technology (Thailand) Co., Ltd. [4]	Thailand	**100**	100	Cleanroom services and contract manufacturing of electronic components and mask.
ISCM Industries (Thailand) Co., Ltd. ("SCMI") [3] [4]	Thailand	**5**	-	Design and conversion of advanced of packaging materials.
D'nonce Singapore Pte. Ltd. ("DSIN") [4]	Singapore	**100**	-	Dormant.
Indirect - held through ISCM Technology (Thailand) Co., Ltd.				
ISCM Industries (Thailand) Co., Ltd. ("SCMI") [3] [4]	Thailand	**95**	100	Design and conversion of advanced of packaging materials.
Indirect - held through D'nonce Energy Sdn. Bhd.				
Pelita Emasjaya Sdn. Bhd. ("PESB")	Malaysia	**55**	-	Dormant.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

7. INVESTMENT IN SUBSIDIARIES (cont'd)

[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] *The Company has a direct interest of 5% and an indirect interest of 95% via another subsidiary, ISCM Technology (Thailand) Co., Ltd.*

[4] *Not audited by Grant Thornton Malaysia PLT.*

7.1 Acquisition of a subsidiary

31.3.2022

On 4 November 2021, DENE, a wholly-owned subsidiary of the Company, has subscribed 55,000 ordinary shares in PESB representing 55% equity interest in PESB for cash consideration of RM55,000.

7.2 Subscription of ordinary shares in subsidiaries

31.3.2022

(i) On 11 June 2021, the Company has subscribed 100 ordinary shares in DSIN representing 100% equity interest in DSIN for cash consideration of RM300.

(ii) On 4 May 2021, the Company has subscribed 80,000 ordinary shares in SCMI by way of converting amount due from SCMI of RM1,108,000.

30.4.2021

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%.

7.3 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. No impairment loss was recognised during the financial period, while there was an impairment loss of RM449,146 recognised in respect of investment in DPPT in prior financial year.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

7. INVESTMENT IN SUBSIDIARIES (cont'd)

7.4 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
31.3.2022						
NCI percentage of ownership interest and voting interest (%)	**45%**	**45%**	**18%**	**16%**	**25%**	
Carrying amount of NCI (RM)	**1,485,761**	**1,700,890**	**2,461,474**	**(1,381,082)**	**835,477**	**5,102,520**
Profit/(Loss) allocated to NCI (RM)	**126,268**	**(78,031)**	**69,127**	**(1,433)**	**38,393**	**154,324**
30.4.2021						
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/(Loss) allocated to NCI (RM)	198,567	(126,604)	77,741	(30,786)	177,264	296,182

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

7. INVESTMENT IN SUBSIDIARIES (cont'd)

7.4 Subsidiaries with material non-controlling interests ("NCI") (cont'd)

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
31.3.2022					
Assets and liabilities					
Non-current assets	149,373	447,291	7,954,515	-	2,042,448
Current assets	5,869,397	3,638,301	11,092,054	217,561	4,244,155
Non-current liabilities	(47,375)	-	(1,417,408)	-	(450,475)
Current liabilities	(2,669,703)	(305,837)	(3,954,308)	(8,849,323)	(2,494,219)
Net assets	3,301,692	3,779,755	13,674,853	(8,631,762)	3,341,909
Results					
Revenue	10,344,139	410,792	16,481,679	-	10,513,063
Net profit/(loss) for the financial period	280,596	(173,402)	384,038	(8,959)	153,570
Total comprehensive income/(loss) for the financial period	280,596	(173,402)	834,038	(8,959)	153,570
Net cash (used in)/generated from:					
Operating activities	8,667	(219,952)	3,274,969	(14,871)	250,096
Investing activities	(476,677)	15,040	754,418	-	(675,001)
Financing activities	(128,555)	274,250	(3,967,746)	(87,500)	170,972
Net change in cash and cash equivalents	(596,565)	69,338	61,641	(102,371)	(253,933)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

7. INVESTMENT IN SUBSIDIARIES (cont'd)

7.4 Subsidiaries with material non-controlling interests ("NCI") (cont'd)

The summarised financial information of material NCI presented below is the amount before inter-company elimination: (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
30.4.2021					
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)	-	(291,415)	-	(359,062)
Current liabilities	(2,087,026)	(288,350)	(7,102,549)	(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)	431,892	(192,415)	449,452
Net cash (used in)/generated from:					
Operating activities	299,237	(406,524)	2,450,932	(151,728)	911,547
Investing activities	(335,922)	180,460	(185,382)	888,783	145,300
Financing activities	(153,982)	638,473	(2,421,072)	(679,778)	(335,776)
Net change in cash and cash equivalents	(190,667)	412,409	(155,522)	57,277	721,071

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

8. GOODWILL

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

	GROUP	
	31.3.2022 RM	30.4.2021 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 2% (30.4.2021: 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%** (30.4.2021: 0%) in perpetuity.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

8. GOODWILL (cont'd)

Key assumptions used in value-in-use calculations (cont'd)

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

(iv) Discount rate

Pre-tax discount rate at **11.1%** (30.4.2021: 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 period/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	
	31.3.2022 RM	30.4.2021 RM
Balance at beginning	**5,780,526**	5,770,864
Recognised in profit or loss	**426,269**	128,377
Recognised in other comprehensive income	**4,646,074**	-
Exchange differences	**-**	2,630
	10,852,869	5,901,871
Overprovision in prior year/period	**(333,437)**	(121,345)
Balance at end	**10,519,432**	5,780,526

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

	GROUP	
	31.3.2022 RM	30.4.2021 RM
Deferred tax assets	**-**	(164,840)
Deferred tax liabilities	**10,519,432**	5,945,366
	10,519,432	5,780,526

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

9. DEFERRED TAX (ASSETS)/LIABILITIES (cont'd)

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

	GROUP	
	31.3.2022 RM	30.4.2021 RM
Property, plant and equipment	**1,639,457**	1,548,887
Revaluation reserve	**9,414,780**	4,881,243
Right-of-use assets	**223,416**	280,196
Lease liabilities	**(240,534)**	(297,224)
Unabsorbed allowance for increased exports allowance	**-**	(91,919)
Provisions	**(517,687)**	(540,657)
	10,519,432	5,780,526

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	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Unused tax losses	**18,752,265**	31,536,646	**366,138**	200,364
Unabsorbed capital allowances	**9,202,788**	9,872,382	**567,098**	530,865
Unabsorbed reinvestment allowance	**8,911,394**	8,573,004	**-**	-
Other deductible temporary difference	**537,308**	388,125	**-**	-
	37,403,755	50,370,157	**933,236**	731,229

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	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Unused tax losses	**18,752,265**	31,536,646	**366,138**	200,364
Unabsorbed capital allowances	**10,065,294**	9,872,382	**740,224**	677,449
Unabsorbed reinvestment allowance	**9,248,168**	8,573,004	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

9. DEFERRED TAX (ASSETS)/LIABILITIES (cont'd)

In respect of Malaysia's subsidiaries, the unused tax losses which was previously allowed to be utilised for seven (7) consecutive years of assessment ("YAs") effective from YA 2019 was extended to ten (10) consecutive YAs during the financial period. Unabsorbed reinvestment allowance at the end of the qualifying reinvestment allowance period of fifteen years can be carried forward for seven consecutive YAs. However, unabsorbed capital allowances can be carried forward indefinitely.

In respect of Thailand's subsidiaries, the unused tax losses is allowed to be utilised for five (5) consecutive years of assessment ("YAs").

