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

Journey Towards Greater Heights

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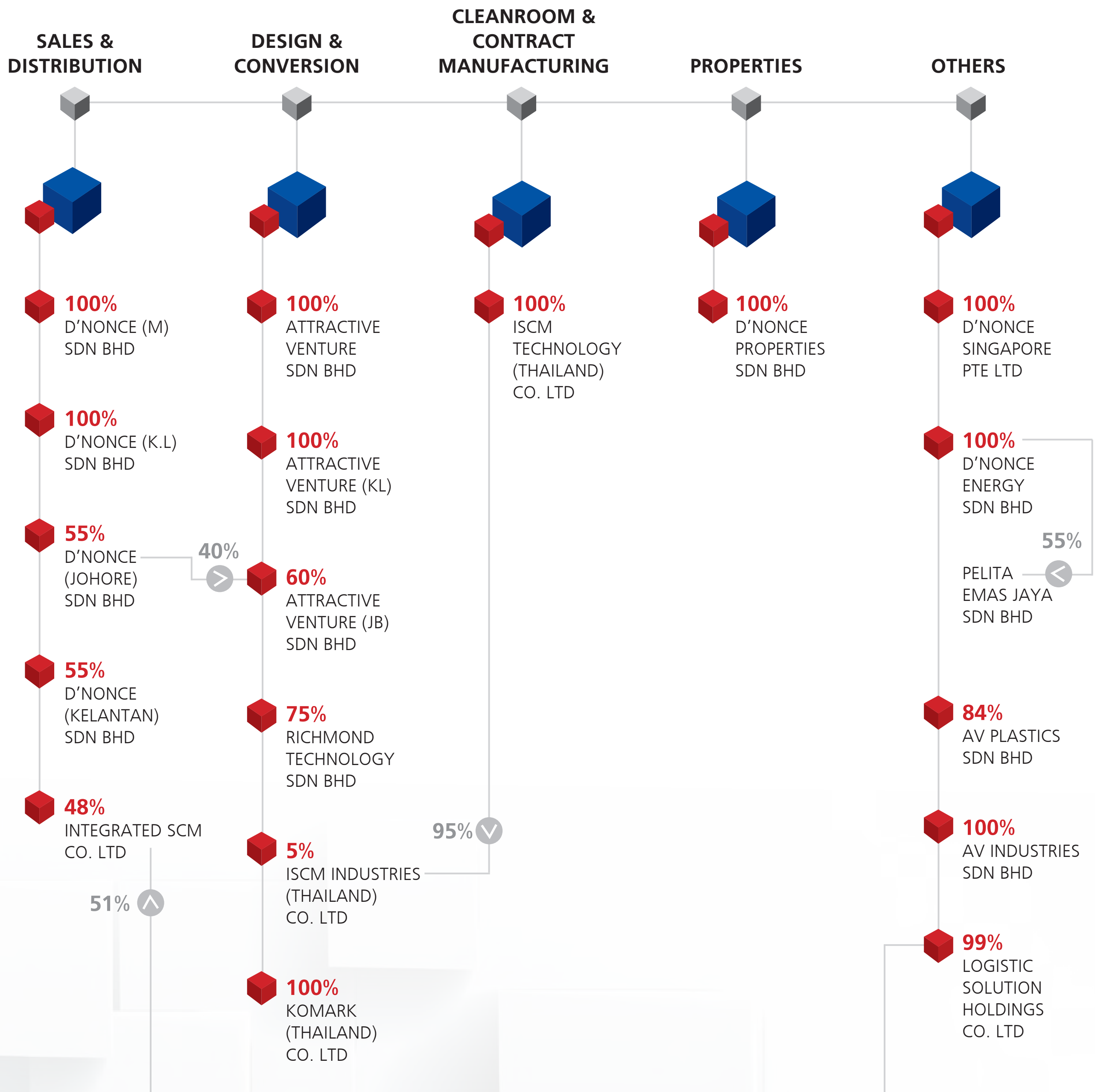
CORPORATE STRUCTURE

Your Dependable Partner



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Moktar Bin Mohd Noor
Independent Non-Executive Chairman

Choong Lee Aun
Executive Director

Datuk Sham Shamrat Sen Gupta
Independent Non-Executive Director

Kang Teik Yih
Independent Non-Executive Director

Ong Poh Lin Abdullah
Independent Non-Executive Director
(Appointed w.e.f. 25 May 2023)

AUDIT AND RISK MANAGEMENT COMMITTEE

Kang Teik Yih (Chairman)
Datuk Sham Shamrat Sen Gupta
Ong Poh Lin Abdullah

NOMINATING COMMITTEE

Datuk Sham Shamrat Sen Gupta (Chairman)
Kang Teik Yih

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Wong Yuet Chyn
(MAICSA 7047163)
(SSM Practicing Certificate No.: 202008002451)

Adeline Tang Koon Ling
(LS0009611)
(SSM Practicing Certificate No.: 202008002271)

PRINCIPAL PLACE OF BUSINESS

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

REGISTERED OFFICE

1-10, Medan Perniagaan Pauh Jaya
Jalan Baru
13700 Perai
Pulau Pinang
Tel No.: (604) 390 8009
Fax No.: (604) 390 8009
Email : infosec@wscs.com.my

SHARE REGISTRAR

Workshire Share Registration Sdn. Bhd.
A3-3-8 Solaris Dutamas
No 1, Jalan Dutamas 1
50480 Kuala Lumpur
Wilayah Persekutuan
Tel No.:(603) 6413 3271
Fax No.: (603) 6413 3270
Email : infosr@wscs.com.my

PRINCIPAL BANKERS

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

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

AUDITORS

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

STOCK EXCHANGE LISTING

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

CHAIRMAN'S STATEMENT

DATO' MOKTAR BIN MOHD NOOR
Independent and Non-Executive Chairman

Dear Valued Shareholders,

On behalf of the Board of Directors of D'nonce Technology Bhd ("the Group"), I am pleased to present our Annual Report and Audited Financial Statements for the financial year ended 31 March 2023 ("FY2023").

ECONOMIC AND BUSINESS OVERVIEW

During the financial year in review, the global economy experienced a worse than anticipated slowdown, with geopolitical conflicts and the resulting supply chain disruptions, to the threat of rising inflation and monetary tightening being major contributors to the economic slowdown.

Despite the fragility of the global economy, the Malaysian economy registered a Gross Domestic Product growth of 8.7% for 2022 on the back of pent-up domestic demand following the reopening of the economy in April 2022 and resilient export performance. The Thailand economy also experienced a growth of 2.6% in 2022 as slower than expected exports outweigh the growth in domestic demand and a strong recovery in tourism. The Group operates mainly in both Malaysia and Thailand.

