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DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended **30 April 2021**.

PRINCIPAL ACTIVITIES

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

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

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

RESULTS

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

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

DIVIDENDS

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

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

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT
(cont'd)

SHARE CAPITAL AND DEBENTURE

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

- (i) 500,500 new ordinary shares pursuant to the exercise of the ESOS at an exercise price of RM0.25 per ESOS; and
- (ii) 50,368,900 new ordinary shares pursuant to the exercise of the warrants at an exercise price of RM0.25 per warrant.

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

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

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

There were no share options granted during the financial year.

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

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

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

WARRANTS

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

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

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

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

DIRECTORS' REPORT

(cont'd)

DIRECTORS

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

Directors of the Company:

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

Directors of the subsidiaries:

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

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

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

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

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

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

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

DIRECTORS' REPORT

(cont'd)

DIRECTORS' REMUNERATION AND BENEFITS

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

	GROUP AND COMPANY RM
Fees	778,464
Salaries, bonus and allowances	1,589,019
Defined contribution plan	218,503
SOCSSO	593
	<u>2,586,579</u>

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

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

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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

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

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that there were no bad debts to be written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT

(cont'd)

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

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

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

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

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENTS

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

EVENT AFTER THE REPORTING PERIOD

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

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 year ended 30 April 2021 are RM232,600 and RM95,000 respectively.

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

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

.....
Lim Siang Kai

.....
Datuk Tho Yow Yin

Penang,

Date: 27 August 2021

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 55 to 133 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **30 April 2021** and of their financial performance and cash flows for the financial year then ended.

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

.....
Lim Siang Kai

.....
Datuk Tho Yow Yin

Date: 27 August 2021

STATUTORY DECLARATION

I, **Aw Yeong Weng Kwong**, the officer primarily responsible for the financial management of **D'nonce Technology Bhd.** do solemnly and sincerely declare that the financial statements set out on pages 55 to 133 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

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

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

Before me,

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

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **D'nonce Technology Bhd.**, which comprise the statements of financial position as at **30 April 2021** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of accounting policies, as set out on pages 55 to 133.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **30 April 2021** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment of trade receivables (Note 10 to the financial statements)</p> <p>The Group has significant trade receivables as at 30 April 2021 which include certain amounts that are long outstanding and it is subject to credit risk exposure.</p> <p>We focus on this area as the assessment of expected credit losses of trade receivables involves management judgement and estimation uncertainty in determining the probability of default occurring by considering the ageing of trade receivables, historical loss experience and forward-looking information.</p>	<p>Our audit procedures in relation to the impairment of trade receivables included, among others, the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of: <ul style="list-style-type: none"> - the Group's control over the customers' collection process; - the process of identifying and assessing the impairment of trade receivables; and - the basis of how the Group makes the accounting estimates for impairment of trade receivables. • Reviewing the application of the Group's policy for calculating expected credit losses and whether it complies with <i>MFRS 9</i>; • Reviewing the ageing of trade receivables and testing the reliability thereof; • Reviewing subsequent collections for major customers and overdue amounts; • Making inquiries of management regarding the action plans to recover overdue balances; • Examining other evidence including customer correspondences; and • Assessing the recoverability of balances and the adequacy of impairment loss for significant outstanding balances based on the expected credit loss model applied by the Group.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Other Matters

- (i) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
- (ii) The financial statements for the preceding year ended 30 April 2021 were audited by **Grant Thornton** whose report dated 27 August 2020, expressed an unqualified opinion on those financial statements. The practice of **Grant Thornton** has merged with **Grant Thornton Malaysia PLT** effective from 1 January 2021.

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

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

Penang

Date: 27 August 2021

STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2021

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

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

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

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

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

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

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

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

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

NOTE	Non-distributable										Total RM	Non-controlling Interests RM	Total Equity RM	
	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				
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		
	<i>Transactions with owners of the Company:</i>													
15	Issuance of shares pursuant to:	125,125	-	-	-	-	-	-	-	125,125	-	125,125		
15	- Exercise of ESOS	12,592,225	-	-	-	-	-	-	-	12,592,225	-	12,592,225		
	- Exercise of warrants	12,717,350	-	-	-	-	-	-	-	12,717,350	-	12,717,350		
	Acquisition from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-		
	Lapse of warrants	-	-	-	-	-	(57,436)	-	12,678	12,678	(612,678)	(600,000)		
	Transfer of share options reserve upon exercised	68,469	-	-	-	(68,469)	-	-	57,436	-	-	-		
15	Transfer of warrant reserve upon exercised	4,900,894	-	-	-	-	(4,900,894)	-	-	-	-	-		
15	Total transactions with owners	17,686,713	-	-	-	(68,469)	(4,958,330)	-	70,114	12,730,028	(612,678)	12,117,350		
	Balance at end	92,805,918	6,089,040	19,284,165	32,510	35,371	-	5,120,000	17,526,827	140,893,831	5,077,307	145,971,138		

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

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

NOTE	Non-distributable										Total Equity RM	
	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		
2020												
	67,976,735	6,457,420	-	32,510	566,626	6,715,550	5,120,000	2,552,093	89,420,934	4,907,645	94,328,579	
	-	716,330	-	-	-	-	-	-	716,330	953	717,283	
	-	-	20,490,800	-	-	-	-	(473,476)	(473,476)	-	(473,476)	
	-	-	(425,655)	-	-	-	-	425,655	20,490,800	337,754	20,828,554	
	-	-	-	-	-	-	-	580,822	580,822	149,327	730,149	
	-	716,330	20,065,145	-	-	-	-	533,001	21,314,476	488,034	21,802,510	
<i>Transactions with owners of the Company:</i>												
15	562,500	-	-	-	-	-	-	-	562,500	-	562,500	
15	4,514,950	-	-	-	-	-	-	-	4,514,950	-	4,514,950	
	5,077,450	-	-	-	-	-	-	-	5,077,450	-	5,077,450	
	-	-	-	-	(154,986)	-	-	154,986	-	-	-	
15	307,800	-	-	-	(307,800)	-	-	-	-	-	-	
15	1,757,220	-	-	-	-	(1,757,220)	-	-	-	-	-	
	7,142,470	-	-	-	(462,786)	(1,757,220)	-	154,986	5,077,450	-	5,077,450	
	75,119,205	7,173,750	20,065,145	32,510	103,840	4,958,330	5,120,000	3,240,080	115,812,860	5,395,679	121,208,539	