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

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
YA 2023	**3,868,280**	17,208,084	**-**	-
YA 2025	**-**	13,031,952	**-**	200,364
YA 2026	**-**	590,728	**-**	-
YA 2027	**-**	392,062	**-**	-
YA 2028	**13,031,952**	313,820	**200,364**	-
YA 2029	**590,728**	-	**-**	-
YA 2030	**392,062**	-	**-**	-
YA 2031	**313,820**	-	**-**	-
YA 2032	**555,423**	-	**165,774**	-
	18,752,265	31,536,646	**366,138**	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 **RM17,217,000** (30.4.2021: RM15,456,000). The deferred tax liability is estimated to be **RM1,721,700** (30.4.2021: RM1,545,600).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

10. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Non-current				
Trade receivables				
Third party - interest bearing at **6.00%** (30.4.2021: 3.25% - 6.00%)	**47,512**	178,115	**-**	-
Other receivables				
Third party - interest bearing at **6.00%** (30.4.2021: 6.00%)	**4,333**	16,250	**-**	-
Amount due from subsidiaries	**-**	-	**23,637,640**	2,911,906
	51,845	194,365	**23,637,640**	2,911,906
Current				
Trade receivables				
Third party - interest bearing at **6.00%** (30.4.2021: 3.25% - 6.00%)	**628,138**	2,632,478	**-**	-
Third parties - non-interest bearing	**29,514,763**	29,711,261	**-**	-
	30,142,901	32,343,739	**-**	-
Less: Allowance for expected credit losses	**(1,030,818)**	(1,011,373)	**-**	-
	29,112,083	31,332,366	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

10. TRADE AND OTHER RECEIVABLES (cont'd)

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Other receivables				
Sundry receivables	**1,027,993**	1,691,871	**49,177**	74,410
Less: Allowance for expected credit losses	**(21,896)**	(78,883)	**-**	-
	1,006,097	1,612,988	**49,177**	74,410
Amount due from subsidiaries	**-**	-	**30,922,306**	42,559,447
Less: Allowance for expected credit losses	**-**	-	**(10,827,907)**	(10,144,625)
	-	-	**20,094,399**	32,414,822
Deposits	**13,812,588**	18,006,820	**29,380**	29,160
Prepayments	**6,633,270**	8,549,013	**184,237**	56,910
GST recoverable	**52,192**	52,192	**52,192**	52,192
	21,504,147	28,221,013	**20,409,385**	32,627,494
Total current trade and other receivables	**50,616,230**	59,553,379	**20,409,385**	32,627,494
Total trade and other receivables	**50,668,075**	59,747,744	**44,047,025**	35,539,400

The normal trade credit terms granted by the Group range from **30 to 120 days** (30.4.2021: 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 **RM Nil** (30.4.2021: RM231,368) due from a Company in which a former director of a subsidiary has substantial financial interests.

10. TRADE AND OTHER RECEIVABLES (cont'd)

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

(i) **RM9,880,000** (30.4.2021: RM9,880,000) paid to accept rights granted to the Group for the development of freehold land; and

(ii) **RM Nil** (30.4.2021: RM2,835,000) paid to a licensed bank for banking guarantee purpose.

The amount due from subsidiaries are unsecured, non-interest bearing, classified based on expected timing of realisation and to be settled in cash except for **RM16,051,113** (30.4.2021: RM19,005,418) on which interest is charged at **2.90% to 3.30%** (30.4.2021: 6.70%) per annum.

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

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Ringgit Malaysia	**38,272,701**	43,669,582	**41,280,261**	33,853,970
Thai Baht	**7,048,660**	10,771,921	**669,136**	698,875
United States Dollar	**4,703,801**	5,067,242	**2,097,628**	986,555
Singapore Dollar	**642,913**	238,999	**-**	-
	50,668,075	59,747,744	**44,047,025**	35,539,400

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

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Trade receivables				
Balance at beginning	**1,011,373**	2,623,743	**-**	-
Current financial period/year	**111,099**	128,779	**-**	-
Written off	**(22,680)**	(1,626,624)	**-**	-
Reversal	**(90,072)**	(102,622)	**-**	-
Exchange differences	**21,098**	(11,903)	**-**	-
Balance at end	**1,030,818**	1,011,373	**-**	-
Balance carried forward	**1,030,818**	1,011,373	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

10. TRADE AND OTHER RECEIVABLES (cont'd)

The movement of the allowance for expected credit losses is as follows: (cont'd)

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Balance brought forward	**1,030,818**	1,011,373	**-**	-
Other receivables				
Balance at beginning	**78,883**	23,896	**-**	-
Current financial period/year	**-**	151,397	**-**	-
Written off	**(56,987)**	(2,000)	**-**	-
Reversal	**-**	(94,410)	**-**	-
Balance at end	**21,896**	78,883	**-**	-
	1,052,714	1,090,256	**-**	-
Amount due from subsidiaries				
Balance at beginning	**-**	-	**10,144,625**	9,714,978
Current financial period/year	**-**	-	**772,927**	429,647
Reversal	**-**	-	**(89,645)**	-
Balance at end	**-**	-	**10,827,907**	10,144,625
	1,052,714	1,090,256	**10,827,907**	10,144,625

11. INVENTORY PROPERTY

	GROUP	
	31.3.2022 RM	30.4.2021 RM
Property development cost		
- Development costs	**349,488**	425,068

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

12. INVENTORIES

	GROUP	
	31.3.2022 RM	30.4.2021 RM
At cost		
Raw materials	**16,072,292**	8,798,385
Work-in-progress	**1,929,775**	1,087,345
Finished goods	**6,027,925**	4,100,480
Trading goods	**5,615,927**	5,852,209
	29,645,919	19,838,419
At net realisable value		
Raw materials	**37,980**	15,006
Finished goods	**17,549**	15,863
Trading goods	**61,330**	141,176
	116,859	172,045
	29,762,778	20,010,464

Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	**95,925,754**	100,886,237
Inventories written down		
- Addition	**450,721**	556,130
- Reversal	**-**	(168,251)
Inventories written off	**24,482**	128,226

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

13. CONTRACT ASSETS

	GROUP 31.3.2022 RM	GROUP 30.4.2021 RM
Contract assets as a result of recognising revenue during the period/year	**719,593**	696,204

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.

14. OTHER INVESTMENTS

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Financial assets at fair value through profit or loss:				
Investment in shares quoted in Malaysia	**8,390,013**	-	**-**	-
Short term investment	**5,008,133**	-	**5,008,133**	-
	13,398,146	-	**5,008,133**	-

The short term investment represents investment in money market instruments with different maturity period and can be redeemed at any time upon notice given to the financial institution.

The fair value of the investment in shares quoted in Malaysia is categorised as Level 1 hierarchy as its market price is quoted in an active market.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

15. CASH AND BANK BALANCES

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Deposits with licensed banks				
- Unencumbered	**3,367,357**	7,395,679	**1,500,000**	-
- Encumbered	**13,393,245**	17,991,949	**-**	-
Short term money market deposit	**5,917,361**	1,335,994	**5,917,361**	1,335,994
Cash in hand and at banks	**18,277,880**	14,106,198	**354,339**	82,229
	40,955,843	40,829,820	**7,771,700**	1,418,223

The encumbered fixed deposits are pledged to licensed banks for banking facilities granted to certain subsidiaries as disclosed in Note 19 to the financial statements.

Included in the encumbered deposits with licensed banks is an amount of **RM305,421** (30.4.2021: RM302,690) held in trust by a director of a subsidiary.

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 2.00%** (30.4.2021: 0.15% to 2.63%) per annum and **1 month to 12 months** (30.4.2021:1 month to 12 months) respectively.

The effective interest rate per annum and maturity of the short term money market deposit as at the end of the reporting period is **1.30%** (30.4.2021: 1.30%) per annum and **1 day** (30.4.2021: 1 day) respectively.