As we navigate this period of external challenges and volatilities, the Group remain focused on our core businesses and ensure that we are disciplined in our cost controls. During the financial year, the Group had also invested in strategic capital expenditure and also diversified into a new business to ensure sustainable long term growth.

FINANCIAL PERFORMANCE

There are no direct comparative figures for the current financial year due to a change in financial period ended from 30 April to 31 March last year.

I am pleased to state that we achievable a revenue of RM174.86 million and a profit before tax of RM0.84 million for the financial year under review. The Group has continued to report a modest profit despite the challenging environment and global economic uncertainties as above.

CORPORATE GOVERNANCE

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

SUSTAINABILITY

In this day and age, we focus strongly on sustainability in order to have continuity and pass on our legacy to consistently achieve the best in all facets of our operations.

Sustainability is also critical in the environment and communities that we operate in, so we endeavour to promote and support the introduction of better technologies and ways of doing things that are better for the environment. At the same time, we want to be there to support the communities in which we operate so that they may grow and flourish together with us.

DIVIDEND

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

FORWARD LOOKING STATEMENT

The global economy is expected to grow at a slower pace in 2023, while the Malaysian and Thailand economies are forecasted to grow between 4.0% to 5.0% for Malaysia and 2.7% to 3.7% for Thailand respectively. However, downside risks remain, mainly from continued geopolitical tensions affecting supply chains and the global trade.

While the Group expects the business environment to remain challenging in the new financial year, we are cautiously optimistic that our operations and performance will remain positive for the financial year ended 31 March 2024, by focusing on our strategic direction, cost optimisation initiatives and building on our core and new businesses.

APPRECIATION

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

I would also like to welcome our new Board member Madam Ong Poh Lin Abdullah who joined us as the Independent Non-Executive Director on 25 May 2023.

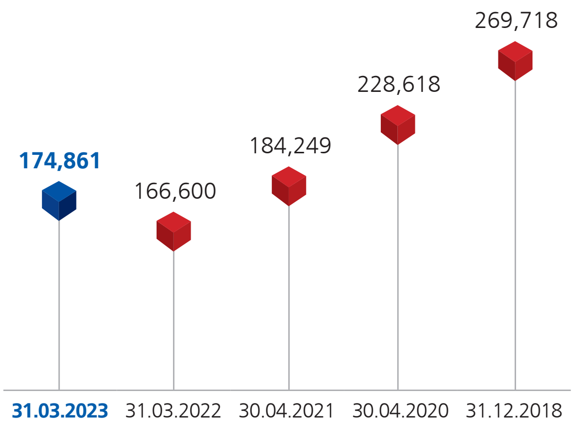
Lastly, I would like to express my appreciation to all our valued shareholders for their trust and belief in the Group. We will continue to deliver sustainable values for the longer term.

DATO' MOKTAR BIN MOHD NOOR
Independent and Non-Executive Chairman

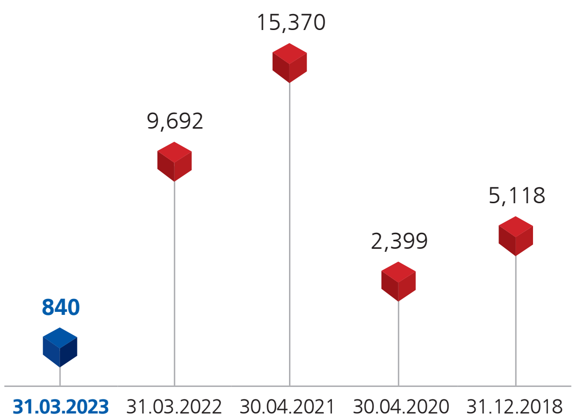
GROUP FINANCIAL HIGHLIGHTS

Financial Year Ended	31.03.2023 (12 months)	31.03.2022 (restated) (11 months)	30.04.2021 (restated) (12 months)	30.04.2020 (16 months)	31.12.2018 (16 months)
Revenue (RM'000)	174,861	166,600	184,249	228,618	269,718
Profit Before Tax (RM'000)	840	9,692	15,370	2,399	5,118
Profit After Tax (RM'000)	65	8,822	13,796	730	2,771
Profit/(Loss) attributable to Owners of the Company (RM'000)	(259)	8,668	13,502	581	2,605
Basic Earnings per Share (Sen)	(0.07)	2.55	4.61	0.23	1.32
Total Assets (RM'000)	289,560	260,375	218,614	200,157	190,379
Total Liabilities (RM'000)	81,586	61,222	63,564	78,948	96,051
Equity attributable to Owners of the Company (RM'000)	202,276	193,779	149,752	115,813	89,421
Return on Equity	0.03%	4.55%	9.21%	0.63%	3.10%

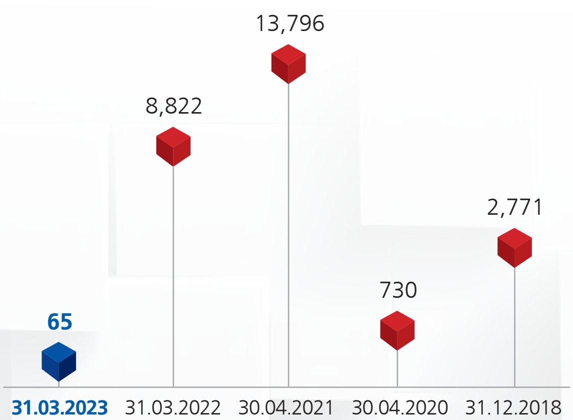
Revenue (RM'000)



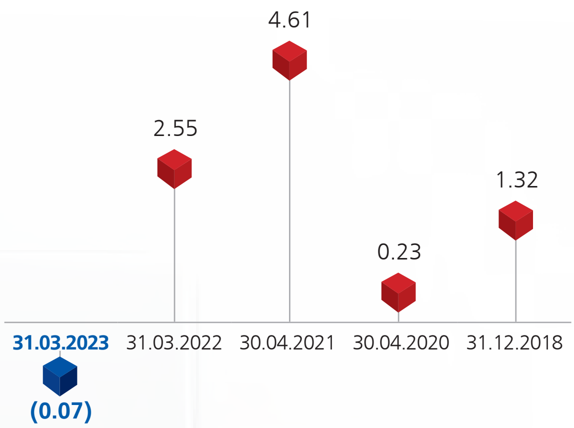
Profit Before Tax (RM'000)



Profit After Tax (RM'000)



Basic Earnings per Share (Sen)



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

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

The Group offers a wide of services encompassing the following:

End-to-End Packaging and Design Solutions

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

Precision Polymer Engineering Services

The Group's polymer engineering capabilites are used across a variety of products, primarily in in-process automation trays and precision component taps and reels. Utilising cutting-edge technology, design and engineering capabilities with industry knowledge, the Group caters to prominent multinational companies mainly in the E&E segment.