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

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

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

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

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

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

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

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

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

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

B. Liabilities arising from financing activities

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

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

¹ Others consist of non-cash movement as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 2021

1. CORPORATE INFORMATION

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

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

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

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

Principal Activities

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the accounting policies as set out below.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 2021 (cont'd)

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

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

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

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

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

2.3 Functional and Presentation Currency

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

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

2.4 Adoption of Amendments to MFRSs

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

Effective for annual periods beginning on or after 1 January 2020

Amendments to References to the Conceptual Framework in MFRS Standards

Amendments to MFRS 3 Business Combinations: Definition of a Business

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures: Interest Rate Benchmark Reform

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

2.5 Standards Issued But Not Yet Effective

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

Effective for annual periods beginning on or after 1 June 2020

Amendments to MFRS 16 Leases: Covid-19-Related Rent Concessions

Effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform - Phase 2

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

Effective for annual periods beginning on or after 1 April 2021

Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework
Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment -
Proceeds before Intended Use

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous
Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts

Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from
Applying MFRS 9

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as
Current or Non-Current

Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting
Policies

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- Definition of Accounting Estimates

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

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in
Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its
Associate or Joint Venture

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

2.6 **Significant Accounting Estimates and Judgements**

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

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

2.6.1 **Judgements made in applying accounting policies**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 APRIL 2021 (cont'd)

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

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

2.6.2 Key sources of estimation uncertainty

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

(i) Inventories

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

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

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

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

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 31.3.1 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 APRIL 2021 (cont'd)

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

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

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

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

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

(v) **Defined benefit plan**

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

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

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

(vi) **Employees' share option**

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

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

3. **ACCOUNTING POLICIES**

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

3.1 **Basis of Consolidation**

(i) **Subsidiaries**

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

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

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

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

(ii) **Basis of consolidation**

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

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

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

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

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

(iii) **Business combination**

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

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

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

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

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

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

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

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

(v) **Loss of control**

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as a fair value through other comprehensive income depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 APRIL 2021 (cont'd)

(vi) **Non-controlling interests**

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the statements of financial position and statements of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statements of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

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

(vii) **Transactions eliminated on consolidation**

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

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

3.2 **Operating segments**

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

3.3 **Property, Plant and Equipment**

All property, plant and equipment, except for land and buildings, are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 APRIL 2021 (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:

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

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

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

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

3.4 Investment properties

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

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

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

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

<u>Categories</u>	<u>Years</u>
Leasehold land	51 to 60
Buildings	50
Renovation	10

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 APRIL 2021 (cont'd)

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

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

3.5 **Goodwill**

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

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

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

3.6 **Leases**

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

As a lessee

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

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

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

<u>Categories</u>	<u>Years</u>
Premises	2 to 6
Factory buildings	6

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 APRIL 2021 (cont'd)

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

(ii) **Lease liabilities**

At the commencement date of the lease, lease liabilities are recognised and measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

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

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

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

As a lessor

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

3.7 **Impairment of Non-Financial Assets**

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

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 APRIL 2021 (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 or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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

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

3.8 Financial Instruments

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

3.8.1 Financial assets

(i) Initial recognition and measurement

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

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

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

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

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at AC are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

(ii) **Subsequent measurement**

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

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

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

Financial assets at amortised cost

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

(iii) **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statements of financial position) when:

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

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 APRIL 2021 (cont'd)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(iv) **Impairment**

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

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

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

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

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

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

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

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

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

3.8.2 Financial liabilities

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

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

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

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

Financial liabilities at amortised cost

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

(iii) Derecognition

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

3.8.3 Offsetting of financial instruments

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

3.8.4 Financial guarantee contracts

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

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 APRIL 2021 (cont'd)

3.9 **Inventory properties**

Inventory properties comprise property development costs.

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

3.10 **Inventories**

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

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

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

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

3.11 **Cash and Cash Equivalents**

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

3.12 **Provisions**

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

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

3.13 **Borrowing Costs**

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

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

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

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

3.14 Revenue Recognition

The Group is in the business of:

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

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The performance obligations to recognise revenue are as follows:

(i) **Sale of goods**

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

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

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

(iii) **Maintenance income**

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

(iv) **Management fee**

Management fee is recognised when services are rendered.

(v) **Rental income**

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

(vi) **Interest income**

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

(vii) **Dividend income**

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

(viii) **Contract balances**

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

Trade receivables

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

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

Contract assets

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

3.15 **Employee Benefits**

Short term benefits

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

Defined contribution plans

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

Defined benefit plan

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

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

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation in the statements of comprehensive income:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income

Employees' share options scheme ("ESOS")

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 APRIL 2021 (cont'd)

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 where vesting is conditional upon market or non-vesting condition, which are tested as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share options reserve is transferred to retained profits upon expiry of the share options.

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

3.16 **Income Tax**

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

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

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

3.17 **Sales and Service Tax ("SST")**

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

- where the SST incurred in a purchase of asset or service is not recoverable from the authority, in which case the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with SST inclusive.

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

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

3.18 Foreign Currency Translations

Foreign currency transactions

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

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

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

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

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

Foreign operations

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

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

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

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

3.19 Warrants

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

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

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 APRIL 2021 (cont'd)

3.20 Share Capital, Share Issuance Costs and Dividends

Classification

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

Share issuance costs

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

Dividends

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

3.21 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.22 Related Parties

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

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) Has control or joint control over the Group;
- (ii) Has significant influence over the Group; or
- (iii) Is a member of the key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group.
- (ii) One entity is an associate or joint venture of the other entity.
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
- (vii) A person identified in (a) (i) above has significant influence over the Group or is a member of the key management personnel of the entity.
- (viii) The entity, or any member of a group of which it is a party, provides key management personnel services to the Group.