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

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Ringgit Malaysia	**30,353,139**	33,930,767	**7,769,544**	1,415,979
Thai Baht	**9,430,874**	6,343,302	**2,156**	2,244
United States Dollar	**805,332**	517,712	**-**	-
Singapore Dollar	**362,935**	34,610	**-**	-
Others	**3,563**	3,429	**-**	-
	40,955,843	40,829,820	**7,771,700**	1,418,223

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

16. SHARE CAPITAL

	Number of ordinary shares		Amount	
	31.3.2022	30.4.2021	31.3.2022 RM	30.4.2021 RM
Issued and fully paid:				
Balance at beginning	**313,127,300**	262,257,900	**92,805,918**	75,119,205
Issuance of ordinary shares pursuant to:				
- Exercise of ESOS	**-**	500,500	**-**	125,125
- Exercise of warrants	**-**	50,368,900	**-**	12,592,225
- Private placements	**62,625,400**	-	**18,554,728**	-
Shares issuance expenses	**-**	-	**(201,439)**	-
Transfer of share options reserve upon exercised	**-**	-	**-**	68,469
Transfer of warrant reserve upon exercised	**-**	-	**-**	4,900,894
Balance at end	**375,752,700**	313,127,300	**111,159,207**	92,805,918

31.3.2022

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

(i) 10,000,000 new ordinary shares through a private placement at an issue price of RM0.335 per ordinary share for cash on 15 October 2021;

(ii) 10,000,000 new ordinary shares through a private placement at an issue price of RM0.315 per ordinary share for cash on 19 November 2021;

(iii) 20,000,000 new ordinary shares through a private placement at an issue price of RM0.312 per ordinary share for cash on 29 November 2021; and

(iv) 22,625,400 new ordinary shares through a private placement at an issue price of RM0.257 per ordinary share for cash on 13 December 2021.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

16. SHARE CAPITAL (cont'd)

30.4.2021

During the previous 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.

17. RESERVES

		GROUP		COMPANY	
		31.3.2022	30.4.2021	31.3.2022	30.4.2021
	NOTE	RM	RM	RM	RM
Non-distributable:					
Foreign currency translation reserve	**17.1**	**4,851,016**	6,089,040	**-**	-
Revaluation reserve	**17.2**	**37,324,785**	19,284,165	**-**	-
Legal reserve	**17.3**	**32,510**	32,510	**-**	-
Share options reserve	**17.4**	**31,260**	35,371	**31,260**	35,371
Other capital reserve	**17.5**	**5,120,000**	5,120,000	**-**	-
		47,359,571	30,561,086	**31,260**	35,371

17.1 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

17. RESERVES (cont'd)

17.2 Revaluation reserve

	GROUP	
	31.3.2022	30.4.2021
	RM	RM
Balance at beginning	**19,284,165**	20,065,145
Revaluation of land and building	**23,028,660**	-
Attributable of non-controlling interests	**(81,000)**	-
Realisation of revaluation surplus upon depreciation	**(260,966)**	(276,903)
Realisation of revaluation surplus upon disposal	**-**	(504,077)
Deferred tax impact on revaluation surplus	**(4,646,074)**	-
Balance at end	**37,324,785**	19,284,165

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.

17.3 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.

17.4 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.

17.5 Other capital reserve

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

18. 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	
	31.3.2022 RM	30.4.2021 RM
Present value of defined benefit plan, representing net liability under non-current liabilities	**2,471,341**	2,406,454

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

	GROUP	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Current service cost	**282,761**	323,379
Interest cost	**46,071**	34,923
	328,832	358,302

The movement of the defined benefit plan are as follows:

	GROUP	
	31.3.2022 RM	30.4.2021 RM
Balance at beginning	**2,406,454**	2,182,633
Recognised in profit or loss	**328,832**	358,302
Recognised in other comprehensive income	**58,871**	66,091
Paid during the financial period/year	**(100,876)**	(152,467)
Exchange differences	**(221,940)**	(48,105)
Balance at end	**2,471,341**	2,406,454

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

18. RETIREMENT BENEFIT OBLIGATIONS (cont'd)

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

	GROUP	
	31.3.2022	30.4.2021
	%	%
Discount rate	**2.60**	2.10
Expected salary increment rate	**6.00**	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			
	31.3.2022	30.4.2021	31.3.2022	30.4.2021
	%	%	RM	RM
Discount rate increase	**1**	1	**(257,559)**	(272,210)
Discount rate decrease	**(1)**	(1)	**302,040**	319,224
Expected salary increment rate increase	**1**	1	**285,139**	301,360
Expected salary increment rate decrease	**(1)**	(1)	**(249,388)**	(263,577)

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

	GROUP	
	31.3.2022	30.4.2021
	RM	RM
Within next 12 months	**18,943**	19,740
Between 2 to 5 years	**402,989**	130,340
Beyond 5 years	**8,926,149**	14,834,757
	9,348,081	14,984,837

The average duration of the defined benefit plan obligation at the end of the reporting period is **11.08 years** (30.4.2021: 13.85 years).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

19. BORROWINGS

	GROUP	
	31.3.2022	30.4.2021
	RM	RM
Non-current liabilities		
Secured:		
Finance lease liabilities		
Minimum payments:		
Within one year	**1,664,627**	2,436,936
More than one year and less than two years	**660,394**	1,747,643
More than two years and less than five years	**327,131**	436,481
	2,652,152	4,621,060
Future finance charges	**(176,512)**	(312,074)
	2,475,640	4,308,986
Amount due within one year included under current liabilities	**(1,593,989)**	(2,305,520)
	881,651	2,003,466
Term loans		
Total amount repayable	**10,599,822**	10,478,757
Amount due within one year included under current liabilities	**(2,613,863)**	(2,547,299)
	7,985,959	7,931,458
	8,867,610	9,934,924
Current liabilities		
Secured:		
Bankers' acceptance	**-**	7,603,331
Bank overdrafts	**-**	234,134
Finance lease liabilities	**1,593,989**	2,305,520
Promissory notes	**-**	1,072,184
Revolving credit	**8,000,000**	4,350,000
Term loans	**2,613,863**	2,547,299
Trust receipts	**2,276,933**	1,629,263
	14,484,785	19,741,731
Total borrowings	**23,352,395**	29,676,655

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

19. BORROWINGS (cont'd)

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 15 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	
	31.3.2022 RM	30.4.2021 RM
Ringgit Malaysia	**14,736,469**	23,023,399
Thai Baht	**8,615,926**	6,653,256
	23,352,395	29,676,655

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						
31.3.2022						
Finance lease liabilities	**2.29 - 13.00**	**2,475,640**	**1,593,989**	**572,221**	**309,430**	**-**
Revolving credit	**2.95 - 3.85**	**8,000,000**	**8,000,000**	**-**	**-**	**-**
Term loans	**4.60 - 5.60**	**10,599,822**	**2,613,863**	**654,550**	**4,380,237**	**2,951,172**
Trust receipts	**6.00**	**2,276,933**	**2,276,933**	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

19. BORROWINGS (cont'd)

	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
30.4.2021						
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	-	-	-

20. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Trade payables				
Third parties	**12,899,672**	12,508,034	**-**	-
Other payables				
Sundry payables	**1,975,335**	3,101,718	**11,882**	9,912
Amount due to subsidiaries	**-**	-	**9,387,464**	3,787,109
Accruals	**3,510,515**	3,972,430	**364,661**	352,139
Amount due to directors	**99,523**	108,700	**-**	-
Deposits received	**656,790**	694,431	**-**	-
	6,242,163	7,877,279	**9,764,007**	4,149,160
	19,141,835	20,385,313	**9,764,007**	4,149,160

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

20. TRADE AND OTHER PAYABLES (cont'd)

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

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Ringgit Malaysia	**7,829,699**	8,541,241	**9,734,118**	4,149,160
Thai Baht	**7,393,124**	8,109,026	**29,889**	-
United States Dollar	**3,829,391**	3,714,664	**-**	-
Japanese Yen	**67,423**	-	**-**	-
Singapore Dollar	**22,198**	20,382	**-**	-
	19,141,835	20,385,313	**9,764,007**	4,149,160

Trade payables of the Group are non-interest bearing and are normally settled within **30 to 90 days** (30.4.2021: 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 **RM8,670,010** (30.4.2021: RM2,747,685) on which interest is charged at **3.30%** (30.4.2021: 6.70%) per annum.