Cleanroom and Contract Manufacturing Services

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

Supply Chain Management and Sales and Distribution of Products

The Group offers assembly services to our customers. We pre-assemble or assemble parts and components before delivering it to our customers for export in the healthcare and E & E industries. In addition, the Group also supports its customers in the supply chain process via the provision of goods and services.

BUSINESS AND OPERATIONAL REVIEW

In FY2023, the Malaysian and Thailand economies rebounded by 8.7% and 2.6% growth respectively after the unprecedented challenges from the COVID-19 pandemic in the previous 2 years. The recovery momentum however has been momentarily derailed by geopolitical tensions, high inflation, monetary tightening and supply chain disruptions.

For our operations in Malaysia, despite the gradual slowdown in demand for the E&E industry, our revenue has remained consistent as compared to financial period ended 31 March 2022 ("FYP2022"). In Thailand, after enjoying soaring demand for our glove packaging boxes in the past 2 years, demand for the packaging boxes has moderated in FY2023 and our revenue supporting the glove manufacturers has also reduced accordingly.

During the financial year, our operations in both regions were also affected by operating cost challenges. Our Group was affected by rising raw material and freight costs at the beginning of the financial year, before stabilising towards the end of the year. We were also faced with other cost challenges, including the increase in the minimum wage for both Malaysia and Thailand, as well as rates for certain utilities in Thailand.

Despite the challenging conditions, the Group remains on course with its expansion strategy and to strengthen our manufacturing capacity as we have invested significanty in machineries, land and building and also diversified into the labelling business.

FINANCIAL REVIEW

There are no direct comparative figures available for the current financial year ended 31 March 2023 due to a change in financial year end from 30 Apr to 31 March in the previous year. This resulted in a cumulative 11-month period for the previous financial year, commencing from 1 May 2021 to 31 March 2022.

In FY2023, the Group recorded a revenue of RM174.86 million, as compared with the revenue of RM166.60 million in FYP2022, which was over a 11-month period. The revenue was mainly from by our multinational customers in the E&E sector and major glove manufacturers in the healthcare sector, contributing 84.7% of the Group's total revenue in FY2023.

The profit before tax ("PBT") was RM0.84 million in FY2023 as compared to RM9.69 million in FYP2022, which was over a 11-month period. The decrease in PBT of RM8.85 million or 91.3% was mainly attributed to the higher raw materials and other costs, coupled with an increase in inventories written down and written off.

The Group recorded a profit after tax ("PAT") of RM0.07 million in FY2023, as compared to a PAT of RM8.82 million in the last financial period.

Capital Structure and Capital Resources

As part of its overall liquidity management, the Group maintains sufficient cash and cash equivalents to meet its capital requirements. Cash and cash equivalents as at 31 March 2023 stood at RM25.85 million as compared to RM40.96 million as at 31 March 2022. The decrease of RM15.11 million or 36.9% is mainly due to net cash used in investing activities in FY2023, netted off with positive net cash generated from operating and financing activities.. The Group held encumbered deposits with licensed banks of RM9.52 million as at 31 March 2023, as compared to RM13.39 million the year before.

FINANCIAL REVIEW (CONT'D)

Capital Structure and Capital Resources (Cont'd)

The Group strives to maintain available banking facilities at a reasonable level to its total debt position. Borrowings of the Group amounted to RM39.37 million as at 31 March 2023, compared to RM23.35 million as at 31 March 2022, an increase of RM16.02 million or 68.6%, which was mainly attributed to the purchase of capital expenditure (“CAPEX”) of RM21.91 million during the financial year.

CORPORATE UPDATE

During the financial year, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) approved the proposals below which was to be undertaken by the Company:

a) Acquisition of 99.9991% equity interest in Komark (Thailand) Company Limited ("KTCL") from General Labels & Labelling (M) Sdn. Bhd. for a purchase consideration of RM9.1 million to be satisfied entirely via the issuance of 58,709,677 new ordinary shares in the Company at an issue price of RM0.155 each;

b) Diversification of the principal activities of the Group to include manufacturing and selling of self-adhesive labels;

c) Renounceable rights issue of up to 434,690,877 Company’s shares on the basis of 1 rights share for every 1 existing share together with up to 434,690,877 free detachable warrants on the basis of 1 Warrant for every 1 rights share (“Right Issue with Warrants”);

d) Termination of the existing ESOS;

e) Establishment of a new share issuance scheme (“SIS”) of up to 15% of the total number of issued shares (excluding treasury shares, if any) at any point in time during the duration of the scheme for eligible employees, executive directors and non-executive directors of the Company and its non-dormant subsidiaries; and

f) Allocations of SIS Options to the directors of the Company under proposed new SIS.

On 29 December 2022, the acquisition of KTCL had been completed as disclosed in Note 7.1 to the financial statements. On 1 November 2022, the existing ESOS had been terminated.

The Right Issue with Warrants and establishment and allocation of new SIS are still in the progress as of to-date.

RISK MANAGEMENT

Operational Disruptions

To operate efficiently, the Group is reliant on its facilities, therefore, any disruptions or unplanned shutdowns may bring about an adverse impact on its operations. Any external risk that is beyond our control may materially and negatively affect our operations.

Intense Competition

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

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

Foreign Currency Exposure

The Group operates in several countries. Our revenue are in Thai Baht, Ringgit Malaysia, Singapore dollar and United States dollar. The cost of our raw materials are also spread over a few currencies, as such, our risk is naturally diversified. The foreign currency risk is also partially managed through a natural hedge between the sales and purchases in similar currencies, and the remaining is closely monitored continuously to ensure net exposure is at acceptable levels.

FUTURE OUTLOOK AND PROSPECTS

We anticipate the operating landscape to remain challenging given the ambiguity arising from continued geopolitical tensions and economic issues. Nevetheless, the economies of both Malaysia and Thailand is still projected to grow between 4.0% to 5.0% and 2.7% to 3.7% respectively.

Having built a strong foundation following the strategic CAPEX invesments and acquisition, and leveraging on our core strengths, the outlook for the Group is still promising and we are catiouly optimistic that we would be able to implement our strategic plans to deliver a positive growth for the new financial year and beyond.