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

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

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

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

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

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

COMPANY

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

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (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	
	2021	2020
	RM	RM
Freehold land	8,200,584	8,380,204
Leasehold land	1,895,406	1,943,664
Buildings	12,217,246	13,657,107
	<u>22,313,236</u>	<u>23,980,975</u>

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

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

Policy on transfer between levels

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

Level 3 fair value

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

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

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

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

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

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

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

- (iv) On 26 June 2020 and 18 August 2020, the Group has entered into Sales and Purchases Agreements with third parties to dispose off two units of freehold land and buildings for a cash consideration of RM520,000 and RM515,000 respectively. The disposal transactions have been completed during the financial year.
- (v) The information of right-of-use assets which are included in the property, plant and equipment is as follows:

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

5. INVESTMENT PROPERTIES

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

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

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

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

Policy on transfer between levels

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

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

(iii) **Group as lessor**

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

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

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

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

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

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

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group and Company as a lessee

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

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

Right-of-use assets

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

GROUP

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

COMPANY

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

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

Lease liabilities

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

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

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

The following are the amounts recognised in profit or loss:

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

7. INVESTMENT IN SUBSIDIARIES

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

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

Details of the subsidiaries are as follows:

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

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

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

(1) The Company has a direct interest of 60% and an indirect interest of 22% via another subsidiary, D'nonce (Johore) Sdn. Bhd.

(2) The Company has a direct interest of 48% and an indirect interest of 51% via another subsidiary, Logistic Solution Holdings Co., Ltd.

(3) Not audited by Grant Thornton Malaysia PLT.

7.1 Acquisition of non-controlling interest

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

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

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

7.2 Impairment on investment in subsidiaries

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

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

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

The details of the material NCI are as follows:

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

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

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

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

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

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

8. GOODWILL

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

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

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

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

Key assumptions used in value-in-use calculations

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

(i) Selling price

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

(ii) Exchange rate

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

(iii) Cash flow projections and growth rate

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

(iv) Discount rate

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

Sensitivity to changes in key assumptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Unrecognised temporary differences relating to investments in subsidiaries

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

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

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

10. **TRADE AND OTHER RECEIVABLES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11. **CASH AND BANK BALANCES**

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

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

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

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

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

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

12. **INVENTORY PROPERTY**

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

13. **INVENTORIES**

	GROUP	
	2021 RM	2020 RM
At cost		
Raw materials	8,798,385	14,634,500
Work-in-progress	1,087,345	1,370,816
Finished goods	4,100,480	3,362,285
Trading goods	5,852,209	5,689,627
	19,838,419	25,057,228
At net realisable value		
Raw materials	15,006	65,251
Work-in-progress	-	39,804
Finished goods	15,863	215,991
Trading goods	141,176	328,101
	172,045	649,147
	20,010,464	25,706,375
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	100,886,237	129,746,441
Inventories written down		
- Addition	556,130	2,116,520
- Reversal	(168,251)	(32,004)
Inventories written off	128,226	66,853

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

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

14. **CONTRACT ASSETS**

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

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

15. **SHARE CAPITAL**

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

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

- (i) 500,500 (2020: 2,250,000) new ordinary shares pursuant to the exercise of the ESOS at an exercise price of RM0.25 per ESOS; and
- (ii) 50,368,900 (2020: 18,059,800) new ordinary shares pursuant to the exercise of the warrants at an exercise price of RM0.25 per warrant.

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

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

16. **RESERVES**

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

16.1 **Foreign currency translation reserve**

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

16.2 **Revaluation reserve**

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

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

16.3 **Legal reserve**

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

16.4 **Share options reserve**

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

16.5 **Warrant reserve**

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

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

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

- (i) The issue date of the Warrants was 26 November 2015 and the expiry date is 25 November 2020. Any warrants not exercised during the exercise period will thereafter lapse and cease to be valid for any purpose;
- (ii) Each Warrant entitles the registered holder, at any time during the exercise period, to subscribe for one (1) new ordinary share at an exercise price of RM0.25 per Warrant, subject to adjustments in accordance with the provisions of the Deed Poll;
- (iii) The exercise price and/or the number of unexercised Warrants shall be adjusted in the event of alteration to the share capital by reason of any issue of shares, consolidation, subdivision, conversion or capital distribution in accordance with the provisions of the Deed Poll;
- (iv) The new ordinary shares arising from the exercise of the Warrants are not entitled to any dividends, rights, allotments and/or other distributions. It will only be entitled if the exercise of Warrants is prior to the date of allotment and issuance of the new ordinary shares.
- (v) The Warrant holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in the Company until and unless such Warrant holders exercise their Warrants into new ordinary shares; and
- (vi) If the Company is wound up or an order has been granted for such compromise or arrangement, all exercise rights which are not exercised within six weeks of the passing of the resolution for winding-up or within six weeks after granting of the court order approving the winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), will cease to be valid for any purpose.

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

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

16.6 Other capital reserve

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

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

17. RETIREMENT BENEFIT OBLIGATIONS

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

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

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

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

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

The movement of the defined benefit plan are as follows:

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

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

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

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

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

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

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

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

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

18. BORROWINGS

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

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

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

The borrowings are secured by way of:

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

The currency profile of borrowings is as follows:

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

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

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

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

19. TRADE AND OTHER PAYABLES

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

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

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

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

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

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

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

20. **REVENUE**

20.1 **Disaggregated revenue information**

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

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

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

20.2 Performance obligations

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

21. OTHER INCOME

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

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

22. EMPLOYEE BENEFITS EXPENSE

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

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

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

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

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

The directors' remuneration can be further analysed as:

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

23. **FINANCE COSTS**

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

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

24. **PROFIT/(LOSS) BEFORE TAX**

This is arrived at:

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

25. **TAXATION**

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM
Statements of comprehensive income:				
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(2,138,302)	(1,246,089)	(67,000)	(160,000)
- Real property gains tax	(52,136)	-	-	-
- Deferred tax relating to the origination and reversal of temporary differences	(128,377)	(380,113)	-	-
	(2,318,815)	(1,626,202)	(67,000)	(160,000)
Over/(Under) provision in prior year/period				
- Current tax	623,750	(34,641)	101,437	(16,224)
- Deferred tax	121,345	(8,441)	-	-
	745,095	(43,082)	101,437	(16,224)
Tax (expense)/income recognised in profit or loss	(1,573,720)	(1,669,284)	34,437	(176,224)

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

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM
Deferred tax relate to items recognised in other comprehensive income (Note 9)				
Revaluation of land and buildings	-	(5,124,917)	-	-