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

21. REVENUE

21.1 Disaggregated revenue information

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Types of goods or service				
Sale of goods	**146,779,858**	168,655,809	**-**	-
Contract manufacturing	**18,072,401**	14,243,031	**-**	-
Management fees	**-**	-	**4,119,060**	4,414,522
Total revenue from contracts with customers	**164,852,259**	182,898,840	**4,119,060**	4,414,522

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

21. REVENUE (cont'd)

21.1 Disaggregated revenue information (cont'd)

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Dividend income	**-**	-	**247,500**	-
Rental income	**1,553,750**	1,350,000	**-**	-
Other revenue	**1,553,750**	1,350,000	**247,500**	-
Total revenue	**166,406,009**	184,248,840	**4,366,560**	4,414,522
Geographical markets				
Thailand	**78,901,935**	88,278,627	**-**	-
Malaysia	**64,331,957**	66,505,426	**4,119,060**	4,414,522
Singapore	**15,894,487**	21,962,131	**-**	-
United Kingdom	**2,103,957**	2,253,005	**-**	-
United States of America	**1,335,532**	289,395	**-**	-
Indonesia	**842,007**	483,501	**-**	-
China	**703,952**	125,285	**-**	-
Vietnam	**357,373**	-	**-**	-
Denmark	**57,947**	2,636,163	**-**	-
Others	**323,112**	365,307	**-**	-
Total revenue from contracts with customers	**164,852,259**	182,898,840	**4,119,060**	4,414,522
Timing of revenue recognition				
Revenue recognised at a point in time	**164,852,259**	182,898,840	**-**	-
Revenue recognised over time	**-**	-	**4,119,060**	4,414,522
Total revenue from contracts with customers	**164,852,259**	182,898,840	**4,119,060**	4,414,522

21.2 Performance obligations

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

22. OTHER INCOME

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Bad debts recovered	**12,200**	-	**-**	94,410
Gain on disposal of property, plant and equipment	**64,800**	79,177	**26,000**	-
Insurance claims	**71,253**	22,489	**-**	-
Interest income from:				
- amounts due from subsidiaries	**-**	-	**616,349**	1,148,688
- deposits with licensed banks	**408,392**	719,853	**116,043**	20,460
- trade and other receivables	**23,724**	39,560	**-**	-
Mould income	**194,038**	131,127	**-**	-
Others	**445,034**	295,837	**4,653**	49,201
Realised gain on foreign exchange	**249,372**	542,526	**-**	-
Rental income	**44,835**	50,190	**-**	-
Reversal of allowance for expected credit losses	**90,072**	197,032	**89,645**	-
Reversal of inventories written down	**-**	168,251	**-**	-
Sales commission	**308,603**	114,134	**-**	-
Scrap sales	**2,505,822**	1,835,728	**-**	-
Sub-leasing fee from subsidiaries	**-**	-	**-**	60,968
Unrealised gain on foreign exchange	**445,898**	797,858	**-**	-
	4,864,043	4,993,762	**852,690**	1,373,727

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

23. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Fees	**533,123**	883,463	**533,123**	778,463
Salaries, wages, bonus and allowances	**31,693,669**	34,652,042	**3,186,761**	3,315,612
EPF	**1,762,024**	1,840,567	**408,786**	433,708
SOCSO	**323,144**	463,755	**13,436**	14,412
EIS	**14,381**	14,057	**1,340**	1,513
Defined benefit plan (Note 18)	**328,832**	358,302	**-**	-
Other benefits	**781,189**	552,155	**53,610**	6,652
	35,436,362	38,764,341	**4,197,056**	4,550,360

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

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Executive directors of the Company:				
- Fees				
- over provision in prior years	**-**	(37,334)	**-**	(37,334)
- Salaries, bonus and allowances				
- current year	**512,529**	1,290,307	**512,529**	1,290,307
- over provision in prior year	**-**	(43,065)	**-**	(43,065)
- EPF	**89,275**	218,503	**89,275**	218,503
- SOCSO	**736**	593	**736**	593
	602,540	1,429,004	**602,540**	1,429,004
Non-executive directors of the Company:				
- Fees				
- current year	**533,123**	900,630	**533,123**	900,630
- over provision in prior year	**-**	(84,833)	**-**	(84,833)
- Allowances	**300,529**	341,777	**300,529**	341,777
	833,652	1,157,574	**833,652**	1,157,574

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

23. EMPLOYEE BENEFITS EXPENSE (cont'd)

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Executive directors of subsidiaries:				
- Fees	**96,663**	118,160	**-**	-
- Salaries, bonus and allowances	**1,957,727**	1,812,534	**-**	-
- EPF	**202,792**	189,465	**-**	-
- SOCSO	**3,485**	3,573	**-**	-
- EIS	**224**	220	**-**	-
	2,260,891	2,123,952	**-**	-
Total directors' remuneration	**3,697,083**	4,710,530	**1,436,192**	2,586,578

The directors' remuneration can be further analysed as:

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Present directors:				
- Executive	**2,119,155**	3,633,355	**171,953**	1,509,403
- Non-executive	**217,277**	1,242,407	**217,277**	1,242,407
	2,336,432	4,875,762	**389,230**	2,751,810
Past directors:				
- Executive	**744,276**	(80,399)	**430,587**	(80,399)
- Non-executive	**616,375**	(84,833)	**616,375**	(84,833)
	1,360,651	(165,232)	**1,046,962**	(165,232)
	3,697,083	4,710,530	**1,436,192**	2,586,578

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

24. FINANCE COSTS

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Interest expenses on:				
- Accretion of interest on lease liabilities	**310,950**	308,060	**1,327**	5,242
- term loans	**560,368**	755,970	**-**	-
- finance lease liabilities	**233,799**	325,104	**-**	-
- other banks borrowings	**314,019**	917,923	**20,435**	122,925
- amount due to subsidiaries	**-**	-	**199,391**	231,621
	1,419,136	2,307,057	**221,153**	359,788

25. PROFIT/(LOSS) BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
After charging:				
Auditors' remuneration				
- Statutory audit				
- Company's auditors				
- Current year	**232,000**	232,600	**105,000**	100,000
- (Over)/Under provision in prior year	**(7,600)**	858	**-**	-
- Other auditors	**98,424**	104,043	**-**	-
- Other services	**56,500**	55,500	**12,500**	12,500

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

26. TAXATION

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Statements of comprehensive income:				
Malaysian income tax:				
Based on results for the financial period/year				
- Current tax	**(1,064,397)**	(2,138,302)	**-**	(67,000)
- Real property gains tax	**-**	(52,136)	**-**	-
- Deferred tax relating to the origination and reversal of temporary differences	**(426,269)**	(128,377)	**-**	-
	(1,490,666)	(2,318,815)	**-**	(67,000)
Over/(Under) provision in prior year/period				
- Current tax	**289,519**	623,750	**(2,846)**	101,437
- Deferred tax	**333,437**	121,345	**-**	-
	622,956	745,095	**(2,846)**	101,437
Tax (expense)/income recognised in profit or loss	**(867,710)**	(1,573,720)	**(2,846)**	34,437
Deferred tax relate to items recognised in other comprehensive income (Note 9)				
Revaluation of land and buildings	**4,646,074**	-	**-**	-

Taxation for other jurisdiction is calculated at the rate prevailing in that jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

26. TAXATION (cont'd)

The reconciliation of tax (expense)/income of the Group and of the Company is as follows:

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Profit/(Loss) before tax	**9,367,032**	15,369,864	**(3,155,166)**	(1,681,983)
Income tax at Malaysian statutory tax rate of 24%	**(2,248,088)**	(3,688,767)	**757,240**	403,676
Effect of tax rate in foreign jurisdiction	**277,011**	370,751	**-**	-
Income not subject to tax	**-**	-	**87,876**	61,992
Expenses not deductible for tax purposes	**(2,925,104)**	(2,990,251)	**(796,634)**	(500,534)
Effect of double deduction	**19,002**	20,337	**-**	-
Utilisation of reinvestment allowance	**162,040**	78,090	**-**	-
Utilisation of unrecognised unused tax losses and unabsorbed allowances	**3,269,743**	3,898,382	**-**	-
Deferred tax assets not recognised	**(157,807)**	(80,092)	**(48,482)**	(32,134)
Crystallisation of deferred tax on disposal of land and buildings	**-**	40,299	**-**	-
Annual crystallisation of deferred tax on revaluation reserve	**112,537**	84,572	**-**	-
Effect of real property gains tax	**-**	(52,136)	**-**	-
	(1,490,666)	(2,318,815)	**-**	(67,000)
Over/(Under) provision in prior year/period	**622,956**	745,095	**(2,846)**	101,437
	(867,710)	(1,573,720)	**(2,846)**	34,437

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

27. EARNINGS PER SHARE

27.1 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 period/year by the weighted average number of ordinary shares in issue during the financial period/year as follows:

	1.5.2021 to 31.3.2022 (11 months)	1.5.2020 to 30.4.2021 (12 months)
Profit attributable to owners of the Company (RM)	**8,348,376**	13,501,744
Weighted average number of ordinary shares in issue	**340,446,000**	292,615,000
Basic earnings per share (in sen)	**2.45**	4.61

27.2 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 period/year by the weighted average number of ordinary shares in issue during the financial period/year adjusted for the dilutive effects of all potential ordinary shares as follows:

	1.5.2021 to 31.3.2022 (11 months)	1.5.2020 to 30.4.2021 (12 months)
Profit attributable to owners of the Company (RM)	**8,348,376**	13,501,744
Weighted average number of ordinary shares in issue	**340,446,000**	292,615,000
Adjustment for conversion of ESOS	**84,000**	125,000
	340,530,000	292,740,000
Diluted earnings per share (in sen)	**2.45**	4.61

28. 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 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%.

(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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

28. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (cont'd)

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

	Number of share options			
	Balance at beginning	Exercised	Forfeited	Balance at end
31.3.2022				
Share option expiring 17 May 2026	**259,000**	**-**	**(30,500)**	**228,500**
30.4.2021				
Share option expiring 17 May 2026	759,500	(500,500)	-	259,000

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 (%)	-

29. 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 period and previous financial year.

Segment assets exclude tax assets and unallocated assets.

Segment liabilities exclude tax liabilities and unallocated liabilities.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

29. SEGMENTAL INFORMATION (cont'd)

By business segments divided by the customers' industries

31.3.2022

	Healthcare RM	Electrical and electronics RM	Other industries RM	Others RM	Elimination RM	Note	Total RM
Revenue							
External sales	57,001,964	87,561,411	21,842,634	-	-		166,406,009
Inter-segment sales	4,616,743	10,406,116	844,070	4,366,560	(20,233,489)	A	-
Total revenue	61,618,707	97,967,527	22,686,704	4,366,560	(20,233,489)		166,406,009
Results							
Segment results	8,009,675	9,263,136	696,045	(405,164)			17,563,692
Unallocated expenses							(6,777,524)
Operating profit							10,786,168
Finance costs							(1,419,136)
Profit before tax							9,367,032
Taxation							(867,710)
Profit for the financial period							8,499,322
Assets							
Segment assets	92,129,354	117,446,585	15,869,672	10,933,263			236,378,874
Unallocated assets							12,346,121
Current tax assets							1,767,774
Total assets							250,492,769

29. SEGMENTAL INFORMATION (cont'd)

By business segments divided by the customers' industries (cont'd)

31.3.2022 (cont'd)

	Healthcare RM	Electrical and electronics RM	Other industries RM	Others RM	Elimination RM	Note	Total RM
Liabilities							
Segment liabilities	14,669,205	29,477,751	5,334,245	399,440			49,880,641
Unallocated liabilities							340,840
Deferred tax liabilities							10,519,432
Current tax liabilities							149
Total liabilities							60,741,062
Other segment information							
Additions to non-current assets	7,011,253	3,529,093	89,573	7,640		B	10,637,559
Depreciation							
- property, plant and equipment	1,914,925	3,686,499	137,735	269,260			6,008,419
- investment properties	-	292,654	7,377	-			300,031
- right-of-use assets	144,229	1,709,248	117,807	65,276			2,036,560
Non-cash expenses/(income) other than depreciation	490,018	1,048,498	286,814	(47,945)		C	1,777,385

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

29. SEGMENTAL INFORMATION (cont'd)

By business segments divided by the customers' industries (cont'd)

30.4.2021

	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

29. SEGMENTAL INFORMATION (cont'd)

By business segments divided by the customers' industries (cont'd)

30.4.2021 (cont'd)

	Healthcare RM	Electrical and electronics RM	Other industries RM	Others RM	Elimination RM	Note	Total RM
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	754,798	95,137	-		C	1,467,513

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

29. SEGMENTAL INFORMATION (cont'd)

By business segments divided by the customers' industries (cont'd)

C Other material non-cash expenses/(income) other than depreciation consist of the following items:

	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Accretion of interest on lease liabilities	**310,950**	308,060
Allowance for expected credit losses	**111,099**	280,176
Defined benefit plan	**328,832**	358,302
Fair value loss on other investments	**483,823**	-
Gain on disposal of property, plant and equipment	**(64,800)**	(79,177)
Inventories written down	**450,721**	556,130
Inventories written off	**24,482**	128,226
Property, plant and equipment written off	**3,077**	6,533
Reversal of allowance for expected credit losses	**(90,072)**	(197,032)
Reversal of inventories written down	**-**	(168,251)
Unrealised loss on foreign exchange	**219,273**	274,546
	1,777,385	1,467,513

By geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers as disclosed in Note 21.1 to the financial statements. Segment assets are based on the geographical location of assets.

	Non-current assets	
	31.3.2022 RM	30.4.2021 RM
Malaysia	**47,550,051**	43,011,058
Thailand	**65,372,866**	43,022,092
	112,922,917	86,033,150

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

29. SEGMENTAL INFORMATION (cont'd)

Information about major customers

Total revenue from **1** (30.4.2021: 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 **RM32,797,366** (30.4.2021: RM38,994,293).

30. CAPITAL COMMITMENTS

	GROUP	
	31.3.2022 RM	30.4.2021 RM
Approved but not provided for:		
- Leasehold land and building	**3,870,000**	3,870,000
- Plant and machinery	**290,000**	1,730,743
Approved but not contracted for:		
- Plant and machinery	**-**	427,000

31. 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. En. Roslant Bin Abu has ceased to be a director of a subsidiary with effect from 7 June 2022.
Koh Kim Leng and Company	A firm in which a former director of the Company, Mr. Chong Kim Teck, has substantial financial interests. Mr Chong Kim Teck has ceased to be a director of the Company with effect from 15 September 2021.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

31. RELATED PARTY DISCLOSURES (cont'd)

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial period/ year.