The Group will also continue to focus on our cost-rationalisation exercise and enhance automation in our processes to improve our operational efficiency further.

SUSTAINABILITY STATEMENT

Sustainability Governance

The Board of Directors, known as the "Board", holds the responsibility of promoting and ensuring the integration and execution of sustainability excellence within the Group's vision, core values, and business philosophies. The implementation of sustainable practices and operations is led by the Executive Director and key management personnel, who are accountable for supervising these efforts.

The Group's sustainability vision is to generate value for all stakeholders, including customers, employees, shareholders, investors, suppliers, government, regulators, and the community. The Group prioritize key material aspects identified by stakeholders, such as economic, environmental, and social sustainability, which significantly influence the day-to-day operations, long-term business growth, and environmental preservation. Our sustainability initiatives are governed rigorously, founded on principles of transparency, fairness, accountability, and unwavering adherence to good corporate governance.

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

Good Corporate Governance and Business Practices

The Group maintains high standards of corporate governance and business practices to uphold its responsibility and reliability to all stakeholders. The Board and management ensure that good corporate governance is embraced and implemented throughout the organization. Adhering to laws, rules, and regulations is equally essential to the Group, as they form integral components of sustainable, long-term business operations.

The Audit and Risk Management Committee, as well as the internal and external audit team provide support to the Board and management that the risk management and internal control processes operate efficiently, effectively, and adequately. Furthermore, each department has clearly defined job descriptions and responsibilities, accompanied by a streamlined management reporting structure. This framework facilitates enhanced communication and faster decision-making processes.

Stakeholder Engagement

The Group acknowledges the significance of stakeholders' interest and support within our business ecosystem. The Group actively engage and strive to understand the diverse stakeholders, recognizing that their perspectives are crucial in guiding the Group's priorities for continuous sustainable improvements.

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

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

Materiality Assessment Process

The material issues that shape our business strategies and decisions extend beyond the Group's financial performance and encompass the Economic, Environmental, and Social ("ESS") perspective. Our materiality process follows the guidelines provided by Bursa Securities and Global Reporting Initiative Standards, which define materials issues as: -

i) Reflect an organisation's significant EES impacts; and/or

ii) Substantively influence the assessment and decisions of stakeholders.

Material Sustainability Matters

A. ECONOMIC

Sustainable Business Growth

The Group is dedicated to delivering strong and consistent performance that generates value for all stakeholders. The Group uphold the highest standards of corporate governance and business ethics in all the business dealings, while consistently providing top-quality products and services to the customers.

To ensure accountability and facilitate continuous improvement, the Group have implemented operational control procedures with proper documentation requirements. This enables the establishment of an audit trail and enhances accountability within the organization.

The Group maintain a continuous focus on optimizing capital expenditure and maximizing production capacity utilization. Additionally, The Group implement cost controls and strive to improve the efficiency and productivity of the workforce. These efforts are aimed at maintaining customer satisfaction and fostering strong connections and relationships with the suppliers.

Business Ethics and Policies

A set of Code of Conduct, in line with principles of sound corporate governance, have been put in place by the Group. Applicable to all Directors and employees within the Group as well as third parties performing works or services for and on behalf of the Company, the Code of Conduct governs the desired standard of behaviour and ethical conduct expected from each individual.

Anti-Bribery and Anti-Corruption Policy

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

Whistleblowing Policy and Procedures

The Board has implemented a whistleblowing policy to ensure transparency and oversight of the whistleblowing process, as well as to safeguard the protection and confidentiality of whistle-blowers. This policy establishes a framework that allows employees within the Group to raise legitimate concerns about improper conduct through formal procedures and confidential channels. By providing an avenue for employees to voice their concerns, the policy promotes a culture of accountability and enables the appropriate investigation and resolution of any reported issues.

Quality Standards and Recognition

Ensuring customer satisfaction is a paramount priority for the Group, as it directly contributes to the economic success and reputation as a top-quality manufacturer. It is ingrained in the Group's philosophy to supply quality products with customer satisfaction as our foremost objective.

Policies, procedures and best practices are in place to achieve this. The Group has put in place regular reviews, process improvements and quality assessments to ensure all of our processes are continually enhanced and remains in compliance with all certifications. Our factories are certified as ISO 9001:2015 Quality Management System certification, ISO 14001:2015 Environmental Management System certification, ISO 13485:2016 Medical Devices Quality Management System certification and ISO 45001:2018 Occupational Health & Safety Management System certification.

B. ENVIRONMENTAL

The Group fully acknowledges the significance of environmental protection in all our operational locations. The Group prioritize environmental responsibility and take appropriate measures to identify and manage potential risks that could have adverse impacts on the surrounding environment.

The Group continues to be committed to:

a) Minimizing waste generation from the manufacturing divisions by implementing proper recycling and disposal processes.

b) Implementing energy-saving initiatives, such as turning off nonessential electrical machinery, equipment, and appliances when they are not in use.

c) Ensuring compliance with all relevant laws, regulations, and other requirements to consistently safeguard the environment.

C. SOCIAL

The Group acknowledges the crucial role of human capital as the cornerstone of our growth and sustainability. The Group foster a high-performance culture guided by mentoring, emphasizing performance and delivery, while also evaluating innovation, loyalty, integrity, and professional values in our daily practices.

Furthermore, the Group firmly believe in providing equal opportunities to all employees, irrespective of age, gender, race, ethnicity, religion, or disability. This commitment is demonstrated through fair and unbiased recruitment processes, career development initiatives, promotion opportunities, training programs, and equitable rewards. The Group is committed in conducting its business in a manner that protects the health, safety, and security of all our stakeholders.

Occupational, Safety and Health

The Group's operations require an extensive workforce. Thus, the safety, health and well-being of our people is placed as the top priority. The Group understands that having good safety and health measures in place significantly reduces the risk of accidents as well as improves our employees' wellbeing, increases operational efficiency, and reduces turnover.

Therefore, the Group complies with all relevant national laws, regulations and other requirements relating to best practices in Occupational Safety and Health ("OSH"). The Occupational Safety and Health Committee ("OSHC") has been formed with responsibilities including promoting and developing an enforceable practical level of safety and health awareness and commitment among the Company, provision of technical and advisory support and review the effectiveness of safety and health practices.