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

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM
Profit/(Loss) before tax	15,369,864	2,399,433	(1,681,983)	(5,327,699)
Income tax at Malaysian statutory tax rate of 24%	(3,688,767)	(575,864)	403,676	1,278,648
Effect of tax rate in foreign jurisdiction	370,751	155,005	-	-
Income not subject to tax	-	10,901	61,992	-
Expenses not deductible for tax purposes	(2,990,251)	(1,442,820)	(500,534)	(1,389,822)
Effect of double deduction	20,337	24,996	-	-
Utilisation of reinvestment allowance	78,090	-	-	-
Utilisation of unrecognised unused tax losses and unabsorbed allowances	3,898,382	601,868	-	-
Deferred tax assets not recognised	(80,092)	(519,091)	(32,134)	(48,826)
Crystallisation of deferred tax on disposal of land and buildings	40,299	-	-	-
Annual crystallisation of deferred tax on revaluation reserve	84,572	118,803	-	-
Effect of real property gains tax	(52,136)	-	-	-
	(2,318,815)	(1,626,202)	(67,000)	(160,000)
Over/(Under) provision in prior year/period	745,095	(43,082)	101,437	(16,224)
	(1,573,720)	(1,669,284)	34,437	(176,224)

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

26. EARNINGS PER SHARE

26.1 Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to owners of the Company for the financial year/period by the weighted average number of ordinary shares in issue during the financial year/period as follows:

	GROUP	
	1.5.20 to 30.4.21 (12 months)	1.1.19 to 30.4.20 (16 months)
Profit attributable to owners of the Company (RM)	13,501,744	580,822
Weighted average number of ordinary shares in issue	292,615,000	257,662,044
Basic earnings per share (in sen)	4.61	0.23

26.2 Diluted earnings per share

Diluted earnings per share of the Group is calculated by dividing the profit attributable to owners of the Company for the financial year/period by the weighted average number of ordinary shares in issue during the financial year/period adjusted for the dilutive effects of all potential ordinary shares as follows:

	GROUP	
	1.5.20 to 30.4.21 (12 months)	1.1.19 to 30.4.20 (16 months)
Profit attributable to owners of the Company (RM)	13,501,744	580,822
Weighted average number of ordinary shares in issue	292,615,000	257,662,044
Adjustment for conversion of ESOS	125,000	684,429
Adjustment for conversion of warrants	-	18,434,437
	292,740,000	276,780,910
Diluted earnings per share (in sen)	4.61	0.21

27. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

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

The main features of the ESOS were as follows:

- (i) Eligible persons meet the following criteria as at the date of offer:
- if he has attained the age of eighteen (18) years on the date offer and is not an undercharged bankrupt;
 - if he is employed on a full-time basis on the payroll of a company within the Group and his employment must have been confirmed in writing on or prior to the date of offer;
 - if he is a contract worker on a full-time basis serving under a contract of employment; and

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- if he fulfils any other criteria and/or falls within such category that the ESOS Committee may from time to time at its absolute discretion determine.
- (ii) The maximum number of new shares of the Company, which may be available under the Scheme, shall not exceed in aggregate 15% of the total issued and paid-up share capital of the Company at any point in time during the duration of the Scheme and includes any extension thereof.
- (iii) The option price shall be determined by the Option Committee based on the 5-day weighted average market price of shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%, or at the par value of shares of the Company, whichever is higher.
- (iv) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new shares of the Company comprised in the ESOS.
- (v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank *pari passu* in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new shares.

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

	Number of share options			
	Balance at beginning	Exercised	Lapsed	Balance at end
2021				
Share option expiring 17 May 2021	759,500	(500,500)	-	259,000
2020				
Share option expiring 17 May 2021	4,142,000	(2,250,000)	(1,132,500)	759,500

The fair values of share options granted in the previous financial years was estimated by using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted.

The fair value of the share options measured at grant date and the assumptions are as follows:

	Grant date at 18 May 2016
Fair value of share options at grant date (RM)	0.14
Share price (RM)	0.22
Exercise price (RM)	0.25
Expected volatility (%)	77.76
Expected life (years)	5.00
Risk free rate (%)	3.22
Expected dividend yield (%)	-
	-

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28. SEGMENTAL INFORMATION

Business Segments

Business segments are based on the Group's management and internal reporting structure.

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

The Group has arrived at three reportable segments divided by the customers' industries that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

Reportable segments by customers' industries	Description
(i) Healthcare	End-to-end packaging and design solutions primarily supporting customers in the healthcare industry.
(ii) Electrical and electronics	End-to-end packaging and design solutions, precision polymer engineering services, cleanroom services and contract manufacturing primarily supporting customers in the electrical and electronics industry.
(iii) Other industries	End-to-end packaging and design solutions and supply of goods and services primarily supporting customers in the automotive, food and beverage and other manufacturing industries.

Other operating segments that do not meet the quantitative thresholds of an individual reporting segment consist of investment holding and others.

Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's Chief Executive Officer (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current financial year and previous financial period.

Segment assets exclude tax assets and unallocated assets.

Segment liabilities exclude tax liabilities and unallocated liabilities.

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By business segments divided by the customers' industries

2021

	Healthcare RM	Electrical and electronics RM	Other industries RM	Others RM	Elimination RM	Note	Total RM
Revenue							
External sales	61,016,537	97,315,031	25,917,272	-	-		184,248,840
Inter-segment sales	<u>4,626,400</u>	<u>9,541,702</u>	<u>4,138,731</u>	<u>4,414,522</u>	<u>(22,721,355)</u>	A	<u>-</u>
Total revenue	<u>65,642,937</u>	<u>106,856,733</u>	<u>30,056,003</u>	<u>4,414,522</u>	<u>(22,721,355)</u>		<u>184,248,840</u>
Results							
Segment results	11,408,680	11,591,045	1,019,315	(307,052)			23,711,988
Unallocated expenses							<u>(6,035,067)</u>
Operating profit							17,676,921
Finance costs							<u>(2,307,057)</u>
Profit before tax							15,369,864
Taxation							<u>(1,573,720)</u>
Profit for the financial year							<u>13,796,144</u>
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							<u>1,508,400</u>
Total assets							<u>209,056,485</u>
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							<u>326,599</u>
Total liabilities							<u>63,085,347</u>
Other segment information							
Additions to non-current assets	987,773	3,029,203	49,693	9,790		B	4,076,459
Depreciation							
- property, plant and equipment	2,359,389	3,932,254	120,634	289,681			6,701,958
- investment properties	-	319,080	8,048	-			327,128
- right-of-use assets	-	1,114,425	143,436	112,543			1,370,404
Non-cash expenses other than depreciation	617,578	462,983	78,892	-		C	1,159,453