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Interest expense paid to subsidiaries	**-**	-	**199,391**	231,621
Interest income from subsidiaries	**-**	-	**616,349**	1,148,688
Management fees from subsidiaries	**-**	-	**4,119,060**	4,414,522
Dividend income from a subsidiary	**-**	-	**247,500**	-
Sub-leasing fee from subsidiaries	**-**	-	**-**	60,968
Disposal of motor vehicle to a director of a subsidiary, Mr. Lim Oon Jin	**-**	89,656	**-**	-
Rental of motor vehicles paid to a subsidiary	**-**	-	**51,524**	56,208
Sales to Wangsa Interaktif Sdn. Bhd.	**145,609**	428,983	**-**	-
Purchase of goods from Master-Pack Sdn. Bhd.	**-**	262,436	**-**	-
Transfer of property, plant and equipment to a subsidiary	**-**	-	**3,051**	-
Legal fee paid to Koh Kim Leng and Company	**5,300**	62,083	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

31. RELATED PARTY DISCLOSURES (cont'd)

(iii) Compensation of key management personnel

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

The remuneration of the directors and key management personnel during the financial period/year is as follows:

	GROUP		COMPANY	
	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	1.5.2020 to 30.4.2021 (12 months) RM
Fees	**629,786**	896,623	**533,123**	778,463
Salaries, allowance and bonus	**3,534,387**	3,401,553	**1,576,660**	1,589,019
EPF	**396,600**	407,968	**193,808**	218,503
SOCSO	**4,567**	4,166	**1,082**	593
EIS	**224**	220	**-**	-
	4,565,564	4,710,530	**2,304,673**	2,586,578
Analysed as:				
-Directors	**3,697,083**	4,710,530	**1,436,192**	2,586,578
-Other key management personnel	**868,481**	-	**868,481**	-
	4,565,564	4,710,530	**2,304,673**	2,586,578

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

32. FINANCIAL INSTRUMENTS

32.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
31.3.2022			
Financial assets			
Trade and other receivables, excluding non-refundable deposits, prepayments and GST recoverable	**34,102,613**	**34,102,613**	**-**
Other investments	**13,398,146**	**-**	**13,398,146**
Cash and bank balances	**40,955,843**	**40,955,843**	**-**
	88,456,602	**75,058,456**	**13,398,146**
Financial liabilities			
Borrowings	**23,352,395**	**23,352,395**	**-**
Trade and other payables	**19,141,835**	**19,141,835**	**-**
	42,494,230	**42,494,230**	**-**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

32. FINANCIAL INSTRUMENTS (cont'd)

32.1 Categories of financial instruments (cont'd)

	Carrying amount RM	AC RM	FVTPL RM
GROUP (cont'd)			
30.4.2021			
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	-
COMPANY			
31.3.2022			
Financial assets			
Trade and other receivables, excluding prepayments and GST recoverable	**43,810,596**	**43,810,596**	**-**
Other investments	**5,008,133**	**-**	**5,008,133**
Cash and bank balances	**7,771,700**	**7,771,700**	**-**
	56,590,429	**51,582,296**	**5,008,133**
Financial liability			
Trade and other payables	**9,764,007**	**9,764,007**	**-**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

32. FINANCIAL INSTRUMENTS (cont'd)

32.1 Categories of financial instruments (cont'd)

	Carrying amount RM	AC RM	FVTPL RM
COMPANY (cont'd)			
30.4.2021			
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	-

32.2 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, foreign currency risk and equity price 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.

32.3 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 its subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

32. FINANCIAL INSTRUMENTS (cont'd)

32.3 Credit risk (cont'd)

32.3.1 Trade receivables

The Group gives its customers credit terms that range between **30 to 120 days** (30.4.2021: 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.

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			
31.3.2022			
Not past due	**22,749,649**	**-**	**22,749,649**
1 to 30 days past due	**4,081,220**	**-**	**4,081,220**
31 to 60 days past due	**1,024,973**	**-**	**1,024,973**
61 to 90 days past due	**336,002**	**-**	**336,002**
More than 90 days past due	**967,751**	**-**	**967,751**
	6,409,946	**-**	**6,409,946**
Impaired	**1,030,818**	**(1,030,818)**	**-**
	30,190,413	**(1,030,818)**	**29,159,595**

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

32. FINANCIAL INSTRUMENTS (cont'd)

32.3 Credit risk (cont'd)

32.3.1 Trade receivables (cont'd)

The ageing analysis of trade receivables of the Group as at the end of the reporting period is as follows: (cont'd)

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP (cont'd)			
30.4.2021			
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

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 period/year.

The Group has trade receivables amounting to **RM6,409,946** (30.4.2021: RM6,870,844) 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** (30.4.2021: 1 customer) representing **11%** (30.4.2021: 10%) of the total trade receivables.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

32. FINANCIAL INSTRUMENTS (cont'd)

32.3 Credit risk (cont'd)

32.3.1 Trade receivables (cont'd)

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets 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			
31.3.2022			
Low risk	**29,879,188**	**-**	**29,879,188**
Individually impaired	**1,030,818**	**(1,030,818)**	**-**
	30,910,006	**(1,030,818)**	**29,879,188**
30.4.2021			
Low risk	32,206,685	-	32,206,685
Individually impaired	1,011,373	(1,011,373)	-
	33,218,058	(1,011,373)	32,206,685

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

32. FINANCIAL INSTRUMENTS (cont'd)

32.3 Credit risk (cont'd)

32.3.1 Trade receivables (cont'd)

Maximum exposure to credit risk (cont'd)

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 period/year based on the above assessment as the impact to the Group's financial statements is not material.

32.3.2 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 uncollectible as disclosed in Note 10 to the financial statements. The Company does not specifically monitor the ageing of these advances.

32.3.3 Financial guarantees

The Company has issued financial guarantees to financial institutions for banking facilities granted to certain subsidiaries.

	COMPANY	
	31.3.2022 RM	30.4.2021 RM
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries		
- Limit	**79,069,951**	100,431,565
- Maximum exposure	**23,015,129**	34,618,062

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

32. FINANCIAL INSTRUMENTS (cont'd)

32.4 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					
31.3.2022					
Non-derivative financial liabilities					
Borrowings	**23,352,395**	**23,802,747**	**13,360,039**	**6,537,058**	**3,905,650**
Lease liabilities	**5,255,910**	**6,187,350**	**2,440,080**	**3,444,270**	**303,000**
Trade and other payables	**19,141,835**	**19,141,835**	**19,141,835**	**-**	**-**
	47,750,140	**49,131,932**	**34,941,954**	**9,981,328**	**4,208,650**
30.4.2021					
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	5,044,548	1,613,032	3,179,516	252,000
Trade and other payables	20,385,313	20,385,313	20,385,313	-	-
	54,406,928	58,035,608	42,281,260	8,634,529	7,119,819

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

32. FINANCIAL INSTRUMENTS (cont'd)

32.4 Liquidity risk (cont'd)

	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
COMPANY					
31.3.2022					
Non-derivative financial liabilities					
Trade and other payables	**9,764,007**	**9,764,007**	**9,764,007**	**-**	**-**
*Financial guarantees	**-**	**23,015,129**	**23,015,129**	**-**	**-**
	9,764,007	**32,779,136**	**32,779,136**	**-**	**-**
30.4.2021					
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	-	-

*This has been included for illustration purpose only as the related financial guarantees have not crystallised as at the end of the reporting period.

32.5 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.

32. FINANCIAL INSTRUMENTS (cont'd)

32.5 Interest rate risk (cont'd)

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	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Fixed rate instruments				
Financial assets	**23,357,946**	29,550,465	**7,417,361**	1,335,994
Financial liabilities	**10,475,640**	16,262,317	**-**	-
Floating rate instruments				
Financial assets	**-**	-	**16,051,113**	19,005,418
Financial liabilities	**12,876,755**	13,414,338	**8,670,010**	2,747,685

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 **RM26,799** (30.4.2021: RM54,233) and increase the Company's loss before tax by **RM27,680** (30.4.2021: RM22,399) respectively 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.

32.6 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"), Japanese Yen ("JPY") and Singapore Dollar ("SGD").

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

32. FINANCIAL INSTRUMENTS (cont'd)

32.6 Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and of the Company's profit/(loss) before tax to a reasonably possible change in the various exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Increase/(Decrease) GROUP Profit before tax		(Decrease)/Increase COMPANY Loss before tax	
		31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
USD/RM	- strengthened 5%	**235,298**	212,004	**(104,881)**	(49,328)
	- weakened 5%	**(235,298)**	(212,004)	**104,881**	49,328
SGD/RM	- strengthened 5%	**49,603**	13,680	**-**	-
	- weakened 5%	**(49,603)**	(13,680)	**-**	-
THB/RM	- strengthened 5%	**780**	112	**(32,070)**	(35,056)
	- weakened 5%	**(780)**	(112)	**32,070**	35,056
JPY/RM	- strengthened 5%	**(3,371)**	-	**-**	-
	- weakened 5%	**3,371**	-	**-**	-
USD/THB	- strengthened 5%	**(151,311)**	(118,489)	**-**	-
	- weakened 5%	**151,311**	118,489	**-**	-
SGD/THB	- strengthened 5%	**(420)**	(439)	**-**	-
	- weakened 5%	**420**	439	**-**	-

32.7 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's investment in quoted shares which are the equity securities quoted in Malaysia.