Employees' Welfare

The Group promotes equal opportunities for employment advancement, aiming to cultivate long-lasting relationships between employers and employees. To nurture this relationship, several human resources initiatives have been introduced, including:-

A. Medical benefits, group hospitalisation and insurance coverage;

B. Employees share option scheme ("ESOS") was implemented to instil a sense of ownership amongst the staff; and

C. Observance of the 5-day work week and observance all major public holidays.

Diversity

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

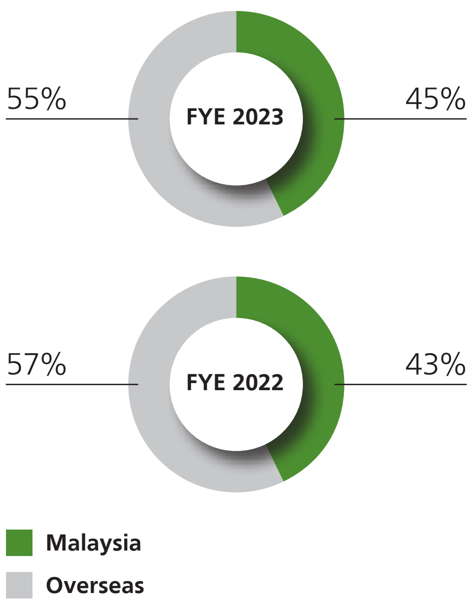
A. The Group values, respects and leverages the unique contributions of people with diverse backgrounds, experiences and perspectives to provide exceptional service to an equally diverse community; and

B. The Group recognizes the benefits arising from employee and board diversity, including a broader pool of good quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

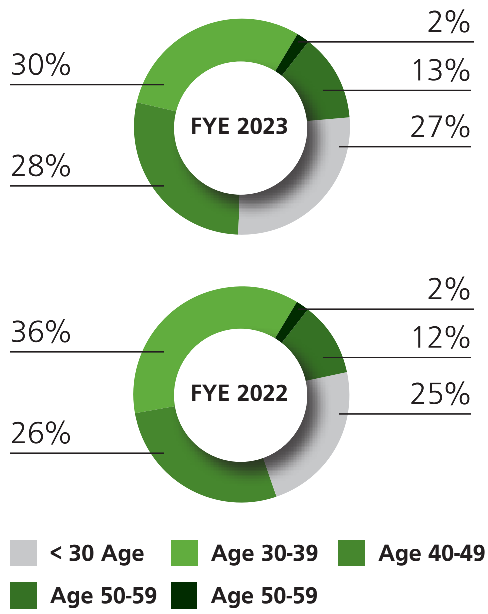
C. **SOCIAL** (CONT'D)

Workforce Diversity for FYE2023 and FYE2022

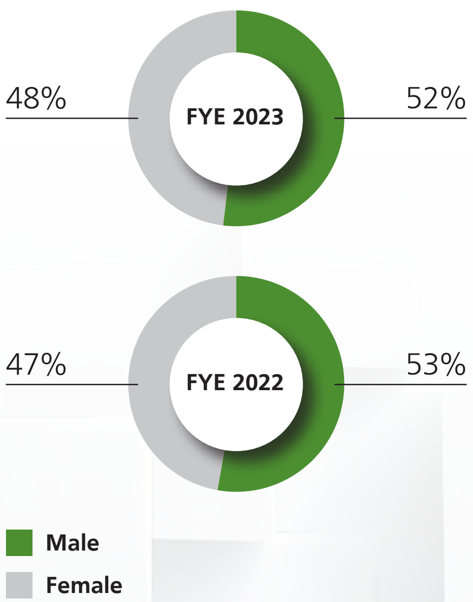
Employment Diversification in Malaysia and Overseas



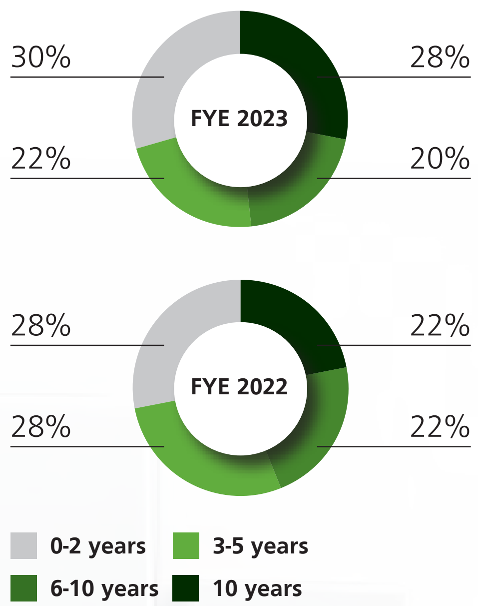
Employment Diversification in terms of Age Group



Employment Diversification in terms of Gender



Employment Diversification in terms of Length of Services



C. **SOCIAL** (CONT'D)

Training and Development

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

A. Internal and external training workshops (technical/soft management skills)

B. Regular performance reviews

C. On-the-job job training

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

For the financial year in review, The Group organised a Talent Development Conference to develop future leaders from across the region and to share the long term vision of the Group.

Social Contributions and Community Activities

The Group considers giving back to the community as an integral part of its corporate responsibility. The Group actively encourage our employees to participate in community programs, leading by example through monetary donations and other forms of assistance provided to various organizations.

In FY2023, as part of its corporate social responsibility, the Group made mask donations to hospitals, universities and government agencies.

Moving Forward

The Group acknowledges that integrating and embedding sustainability into its business operations is an ongoing and dynamic process. The Board remains committed to continuously improving the incorporation of sustainability practices to attain the Group's long-term sustainable growth goals.

BOARD OF DIRECTORS

Dato' Moktar Bin Mohd Noor

Independent Non-Executive Chairman

Age 65 | **Gender** Male | **Nationality** Malaysian

Dato' Moktar Bin Mohd Noor was appointed to the Board of D'nonce Technology Bhd. on 9 August 2019. He was subsequently appointed as the member of Audit and Risk Management ("ARMC") , Nominating and Remuneration Committees on 29 September 2021. On 22 December 2021, Dato' Moktar was redesignated to Independent and Non-Executive Chairman. On 30 June 2022, Dato' Moktar ceased as member of the Nominating and Remuneration Committees. On 30 May 2023, Dato' Moktar also ceased to be a member of the Audit and Risk Management Committee.

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

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

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

Dato' Moktar currently sits on the Board of Genting Plantations Berhad as Independent and Non Executive Director.

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

Choong Lee Aun

Executive Director

Age 57 | **Gender** Male | **Nationality** Malaysian

Member of Remuneration Committee

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

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

Mr Choong currently also sits on the Board of AT Systematization Bhd as the Managing Director.