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

By business segments divided by the customers' industries

2020

	Healthcare RM	Electrical and electronics RM	Other industries RM	Others RM	Elimination RM	Note	Total RM
Revenue							
External sales	68,683,551	118,333,316	41,601,377	-	-		228,618,244
Inter-segment sales	<u>4,477,308</u>	<u>14,870,765</u>	<u>2,825,675</u>	<u>16,000</u>	<u>(22,189,748)</u>	A	<u>-</u>
Total revenue	<u>73,160,859</u>	<u>133,204,081</u>	<u>44,427,052</u>	<u>16,000</u>	<u>(22,189,748)</u>		<u>228,618,244</u>
Results							
Segment results	8,476,640	5,526,542	3,688,997	(474,271)			17,217,908
Unallocated expenses							<u>(10,007,225)</u>
Operating profit							7,210,683
Finance costs							<u>(4,811,250)</u>
Profit before tax							2,399,433
Taxation							<u>(1,669,284)</u>
Profit for the financial period							<u>730,149</u>
Assets							
Segment assets	58,469,451	108,984,603	20,188,521	8,379,756			196,022,331
Unallocated assets							1,835,918
Deferred tax assets							167,470
Current tax assets							<u>2,130,910</u>
Total assets							<u>200,156,629</u>
Liabilities							
Segment liabilities	17,932,204	37,903,599	11,812,547	154,270			67,802,620
Unallocated liabilities							5,035,704
Deferred tax liabilities							5,938,334
Current tax liabilities							<u>171,432</u>
Total liabilities							<u>78,948,090</u>
Other segment information							
Additions to non-current assets	3,250,394	1,274,146	662,215	237,005		B	5,423,760
Depreciation							
- property, plant and equipment	2,707,282	5,555,001	553,191	62,893			8,878,367
- investment properties	-	433,581	10,731	-			444,312
- right-of-use assets	-	815,797	179,363	24,290			1,019,450
Non-cash expenses other than depreciation	278,675	2,210,766	158,005	-		C	2,647,446

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

- A Inter-segment revenues are eliminated on consolidation.
- B Additions to non-current assets consist of total costs incurred to acquire property, plant and equipment and investment properties. It excludes the additions of right-of-use assets, financial instruments and deferred tax assets.
- C Other material non-cash expenses/(income) other than depreciation consist of the following items:

	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM
Allowance for expected credit losses	280,176	246,552
Defined benefit plan	358,302	619,198
Gain on disposal of property, plant and equipment, net	(79,177)	(6,263)
Inventories written down	556,130	2,116,520
Inventories written off	128,226	66,853
Property, plant and equipment written off	6,533	100,517
Revaluation loss on land and building	-	448,187
Reversal of allowance for expected credit losses	(197,032)	(620,959)
Reversal of inventories written down	(168,251)	(32,004)
Unrealised loss/(gain) on foreign exchange	274,546	(291,155)
	1,159,453	2,647,446

By geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

	Revenue		Non-current assets	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	2021 RM	2020 RM
Malaysia	91,911,822	118,509,601	43,011,058	47,473,455
Thailand	92,337,018	110,108,643	43,022,092	43,779,229
	184,248,840	228,618,244	86,033,150	91,252,684

Information about major customers

Total revenue from 1 (2020: 1) major customer which individually contributed to 10% or more of the Group's revenue from the supply of end-to-end packaging and design solutions, amounted to **RM38,994,293** (2020: RM34,247,690).

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AS AT 30 APRIL 2021 (cont'd)

29. **CAPITAL COMMITMENTS**

	GROUP	
	2021	2020
	RM	RM
Approved but not provided for:		
- Leasehold land and building	3,870,000	3,870,000
- Plant and machinery	1,730,743	322,226
- Computer equipment	-	2,112
- Development right	-	2,000,000
	_____	_____
Approved but not contracted for:		
- Plant and machinery	427,000	_____
	_____	_____

30. **RELATED PARTY DISCLOSURES**

(i) **Identity of related parties**

The Group has related party relationship with its subsidiaries, key management personnel and the following parties:

Related parties	Relationship
- Master-Pack Sdn. Bhd.	Corporate shareholder of a subsidiary, Richmond Technology Sdn. Bhd. which has ceased to be corporate shareholder with effect from 30 January 2021.
- Wangsa Interaktif Sdn. Bhd.	A company in which a director of a subsidiary, En. Roslant Bin Abu, has substantial financial interests.
- An Marketing Trading Sdn. Bhd.	A company in which a person connected to a former director of the Company, Mr. Tan Than Kau, has substantial financial interests which has ceased to be a related party with effect from 11 July 2019.
- Koh Kim Leng and Company	A firm in which a director of the Company, Mr. Chong Kim Teck, has substantial financial interests.

(ii) **Related party transactions**

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

	GROUP		COMPANY	
	1.5.20	1.1.19	1.5.20	1.1.19
	to	to	to	to
	30.4.21	30.4.20	30.4.21	30.4.20
	(12 months)	(16 months)	(12 months)	(16 months)
	RM	RM	RM	RM
Interest expense paid to subsidiaries	-	-	231,621	432,522
Interest income from subsidiaries	-	-	1,148,688	2,039,672

NOTES TO THE FINANCIAL STATEMENTS
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	GROUP		COMPANY	
	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM	1.5.20 to 30.4.21 (12 months) RM	1.1.19 to 30.4.20 (16 months) RM
Management fees from subsidiaries	-	-	4,414,522	5,086,647
Sub-leasing fee from subsidiaries	-	-	60,968	327,876
Disposal of motor vehicle to a director of a subsidiary, Mr. Lim Oon Jin	89,656	-	-	-
Rental of motor vehicles paid to a subsidiary	-	-	56,208	32,788
Rental of premises paid to a director of a subsidiary, Mr. Lim Oon Jin	-	28,000	-	-
Sales to Wangsa Interaktif Sdn. Bhd.	428,983	445,296	-	-
Purchase of goods from:				
- Master-Pack Sdn. Bhd.	262,436	1,657,645	-	-
- An Marketing Trading Sdn. Bhd.	-	240,667	-	-
Transfer of property, plant and equipment from a subsidiary	-	-	-	272,590
Transfer of property, plant and equipment to subsidiaries	-	-	-	4,659
Legal fee paid to Koh Kim Leng and Company	62,083	-	-	-
Development right paid to a former director	-	5,880,000	-	-

(iii) **Compensation of key management personnel**

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

The Company has no other members of key management personnel apart from the Board of Directors which compensation has been shown in Note 22 to the financial statements.