Management of the Group monitors the equity investments on a portfolio basis. The Board of Directors will evaluate and approve the investment in quoted shares after considering:

(i) the objective and rationale of investment in quoted shares;
(ii) the valuation and future prospects of the investment in quoted shares;
(iii) the key risk factors when the quoted shares are invested; and
(iv) the regulatory requirements

32. FINANCIAL INSTRUMENTS (cont'd)

32.7 Equity price risk (cont'd)

The Board of Directors will delegate to the authorised personnel with the approved transaction limit to invest in quoted shares.

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the share price of the quoted equity securities had been 5% higher/lower, with all other variables held constant, the Group's profit before tax would have been **RM419,501** (30.4.2021: RM Nil) higher/lower, arising as a result of higher/lower fair value gain on investment in quoted shares.

33. FAIR VALUE INFORMATION

33.1 Fair value 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.

33.2 Fair value of non-financial assets

The fair value of non-financial assets using the revaluation model are disclosed in Note 4 to the financial statements.

34. 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 period under review as compared to the previous financial year.

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:

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
31 MARCH 2022

34. CAPITAL MANAGEMENT (cont'd)

	GROUP		COMPANY	
	31.3.2022 RM	30.4.2021 RM	31.3.2022 RM	30.4.2021 RM
Total borrowings	**23,352,395**	29,676,655	**-**	-
Less: Cash and banks balances	**(40,955,843)**	(40,829,820)	**(7,771,700)**	(1,418,223)
Net cash	**(17,603,448)**	(11,153,165)	**(7,771,700)**	(1,418,223)
Total equity	**189,751,707**	145,971,138	**96,244,147**	81,048,870
Gearing ratio	**-**	-	**-**	-

35. 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.

On 24 June 2022, the Court has rendered its decision in favour of AVKL and therefore the Suit has been struck off with cost of RM5,000 being awarded to AVKL.

36. COMPARATIVE FIGURES

The comparative figures of the Company has been prepared for the financial year from 1 May 2020 to 30 April 2021. Accordingly, the comparative amounts presented in the financial statements are not entirely comparable.

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LIST OF PROPERTIES OWNED

AS AT 31 MARCH 2022

Beneficial owner / Location	Description / Existing Use	Land / Built in area (sq.ft.)	Age of building (years) as at 31.03.2022	Type of land / tenure (Year of expiry for leasehold)	Net book value as at 31.03.2022 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	31	60 years - leasehold (2045)	400	05.11.1990
51-14 B & C, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang. #	Building / Corporate Head Office	* / 3,670	27	Freehold	1,850	14-B: 21.03.1994 14-C: 18.04.1994
BAM Villa, Unit 42C-7-5C, Taman Maluri, Cheras, 56000 Kuala Lumpur.	Condominium	* / 975	29	99 years - leasehold (2090)	78	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	33	60 years - leasehold (2046)	5,100	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	26	Freehold	780	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	20	60 years - leasehold (2052)	4,024	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	5	60 years - leasehold (2072)	8,566	29.04.2011
No. 2733, Tingkat Perusahaan 6A, 13600 Prai, Penang.#	Industrial land and building / Factory	43,706 / 25,649	18	60 years - leasehold (2049)	5,000	01.07.2015

List of Properties Owned (cont'd)

AS AT 31 MARCH 2022

Beneficial owner / Location	Description / Existing Use	Land / Built in area (sq.ft.)	Age of building (years) as at 31.03.2022	Type of land / tenure (Year of expiry for leasehold)	Net book value as at 31.03.2022 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	25	Freehold	4,038	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	25	Freehold	244	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	22	Freehold	47,804	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	1,701	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	13	Freehold	2,921	05.02.2016

* Not applicable
# Revalued as at 31 March 2022

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2022

Total Number of Issued Shares	: **375,752,700**
Class of Shares	: Ordinary Shares
Number of Shareholders	: 4,964
Voting Rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
Less than 100	62	1.25	2,426	0.00^
100 to 1,000	715	14.40	532,240	0.14
1,001 to 10,000	2,127	42.85	12,506,726	3.33
10,001 to 100,000	1,709	34.43	61,179,207	16.28
100,001 to less than 5% of issued shares	350	7.05	190,232,101	50.63
5% and above of issued shares	1	0.02	111,300,000	29.62
TOTAL	**4,964**	**100.00**	**375,752,700**	**100.00**

^ Negligible

SUBSTANTIAL SHAREHOLDERS

	Number of Shares held		Number of Shares held	
Name of Substantial Shareholder	Direct	%	Deemed	%
AT Systematization Berhad	111,300,000	29.62	-	-

DIRECTORS' SHAREHOLDINGS

	Number of Shares held		Number of Shares held	
Name of Directors	Direct	%	Deemed	%
Dato' Moktar Bin Mohd Noor	-	-	-	-
Choong Lee Aun	-	-	-	-
Leong Choon Fai *(Resigned on 30 June 2022)*	-	-	-	-
Datuk Sham Shamrat Sen Gupta	-	-	-	-
Kang Teik Yih	-	-	-	-

Analysis of Shareholdings (Cont'd)
AS AT 30 JUNE 2022

LIST OF THIRTY LARGEST REGISTERED SHAREHOLDERS

No.	Name of Shareholders	No. of Shares held	Percentage (%)
1.	AT SYSTEMATIZATION BERHAD	111,300,000	29.62
2.	CGS-CIMB NOMINEES (ASING) SDN BHD - EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	13,991,700	3.72
3.	UOB KAY HIAN NOMINEES (ASING) SDN BHD - EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	9,929,700	2.64
4.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LAW KIM CHOON	9,012,600	2.40
5.	GLORY SANCTUARY CAPITAL SDN. BHD.	4,133,700	1.10
6.	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR NG SAY KHEONG (E-PPG/JMR)	3,937,600	1.05
7.	HSBC NOMINEES (ASING) SDN BHD - CREDIT SUISSE (HONG KONG) LIMITED	3,734,000	0.99
8.	CAPITAL PAIRING SDN. BHD.	3,630,000	0.97
9.	JAIN CONSULTANCY SDN. BHD.	3,600,000	0.96
10.	HO PHON GUAN	3,400,000	0.90
11.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD - MAYBANK SECURITIES PTE LTD FOR TOE TEOW HENG	3,158,000	0.84
12.	HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	3,000,000	0.80
13.	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CHEAH SAY BAH (E-BBB/BBA)	3,000,000	0.80
14.	GRACE CHEAH YEONG SEN	2,883,000	0.77
15.	KENANGA NOMINEES (ASING) SDN BHD - EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	2,784,000	0.74
16.	JF APEX NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LAW KIM CHOON (MARGIN)	2,450,000	0.65
17.	CHEW KWI PEK @ CHEW KWI GAIK	2,250,000	0.60
18.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD - EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (ASING WM CLT)	2,196,700	0.58
19.	JF APEX NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TCY GLOBAL SDN BHD (MARGIN)	2,050,000	0.54
20.	CIMSEC NOMINEES (TEMPATAN) SDN BHD - CIMB FOR SONG TEIK SUN (PB)	2,000,000	0.53
21.	LEE KOK HOONG	1,880,000	0.50
22.	CITIGROUP NOMINEES (ASING) SDN BHD - EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	1,600,000	0.43
23.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)	1,500,000	0.40
24.	LENA LEONG OY LIN	1,500,000	0.40
25.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD - MAYBANK SECURITIES PTE LTD FOR TNG KAY LIM	1,500,000	0.40
26.	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR WONG WAN LI	1,500,000	0.40
27.	WONG SUEI LOONG	1,500,000	0.40
28.	SOO SONG YING	1,490,000	0.40
29.	NOBLE PINNACLE SDN BHD	1,430,600	0.38
30.	LAM MEI PHENG	1,355,300	0.36
	TOTAL	207,696,900	55.27