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

Datuk Sham Shamrat Sen Gupta

Independent Non-Executive Director

Age 46 | **Gender** Male | **Nationality** Malaysian

Chairman of Nominating and Remuneration Committee and member of ARMC

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

He is a Fellow of the Institute of Administrative Management (UK), Fellow of the Malaysian Institute of Management (MIM, Malaysia), Member Institute of Leadership & Management (UK), Member of the Chartered Management Institure(UK), Member of the Institute of Management Services (UK) and completed his undergraduate and postgraduate studies from Australia.

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

Datuk Sham currently sits on the Board of Saudee Group Berhad and PNE PCB Berhad as an Independent Non-Executive Director, Board Member of YAYASAN MRCB & YAYASAN Kebajikan Negara and Institute Keusahawanan Negara Bhd (INSKEN), a government agency.

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

Kang Teik Yih

Independent Non-Executive Director

Age 48 | **Gender** Male | **Nationality** Malaysian

Chairman of ARMC, member of the Nominating and Remuneration Committees

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

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

He started his career as an Executive & Admin Assistant in an education establishment from 1998 to 2000 and had assisted in various projects for the growth and expansion of the college as well as their payroll, taxation and accounting related work. In 2001, he worked as an Accounts Executive in a ceramic tiles group of companies specializes in tiles and sanitary wares. Subsequently in 2004, he join an international bank as a Personal Relationship Manager where he was in charge of main customers' portfolios. He joined an established audit firm in 2006 and since then, he has been actively growing the professional business mainly in accounting, tax planning, payrolls, auditing and all other related corporate services.

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

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

Ong Poh Lin Abdullah

Independent Non-Executive Director

Age 36 | **Gender** Female | **Nationality** Malaysian

Member of the ARMC

Ms. Ong Poh Lin Abdullah was appointed to the Board on 25 May 2023 as an Independent Non-Executive Director, and was subsequently appointed as a member of ARMC on 30 May 2023.

Ms. Ong graduated from Universiti Tunku Abdul Rahman in 2011 with a Bachelor Degree of Engineering (Hons) Biomedical. Ms. Ong started her career in Universiti Tunku Abdul Rahman as a research assistant in 2011. Subsequently, she joined IBG Manufacturing Sdn Bhd as a laboratory consultant from 2014 to 2016. Currently, she is working in Seakyin Holdings (M) Sdn Bhd. as the Senior Admin Manager.

Ms. Ong currently sits on the Board of Advance Information Marketing Berhad, AE Multi Holdings Berhad, AT Systematization Berhad and Saudee Group Berhad as an Independent Non-Executive Director.

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

KEY SENIOR MANAGEMENT

Low Chee Min
Chief Operating Officer

Age 64 | **Gender** Male | **Nationality** Malaysian

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

Low Chee Min was appointed as Director of of Attractive Venture (KL) Sdn. Bhd. and D'nonce (KL) Sdn. Bhd. on 30 December 2018, and AV Plastics Sdn. Bhd. on 15 January 2019. He was subsequently appointed as the Chief Operating Officer on 1 June 2022, and Director of Attractive Venture Sdn. Bhd. on 4 July 2023. He graduated from La Trobe University in 1981 with a Bachelor Degree in Accounting and a Master in Computer Science.

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

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

Teo Tin Jien, Jimmy
Managing Director / Director for Thailand Division

Age 57 | **Gender** Male | **Nationality** Singaporean

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

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

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

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

Aw Yeong Weng Kwong
Chief Financial Officer

Age 47 | **Gender** Male | **Nationality** Malaysian

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

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

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

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

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

Ang Oon Ling

Head, Eastern Region

Age 62 | **Gender** Male | **Nationality** Malaysian

Director of D'nonce (Kelantan) Sdn. Bhd., Richmond Technology Sdn. Bhd. and Pelita Emas Jaya Sdn. Bhd.

Ang Oon Ling was appointed as the Director of D'nonce (Kelantan) Sdn. Bhd., Richmond Technology Sdn. Bhd. in 1995 and Pelita Emas Jaya Sdn. Bhd. on 4 July 2023.

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

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

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

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

Lim Oon Jin, Peter

Head, Southern Region

Age 56 | **Gender** Male | **Nationality** Malaysian

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

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

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of D'nonce Technology Bhd ("D'nonce" or "the Company") is pleased to present the Statement on Risk Management and Internal Control ("SORMIC") of the Company and its subsidiaries ("the Group") which outlines the nature and scope of risk management and internal control system of the Group for the financial year ended ("FYE") 31 March 2023, pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Malaysian Code on Corporate Governance ("MCCG") and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

RISK MANAGEMENT

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

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

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

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

The Board confirms that there is an on-going process of identifying risks, evaluating and managing the significant risks faced by the Group. This process is in place for the financial period under review and up to the date of issuance of this SORMIC.

INTERNAL CONTROL

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

1. Organisational Structure

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

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

2. Policies and Procedures

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

3. Performance Reporting and Monitoring

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

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

4. Strategic Business Planning, Budgeting and Reporting

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

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

5. Hierarchical Reporting

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

INTERNAL AUDIT FUNCTION

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

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

Kloo Point carries out their review procedures in accordance with the applicable standards of the International Professional Practices Framework as adopted and recommended by The Institute of Internal Auditors Malaysia, covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns.

INTERNAL AUDIT FUNCTION (CONT'D)

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

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

For the FYE 31 March 2023, Kloo Point had carried out the following internal audit reviews covering the relevant business units and functions of the Group, based on the approved Internal Audit Plan and reported to the ARMC:-

- Design and Conversion business unit in Kuala Lumpur, Malaysia : Production Control and Quality Assurance;
- Design and Conversion business unit in Johor Bahru, Malaysia :Sourcing and Buying and Stock Control;
- Sale and Distribution business unit in Seberang Jaya, Malaysia: Credit Control And Accounts Receivable and Stock Control; and
- Design and Conversion business unit in Sadao, Thailand :Sourcing and Buying and Stock Control;

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

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

The total cost incurred by the Company in respect of the outsourced internal audit function of the Group and the internal audit services performed by Kloo Point for the FPE 31 March 2023 was RM60,000 (FYE 30 April 2022: RM45,000).

ASSURANCE STATEMENT BY KEY MANAGEMENT TEAM

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

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

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY THE EXTERNAL AUDITORS

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

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this SORMIC intended to be included in this Annual Report is not prepared, in all material aspects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the SORMIC factually inaccurate .

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

CONCLUSION

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

The Board is also of the opinion that the system of risk management and internal control that has been instituted throughout the Group is satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require additional disclosure in the Company's Annual Report for the FYE 31 March 2023. The Board and Management will continue to review and take measures to strengthen and improve the internal control environment from time to time, based on the recommendations proposed by the Internal Auditors.