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

31. **FINANCIAL INSTRUMENTS**

31.1 **Categories of financial instruments**

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

	Carrying amount RM	AC RM
GROUP		
2021		
Financial assets		
Trade and other receivables, excluding non-refundable deposits, prepayments and GST recoverable	41,266,539	41,266,539
Cash and bank balances	40,829,820	40,829,820
	82,096,359	82,096,359
Financial liabilities		
Borrowings	29,676,655	29,676,655
Trade and other payables	20,385,313	20,385,313
	50,061,968	50,061,968
2020		
Financial assets		
Trade and other receivables, excluding non-refundable deposits, prepayments and GST recoverable	38,361,373	38,361,373
Cash and bank balances	32,531,569	32,531,569
	70,892,942	70,892,942
Financial liabilities		
Borrowings	48,514,015	48,514,015
Trade and other payables	19,287,578	19,287,578
	67,801,593	67,801,593
COMPANY		
2021		
Financial assets		
Trade and other receivables, excluding prepayments and GST recoverable	35,430,298	35,430,298
Cash and bank balances	1,418,223	1,418,223
	36,848,521	36,848,521
Financial liability		
Trade and other payables	4,149,160	4,149,160

NOTES TO THE FINANCIAL STATEMENTS
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	Carrying amount RM	AC RM
COMPANY		
2020		
Financial assets		
Trade and other receivables, excluding prepayments and GST recoverable	28,880,718	28,880,718
Cash and bank balances	222,035	222,035
	29,102,753	29,102,753
Financial liability		
Trade and other payables	7,355,973	7,355,973

31.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

31.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

31.3.1 Trade receivables

The Group gives its customers credit terms that range between **30 to 120 days** (2020: 30 to 120 days). In deciding whether credit shall be extended, the Group will take into consideration factors such as relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, receivables balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statements of financial position.

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

The ageing analysis of trade receivables of the Group as at the end of the reporting period is as follows:

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP			
2021			
Not past due	24,639,637	-	24,639,637
1 to 30 days past due	4,086,095	-	4,086,095
31 to 60 days past due	586,995	-	586,995
61 to 90 days past due	163,250	-	163,250
More than 90 days past due	2,034,504	-	2,034,504
	6,870,844	-	6,870,844
Impaired	1,011,373	(1,011,373)	-
	32,521,854	(1,011,373)	31,510,481
2020			
Not past due	17,390,418	-	17,390,418
1 to 30 days past due	4,460,789	-	4,460,789
31 to 60 days past due	2,055,587	-	2,055,587
61 to 90 days past due	779,272	-	779,272
More than 90 days past due	5,819,470	-	5,819,470
	13,115,118	-	13,115,118
Impaired	2,623,743	(2,623,743)	-
	33,129,279	(2,623,743)	30,505,536

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to **RM6,870,844** (2020: RM13,115,118) that are past due but not impaired as the management is of the view that these debts will be collected in due course.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The Group has significant concentration of credit risk in the form of outstanding balance due from **1 customer** (2020: 2 customers) representing **10%** (2020: 21%) of the total trade receivables.

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

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

	Gross RM	Allowance for expected credit losses RM	Net RM
Credit risk rating			
GROUP			
2021			
Low risk	31,510,481	-	31,510,481
Individually impaired	1,011,373	(1,011,373)	-
	32,521,854	(1,011,373)	31,510,481
2020			
Low risk	30,505,536	-	30,505,536
Individually impaired	2,623,743	(2,623,743)	-
	33,129,279	(2,623,743)	30,505,536

In managing the credit risk of the trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses.

Trade receivables are usually collectable and the Group does not have much historical bad debts written off or impairment of trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. No expected credit losses is provided during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

31.3.2 Intercompany balances

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

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

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable except for the impairment made for advance to the subsidiaries which the Company deems uncollectable as disclosed in Note 10 to the financial statements. The Company does not specifically monitor the ageing of these advances.

31.3.3 Financial guarantees

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

	COMPANY	
	2021 RM	2020 RM
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries		
- Limit	100,431,565	106,215,026
- Maximum exposure	34,618,062	47,563,458

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

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

31.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM	More than five years RM
GROUP					
2021					
<i>Non-derivative financial liabilities</i>					
Borrowings	29,676,655	32,605,747	20,282,915	5,455,013	6,867,819
Lease liabilities	4,344,960	5,266,002	1,358,839	3,655,163	252,000
Trade and other payables	20,385,313	20,385,313	20,385,313	-	-
	54,406,928	58,257,062	42,027,067	9,110,176	7,119,819
2020					
<i>Non-derivative financial liabilities</i>					
Borrowings	48,514,015	51,870,296	35,894,963	10,268,314	5,707,019
Lease liabilities	2,854,098	3,260,500	988,000	2,272,500	-
Trade and other payables	19,287,578	19,287,578	19,287,578	-	-
	70,655,691	74,418,374	56,170,541	12,540,814	5,707,019
COMPANY					
2021					
<i>Non-derivative financial liabilities</i>					
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	-	-

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 APRIL 2021 (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
2020					
<i>Non-derivative financial liabilities</i>					
Lease liabilities	97,431	156,000	52,000	104,000	-
Trade and other payables	7,355,973	7,355,973	7,355,973	-	-
* Financial guarantees	-	47,563,458	47,563,458	-	-
	7,453,404	55,075,431	54,971,431	104,000	-

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

31.5 Interest rate risk

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Fixed rate instruments				
Financial assets	28,214,471	27,600,873	19,005,418	19,427,496
Financial liabilities	11,912,317	15,147,482	2,747,685	6,257,091
Floating rate instruments				
Financial liabilities	17,764,338	33,366,533	-	-

Sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for variable rate instruments

An increase of 20 basis point at the end of the reporting period would have decreased the Group's profit before tax by **RM54,233** (2020: RM100,307) and a corresponding decrease would have an equal but opposite effect. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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

31.6 Foreign currency risk

The objectives of the Group's and the Company's foreign exchange policies are to allow the Group and the Company to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group and the Company to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency of the Group entities. The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Thai Baht ("THB") and Singapore Dollar ("SGD").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's and of the Company's profit/(loss) before tax. A 5% weakening of RM against the following currencies at the end of the reporting period would have increased/(decreased) profit before tax by the amount shown below and a corresponding strengthening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period.