D'NONCE TECHNOLOGY BHD
[Registration No. 200001000687 (503292-K)]
(Incorporated in Malaysia)

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second ("22nd") Annual General Meeting of **D'NONCE TECHNOLOGY BHD** will be conducted on a fully virtual basis through live streaming from the broadcast venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("Broadcast Venue") on Monday, 26 September 2022 at 10:00 a.m. to transact the following businesses:-

A G E N D A

Ordinary Business

1. To receive the Audited Financial Statements for the financial period ended 31 March 2022 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 3)**

2. To approve the payment of Directors' Fees and Benefits up to an amount of RM360,000 for the period from this 22nd Annual General Meeting until the next Annual General Meeting of the Company. **(Resolution 1)**

3. To re-elect Dato' Moktar Bin Mohd Noor who retires pursuant to Clause 107 of the Company's Constitution. **(Resolution 2)**

4. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 3)**

Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications as Ordinary Resolutions of the Company:-

5. Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 **(Resolution 4)**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors of the Company be and are hereby authorised to allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and shall continue to be utilised until 31 December 2022 as empowered by Bursa Malaysia Securities Berhad's ("Bursa Securities") letter dated 23 December 2021 to grant an extension for the additional temporary relief measures to listed issuers and thereafter does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and that the Directors be and are hereby empowered to obtain approval for the listing of and quotation for the additional shares so issued from Bursa Securities.

Notice of Twenty-Second Annual General Meeting (Cont'd)

AND THAT such authority under this resolution shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting."

6. To consider any other business of which due notice shall be given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD
TAN KOK SIONG (LS0009932)
(SSM PC NO. 202008001592)
Company Secretary

Kuala Lumpur

Date: 28 July 2022

Notice of Twenty-Second Annual General Meeting (Cont'd)

NOTES:-

1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders/ proxies **WILL NOT BE ALLOWED** to attend this Annual General Meeting ("AGM") in person at the Broadcast Venue on the day of the meeting. Shareholders who wish to participate remotely at the meeting will therefore have to register via the Remote Participation and Voting ("RPV") facilities operated by Mlabs Research Sdn Bhd at https://rebrand.ly/DTB-AGM.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the 22nd AGM in order to participate remotely via RPV facilities.

2. APPOINTMENT OF PROXY

(a) For the purpose of determining who shall be entitled to participate this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 19 September 2022. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.

(b) A member entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his place. A proxy may but need not be a member of the Company.

(c) A member of the Company who is entitled to participate and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate and vote instead of the member at the AGM.

(d) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(e) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

(f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

(g) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

Notice of Twenty-Second Annual General Meeting (Cont'd)

(h) The instrument appointing a proxy and any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Workshire Share Registration Sdn Bhd of A1-2-2 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed. The duly completed proxy form transmitted by facsimile or electronic mail will not be accepted.

(i) Please ensure ALL the particulars as required in the proxy form is completed, signed and dated accordingly.

(j) Last date and time for lodging the proxy form is Saturday, 24 September 2022 at 10:00 a.m.

(k) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company's Share Registrar at Workshire Share Registration Sdn Bhd of A1-2-2 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia.

3. Audited Financial Statements for the financial period ended 31 March 2022

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of the shareholders is not required pursuant to the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016. Hence, this Agenda is not put forward for voting by shareholders.

4. Resolution 1 – Directors' Fees and Benefits

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors shall be approved at a general meeting.

The Proposed Resolution 1 for the Directors' Fees and Benefits proposed for the period from this 22nd AGM until the date of next AGM are calculated based on the current Board size and number of scheduled Board and Committee meetings to be held from this 22nd AGM until the date of next AGM. This resolution is to facilitate payment of Directors' Fees and Benefits on a current financial year basis. In the event the proposed amount is insufficient, (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the shortfall.

5. Resolution 2 – Re-election of Director

Dato' Moktar Bin Mohd Noor is standing for re-election as Director of the Company and being eligible, has offered himself for re-election at the 22nd AGM.

The Board had through the Nominating Committee carried out the assessment on the Directors and agreed that all Directors meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their role as Directors.

Notice of Twenty-Second Annual General Meeting (Cont'd)

The Board had also through the Nominating Committee carried out assessment on the independence of Dato' Moktar Bin Mohd Noor and is satisfied that he met the criteria of independence as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

6. Resolution 3 – Re-appointment of Auditors

The Board has through the Audit and Risk Management Committee assessed the suitability and independence of the External Auditors, Messrs Grant Thornton Malaysia PLT and considered the re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company. The Board and Audit and Risk Management Committee collectively agreed and satisfied that Messrs Grant Thornton Malaysia PLT has the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

7. Explanatory Notes on Special Business

(i) Resolution 4 – Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Resolution 4 is prepared for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to allot shares in the Company to be utilised for such purposes as the Directors consider would be in the interest of the Company, up to an amount not exceeding in total twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed 20% General Mandate") up to 31 December 2022. With effect from 1 January 2023, the Proposed 20% General Mandate will be reinstated to a ten per centum (10%) limit ("Proposed 10% General Mandate") in accordance to Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or at the expiration of the period within which the next AGM is required to be held, whichever is earlier.

The General Mandate is to provide flexibility to the Company to allot new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this General Mandate is for possible fund-raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, operational expenditure and acquisitions.

As at the date of this notice, the Company did not issue any shares pursuant to the General Mandate granted to the Directors at the Twenty-First AGM as there were no investment(s), acquisition(s) or working capital that require fund raising activity.

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PROXY FORM

D'NONCE TECHNOLOGY BHD
Registration No. 200001000687 (503292-K)
(Incorporated in Malaysia)

No. of Shares Held:	
CDS Account No.:	

I/We...NRIC/ Passport/ Registration No. ....
[Full name in block as per NRIC/Passport]

of ....
[Address]

Email Address:...Contact No.: ....
being member(s) of **D'nonce Technology Bhd**, hereby appoint:-

Full Name (in Block as per NRIC/Passport)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address:		**Contact No.:**	

and/or^

Full Name (in Block as per NRIC/Passport)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address:		**Contact No.:**	

or failing him/her, the Chairman of the Meeting, as ^my/our proxy to vote for ^me/us and on ^my/our behalf at the Twenty-Second Annual General Meeting of the Company, which will be conducted on a fully virtual basis through live streaming from the broadcast venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("Broadcast Venue") on **Monday, 26 September 2022** at **10:00 a.m.** or any adjournment thereof, and to vote as indicated below:-

Resolution	Description of Resolution	For	Against
1	Approval on the payment of Directors' Fees and Benefits up to an amount of RM360,000 for the period from this 22^{nd} Annual General Meeting until the next Annual General Meeting of the Company.		
2	Re-election of Dato' Moktar Bin Mohd Noor as Director of the Company pursuant to Clause 107 of the Company's Constitution.		
3	Re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
4	Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this__________day of__________________2022

____
Signature*
Member

^ Delete whichever is not applicable
* Manner of execution:
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

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The Share Registrar

Workshire Share Registration Sdn Bhd
[202101030155 (1430455-D)]
A1-2-2 Solaris Dutamas, No. 1, Jalan Dutamas 1,
50480 Kuala Lumpur

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www.dnoncetech.com

TECHNOLOGY BHD
200001000687 / 503292-K
Your Dependable Partner

D'NONCE TECHNOLOGY BHD. (200001000687/503292-K)
51-14 B&C, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia
Tel: 604-228 1198 Fax: 604-228 3016