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

This SORMIC was made in accordance with a resolution of the Board dated 26 July 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

This Statement is to be read together with the Corporate Governance Report ("CG Report") 2023 of the Company consisting the detailed application of each practices set out in the MCCG by the Group during the financial year ended 31 March 2023, which is available together with this Annual Report on the Bursa Securities' website and the Company's website at http://www.dnoncetech.com.

The Board is of the opinion that the Group has, in all material aspects, applied the principles and adopted the recommended best practices as set out in the MCCG for the financial year ended 31 March 2023, except for its departures on the following practices:-

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

Explanations for these departures are further elaborated in the CG Report 2023.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Board's Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

The Company is led and managed by an experienced Board, comprising members who have a wide range of experience in fields such as management, finance, manufacturing and law to effectively direct and supervise the Group's business activities and oversee the overall management of the Group. A brief profile of each Director is presented on pages 14 to 16 of this Annual Report.

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

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

I. BOARD RESPONSIBILITIES (CONT'D)

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

1.1 Strategic Aims, Values and Standards (Cont'd)

The Board is aware of the importance of business sustainability and reviews the Group's operational practices that affect sustainability of economic, environment, governance and social aspects of its business on a regular basis. The Group has established a formal sustainability framework and undertake material sustainability initiatives, setting the Group's sustainability strategies priorities and targets as outlined in the Company's Sustainability Statement presented on pages 9 to 13 of this Annual Report.

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

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

1.2 Clear Roles and Responsibilities

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

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

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

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

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

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

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

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

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

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

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

I. BOARD RESPONSIBILITIES (CONT'D)

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

1.2 Clear Roles and Responsibilities (Cont'd)

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

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

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

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

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

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

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

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

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

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

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

I. BOARD RESPONSIBILITIES (CONT'D)

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

1.3 Chairman of the Board

The key roles of the Chairman, amongst others, are as follows:

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

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

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

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

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

The CEO also provides assistance whenever appropriate and works with the Board and the Board Committees in discharging their duties. He will report on the performance and activities of the Group for the period under review, including explanations when there are significant fluctuations or changes. Following the cessation of office of Datuk Tho Yow Yin as CEO on 22 July 2022, the Company has yet to appoint any replacement. The Executive Director is currently assuming the role.

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

I. BOARD RESPONSIBILITIES (CONT'D)

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

1.5 Board Meetings

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

During the financial year ended 31 March 2023, five (5) Board meetings were held and the attendance record of each Director at the Board meetings during their tenure of office is as follows:-

Name and Designation of the Directors	Total No. of Meetings attended during tenure of office	Percentage of attendance (%)
Dato' Moktar Bin Mohd Noor Independent Non-Executive Chairman	5/5	100%
Choong Lee Aun Executive Director	5/5	100%
Datuk Sham Shamrat Sen Gupta Independent Non-Executive Director	5/5	100%
Kang Teik Yih Independent Non-Executive Director	5/5	100%
Leong Choon Fai Independent Non-Executive Director *(Resigned on 30 June 2022)*	1/1	100%
Ong Poh Lin Abdullah Independent Non-Executive Director *(Appointed on 25 May 2023)*	-	-

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

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

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

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

I. BOARD RESPONSIBILITIES (CONT'D)

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

1.6 Directors' Training

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

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

Name of Director	Seminars/Conferences/ Training Programmes Attended	Date
Dato' Moktar Bin Mohd Noor	Conversation with Audit Committee	6 December 2022
Datuk Sham Shamrat Sen Gupta	Prevention of Financial Crime and Market Misconduct under CMSA 2007	15 December 2022
	Ethics and Integrity-Bribery & Corruption, Money Laundry and Management of Customer Information	15 December 2022
Mr Kang Teik Yih	The Metaverse: It's Economy and Economics	28 April 2022
	5G Introduction for Management	19 June 2023
	Latest Trends and Typologies in Financial Crime	18 July 2022
	Purpose Driven Leadership. The Importance of Owning an Impact Statement	5 October 2022
	Highlights from Budget 2023	7 October 2022
	Conversation with Audit Committee	17 November 2022
	Data and Compliance Report 2022 Clinic	24 November 2022
Mr Choong Lee Aun	Performance Management System	10 November 2022
	Steps to Develop and Implement an ESG Strategy	30 December 2022
	Understand Anti-Bribery and Corruption	26 January 2023
Madam Ong Poh Lin Abdullah	Mandatory Accreditation Programme	5-7 December 2022

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

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

1.7 Qualified and Competent Company Secretary

The Company is supported by qualified and competent Company Secretaries who possess the requisite qualification and are qualified to act as Company Secretaries under the Companies Act 2016. They play a supportive role by ensuring adherence to the Company's Constitution and compliance with the relevant regulatory requirements, codes or guidance and legislations from time to time. The Company Secretaries will continuously monitor corporate governance developments and regularly update and advise the Board on latest requirements in relation to their duties and responsibilities, to ensure the Board's application of the governance practices to meet the Board's needs and stakeholders' expectations.

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

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

I. BOARD RESPONSIBILITIES (CONT'D)

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

1.8 Access to Information and Independent Professional Advice

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

The Chairman, with the assistance of the Company Secretaries, ensures that all Directors have full and timely access to all information and reports on financial, regulatory and audit matters within the Group, by way of Board papers distributed in advance for Board meetings, to facilitate informed decision making and meaningful discharge of their duties and responsibilities. The Board, whether as full Board or in their personal capacity, may upon approval from the Board, seek independent professional advice where necessary and under appropriate circumstances at the Company's expense, in furtherance of discharging their duties with adequate knowledge.

All Board and Board Committees are provided with notice of meeting with full agenda and the relevant board papers, reports including matters arising, financial, operational and regulatory compliance matter, at least seven (7) days prior to meetings to ensure that they have sufficient time to review and evaluate the matters to be deliberated and obtain further information, if needed, prior to meeting to expedite decision-making during meetings. However, the Board and/or Board Committees also hold meetings to discuss and/or approve certain urgent matters and these meetings are called with less than 7-day notice, with the consent of all respective Board and Board Committee members.

2. Demarcation of Responsibilities

2.1 Board Charter

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

The Board reviewed its Board Charter on 26 July 2023 and a copy of which is available at the Company's website at http://www.dnoncetech.com.