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
USD	93,515	(109,270)	49,328	135,186
SGD	12,661	109,133	-	-
THB	117,647	(149,366)	35,056	(45,857)
Other currencies	171	(4,089)	-	-
Increase/(Decrease) in profit before tax	223,994	(153,592)	84,384	89,329

32 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and financial liabilities approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the non-current portion of finance lease liabilities are reasonable approximation of fair values due to the insignificant impact of discounting.

33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support their business and to maximise shareholders' value.

The Group and the Company manage their capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group and the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial period.

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

The Group and the Company consider their total equity and total loans and borrowings to be the key components of their capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group and the Company monitor capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP		COMPANY	
	2021 RM	2020 RM	2021 RM	2020 RM
Total borrowings	29,676,655	48,514,015	-	-
Less: Cash and banks balances	(40,829,820)	(32,531,569)	(1,418,223)	(222,035)
(Net cash)/Net debt	(11,153,165)	15,982,446	(1,418,223)	(222,035)
Total equity	145,971,138	121,208,539	81,048,870	69,979,066
Gearing ratio	-	0.13	-	-

34. MATERIAL LITIGATION

SJRMS Solution Sdn. Bhd. ("SJRMS") has filed against and served on a subsidiary of the Company, Attractive Venture (KL) Sdn. Bhd. ("AVKL"), a Writ of Summons in Shah Alam High Court (the "Suit"). The Suit pertains to a Management Appointment Agreement purportedly dated 15 July 2014 relating to the recruitment, supply and management of certain foreign workers. SJRMS alleges that AVKL had wrongfully terminated the Purported Agreement, and claims special damages of RM797,301.37 and general damages.

The Group has appointed a solicitor to address the Suit from SJRMS. The next case management date for the Suit is fixed on 22 September 2021.

35. SIGNIFICANT EVENT

The World Health Organisation declared the 2019 Novel Coronavirus ("COVID-19") outbreak a pandemic on 11 March 2020. This was followed by our government issuing a Gazetted Order known as the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates.

The pandemic has significantly disrupted many business operations globally. While the Group has experienced some operational disruptions during this period, there has been opportunities in the healthcare and electrical and electronics industries in which the Group has benefitted from. As the outbreak continues to evolve, it is challenging to predict the full extent and duration of its impact on the global economy. Stringent safety and cost cutting measures have been taken to minimise the Group's impact arising from this pandemic.

Notwithstanding the challenging environment, the Group remains optimistic of its business with the expectation of continued strong demand from the healthcare and electrical and electronics industries.

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

36. **EVENT AFTER THE REPORTING PERIOD**

On 11 June 2021, the Company has incorporated a wholly-owned subsidiary, D'nonce Singapore Pte. Ltd., which will be engaged in investment holding activities and the provision of management services.

37. **COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current year's presentation as follows:

	Previously stated RM	Reclassification RM	Restated RM
GROUP			
2020			
Statements of financial position			
<u>Current assets</u>			
Trade and other receivables	48,615,070	(772,995)	47,842,075
Contract assets	47,462	772,995	820,457
	<u> </u>	<u> </u>	<u> </u>
Statements of comprehensive income			
Carriage outwards	-	(1,669,953)	(1,669,953)
Finance cost	(5,180,538)	369,288	(4,811,250)
Realised loss on foreign exchange	-	(135,461)	(135,461)
Sub-contractor and other installation costs	(46,510)	46,510	-
Other operating expenses	(28,766,780)	1,389,616	(27,377,164)
	<u> </u>	<u> </u>	<u> </u>

The comparative figures of the Group has been prepared for the financial period from 1 January 2019 to 30 April 2020. Accordingly, the comparative amounts presented in the financial statements are not entirely comparable.

LIST OF PROPERTIES OWNED

AS AT 30 APRIL 2021

Beneficial owner / Location	Description / Existing Use	Land / Built in area (sq. ft.)	Age of building (years) as at 30.04.2021	Type of land / tenure (Year of expiry for leasehold)	Net book value as at 30.04.2021 RM'000	Date of acquisition
D'nonce (M) Sdn. Bhd.						
No. 12 Hujung Perusahaan 2, Kawasan MIEL, Prai Industrial Estate, 13600 Penang. #	Industrial land and building / Factory	1,875 / 2,500	30	60 years - leasehold (2045)	274	05.11.1990
51-14 B & C, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang. #	Building / Corporate Head Office	* / 3,670	26	Freehold	1,325	14-B: 21.03.1994 14-C: 18.04.1994
BAM Villa, Unit 42C-7-5C, Taman Maluri, Cheras, 56000 Kuala Lumpur.	Condominium	* / 975	28	99 years - leasehold (2090)	80	02.01.1992
Attractive Venture Sdn. Bhd.						
Plot 425, Tingkat Perusahaan 6A, Free Trade Zone, 13600 Prai, Penang. #	Industrial land and building / Factory	46,800 / 29,614	32	60 years - leasehold (2046)	4,206	17.08.1998
Lot 1218 Jalan Sri Putri 3/4, Taman Putri Kulai, 81000 Kulai, Johor. #	Industrial land and building / Factory	5,381 / 2,777	25	Freehold	755	10.05.1995
Plot 37, 1652 Mukim 11, Lorong Perusahaan Maju 7, Taman Perindustrian Bukit Tengah, Phase IV, 13600 Prai, Penang.	Industrial land and building / Factory	44,800 / 50,000	19	60 years - leasehold (2052)	4,160	27.08.1997
Plot 314, Penang Science Park, Bukit Minyak, Mukim 13, Daerah Seberang Perai Tengah, Penang.	Industrial land and building / Factory	111,148 / 51,955	4	60 years - leasehold (2072)	8,723	29.04.2011
No. 2733, Tingkat Perusahaan 6A, 13600 Prai, Penang. #	Industrial land and building / Factory	43,706 / 25,649	17	60 years - leasehold (2049)	4,619	01.07.2015

LIST OF PROPERTIES OWNED

AS AT 30 APRIL 2021

(cont'd)

Beneficial owner / Location	Description / Existing Use	Land / Built in area (sq. ft.)	Age of building (years) as at 30.04.2021	Type of land / tenure (Year of expiry for leasehold)	Net book value as at 30.04.2021 RM'000	Date of acquisition
Attractive Venture (JB) Sdn. Bhd.						
No. 17 1/4, Jalan Air Hitam, 81400 Saleng, Senai, Johor. #	Building / Factory	103,226 / 31,300	24	Freehold	3,548	14.12.2010
D'nonce (Johore) Sdn. Bhd.						
8 Jalan Mutiara Emas 5/17, Taman Mount Austin, Johore Bahru, 81100 Johor.	Industrial land and building / Office	3,120 / 2,568	24	Freehold	249	05.08.1996
ISCM Industries (Thailand) Co., Ltd.						
188 Moo 1, Kanchanavanich Road, Tambol Samnakkam, Sadao, Songkhla, 90320, Thailand. #	Industrial land and building / Factory	876,169 / 270,695	21	Freehold	29,173	15.03.2007
ISCM Technology (Thailand) Co., Ltd.						
Plot No. 33, Thanu, U-Thai, Pranakorn Sri Ayutthaya, Thailand. #	Vacant industrial land	62,157 / *	0	Freehold	1,777	21.01.2011
70/6 Moo 9, Rojana Industrial Park, Tambol Thanu, U-Thai Ayutthaya, 13210, Thailand. #	Industrial land and building / Factory	27,900 / 21,533	12	Freehold	3,097	05.02.2016

* Not applicable

Revalued as at 1 January 2019

ANALYSIS OF SHAREHOLDINGS
AS AT 16 AUGUST 2021

Total Number of Issued Shares	:	313,127,300
Class of Shares	:	Ordinary Shares
Number of Shareholders	:	5,058
Voting Rights	:	On show of hand – One vote per person On a poll – One vote for one Ordinary Share

ANALYSIS OF SHAREHOLDINGS AS AT 16 AUGUST 2021

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	NO. OF SHARES	% OF TOTAL ISSUED CAPITAL
Less than 100 shares	67	1.32	2,543	0.00 [^]
100 to 1,000 shares	770	15.22	580,236	0.19
1,001 to 10,000 shares	2,588	51.17	14,892,464	4.76
10,001 to 100,000 shares	1,414	27.96	47,352,757	15.12
100,001 to less than 5% of issued shares	216	4.27	139,253,100	44.47
5% and above of issued shares	3	0.06	111,046,200	35.46
TOTAL	5,058	100.00	313,127,300	100.00

[^] Negligible

SUBSTANTIAL SHAREHOLDERS AS AT 16 AUGUST 2021

Names	Number of Shares Held			
	Direct	%	Deemed	%
Blackstream Investments Pte Ltd	67,860,000	21.67	-	-
Lim Siang Kai	-	-	67,860,000 *	21.67
Toe Teow Heng	28,207,900	9.01	-	-

* Deemed interested by virtue of his shareholdings of more than 20% equity interest in Blackstream Investments Pte Ltd pursuant to Section 8 of the Companies Act, 2016

DIRECTORS' SHAREHOLDINGS AS AT 16 AUGUST 2021

Names	Number of Shares Held			
	Direct	%	Deemed	%
Lim Siang Kai	-	-	67,860,000	21.67
Datuk Tho Yow Yin	4,000,000	1.28	-	-
Lam Kwong Fai (Lin Guanghui)	-	-	-	-
Chong Kim Teck	-	-	-	-
Dato' Moktar Bin Mohd Noor	-	-	-	-
Wan Kum Tho	-	-	-	-
How Wai Mun	-	-	-	-

ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2021

(cont'd)

THIRTY LARGEST SHAREHOLDERS AS AT 16 AUGUST 2021

No.	Name	No. of Shares Held	Percentage
1.	RHB NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR PHILLIP SECURITIES SINGAPORE PTE. LTD. (A/C CLIENTS)	67,899,200	21.68
2.	CIMB GROUP NOMINEES (ASING) SDN. BHD EXEMPT AN FOR DBS BANK LTD (SFS-PB)	25,385,000	8.11
3.	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	17,762,400	5.67
4.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR NOMURA PB NOMINEES LTD	9,079,200	2.90
5.	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (HONG KONG) LIMITED (FOREIGN CLIENT)	8,089,400	2.58
6.	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	4,864,900	1.55
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW KIM CHOON	4,711,000	1.50
8.	OH CHYE SOON	4,601,000	1.47
9.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	4,554,900	1.45
10.	HO PHON GUAN	4,500,000	1.44
11.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR TOE TEOW HENG	3,722,900	1.19
12.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG WEI YEE	3,457,000	1.10
13.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG SAY KHEONG (MARGIN)	3,400,000	1.09
14.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW KIM CHOON (MARGIN)	3,050,000	0.97
15.	GRACE CHEAH YEONG SEN	2,943,000	0.94
16.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG SAY KHEONG (E-PPG/JMR)	2,545,100	0.81
17.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THO YOW YIN (MARGIN)	2,400,000	0.77
18.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (PF)	2,308,000	0.74
19.	CHEW KWI PEK @ CHEW KWI GAIK	2,250,000	0.72
20.	JF APEX NOMINEES (TEMPATAN) PLEDGED SECURITIES ACCOUNT FOR TCY GLOBAL SDN BHD (MARGIN)	1,930,000	0.62
21.	LEE KOK HOONG	1,880,000	0.60
22.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THO YOW YIN	1,600,000	0.51
23.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBAP-SGDIV-ACCL)	1,500,000	0.48
24.	KAF EQUITIES SDN BHD EXEMPT AN CLR (CLRTML) FOR TOKIO MARINE LIFE INSURANCE MALAYSIA BHD	1,500,000	0.48
25.	LENA LEONG OY LIN	1,500,000	0.48
26.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,361,100	0.43
27.	LAM MEI PHENG	1,355,300	0.43
28.	HEW YIN CHONG	1,350,000	0.43
29.	LOW CHEE MIN	1,300,000	0.42
30.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEAH SAY BAH (E-BBB/BBA)	1,205,000	0.38
	Total	194,004,000	61.94



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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