3. Good Business Conduct and Corporate Culture

3.1 Code of Conduct

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

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

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

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

I. BOARD RESPONSIBILITIES (CONT'D)

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

3.2 Whistleblowing Policy

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

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

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

The ABAC Policy has been established to provide the Directors, officers, employees as well as third parties who have dealings with the Group, a guide on the appropriate practices to be complied with in relation to improper solicitation, bribery and other corrupt activities and/or issues that may arise in the course of business. It is our policy to conduct all of our business in an honest and ethical manner, as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anticorruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time. We adopt a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, implementing and enforcing effective systems to counter bribery.

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

II. BOARD COMPOSITION

4. Board Objectivity

4.1 Board Composition

The current Board is made up of five (5) members, comprising one (1) Executive Director and four (4) Independent Non-Executive Directors. The composition of the Board complies with Paragraph 15.02 of the MMLR of Bursa Securities, which requires at least one-third (1/3) of the Board to be independent members. The Company has also fulfilled the Practice 5.2 under the MCCG to have at least half of the Board members comprises a majority of independent directors.

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

The Board believes that the current board composition is appropriate given the collective skills and experiences of the Directors, the Group's current size and nature of the Group's business. The Board will continue to monitor and review the Board's size and composition as may be needed.

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

II. BOARD COMPOSITION (CONT'D)

4. Board Objectivity (Cont'd)

4.2 Tenure of Independent Director

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

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

4.3 Policy on the Tenure of an Independent Director

The Board Charter limits the tenure of an Independent Director to a cumulative term of nine (9) years. In the event the Board intends to retain a Director as Independent Director after the latter has served a cumulative or consecutive term of nine (9) years, the Board must justify its decision and seek shareholders' annual approval at the Annual General Meeting ("AGM") through a two (2) tier voting process.

5. Board Diversity

5.1 Diverse Board and Senior Management Team

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

5.2 Gender Diversity

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

The Group's female staff made up to 48% of the total staff as at 31 March 2023.

5.3 Diverse Sources for New Candidates(s) for Board Appointment

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

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

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

II. BOARD COMPOSITION (CONT'D)

6. Board Committees

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

6.1 Audit and Risk Management Committee ("ARMC")

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

The composition, attendance for meetings and summary of work of activities of the ARMC are set out in the ARMC Report on pages 42 to 46 of this Annual Report. The ARMC's TOR is published within the Board Charter on the Company's website at http://www.dnoncetech.com.

6.2 Nominating Committee ("NC")

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

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

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

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

The NC meets as and when is required. For the financial year ended 31 March 2023, the NC had conducted one (1) NC meeting and was attended by all of its members.

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

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

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

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

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

II. BOARD COMPOSITION (CONT'D)

6. Board Committees

6.3 Remuneration Committee ("RC")

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

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

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

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

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

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

The RC meets as and when is required. For the financial year ended 31 March 2023, the RC met once and was attended by all of its members.

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

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

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

7. Board Assessment

7.1 Overall Effectiveness of the Board

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

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

II. BOARD COMPOSITION (CONT'D)

7. Board Assessment (Cont'd)

7.1 Overall Effectiveness of the Board (Cont'd)

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

Based on the assessment, taking into consideration the nature and the scope of D'nonce Group's operations and business requirements, the Board is satisfied with the current size and composition of the Board and Board Committees and opined that it is appropriate and well balanced with diversity of skill set, knowledge and experience which would facilitate effective decision-making. The Board is also satisfied with the level of independence demonstrated by the Independent Directors throughout the year and their abilities to exercise objective judgement and act in the best interest of the Company. The results of the individual Director's assessments had also supported the Board's decision to endorse the retiring Directors standing for re-election.

7.2 Re-election of Retiring Board Members

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

III. REMUNERATION

8. Remuneration Policy

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

The remuneration for Executive Directors and Key Senior Management consists of basic salary and other emoluments and it is based on the achievements and contribution of each person measured against their respective Key Performance Indicators. The Board shall determine the remuneration of Executive Director and Key Senior Management taking into consideration the recommendations of the RC.

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

9. Remuneration of Directors and Key Senior Management

9.1 Details of Directors' Remuneration

The Company will seek the shareholders' approval at the forthcoming 23rd AGM for Directors' fees and benefits payable to the Directors for the period from this 23rd AGM until the next AGM of the Company in 2024. This is to facilitate the payment of the Directors' fees and benefits on a monthly basis and/or as and when incurred and shall be applicable to the subsequent financial year thereon.

Details of the Directors' Remuneration of the Directors who served the Company during the financial year ended 31 March 2023 are as disclosed in Practice 8.1 of the CG Report.

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

III. REMUNERATION (CONT'D)

9. Remuneration of Directors and Key Senior Management (Cont'd)

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

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

Nonetheless, the remuneration paid to the top five (5) Key Senior Management (excluding Executive Director) for the financial year ended 31 March 2023 analysed in the bands of RM50,000 is as follows:-

Remuneration Bands	Number of Key Senior Management
RM250,001 to RM300,000	1
RM400,001 to RM450,000	2
RM500,001 to RM550,000	1
RM750,001 to RM800,000	1

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

10. Effective and independent ARMC

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

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

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

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

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

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

10. Effective and independent ARMC (Cont'd)

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

The ARMC also maintains transparent and professional arrangements in dealing with the Internal and External Auditors. Details of the composition of the ARMC and a summary of activities and the role of the ARMC pertaining thereto are set out in the ARMC Report on pages 42 to 46 of this Annual Report.

11. Suitability, Objectivity and Independence of the External Auditor

The ARMC has formalised the procedures to assess the suitability, objectivity, and independence of the External Auditors, which encompasses the review and consideration of the nature and extent of non-audit services provided by the External Auditors alongside the appropriateness of the fees paid for such services. Additionally, the said policy stipulated circumstances under which contracts for the provision of non-audit services could be entered into and procedures that must be followed by the External Auditors.

During the year, the ARMC conducted an annual assessment on the suitability and independence of the External Auditors based on the following considerations:-

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

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

Furthermore, the External Auditors provided a confirmation to the ARMC that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

In addition to the above, the ARMC meets with the External Auditors at least once a year to discuss their audit plans, audit findings and the Company's financial statements. The ARMC would meet with the External Auditors without the presence of any Executive Directors and Management at least once a year and in addition thereto whenever the need arises. For the financial year ended 31 March 2022, the ARMC had met with the External Auditors without the presence of any Executive Directors and Management once during the ARMC meeting held on 26 May 2022.

The External Auditors are also invited to attend every AGM whereby the financial statements of the company for the financial year are laid before the shareholders for notation and discussion, to respond and reply to any enquiries raised with regards to the conduct of the Group's statutory audit and the preparation of the Group's financial statements.

An annual assessment on the suitability and independence of the External Auditors was conducted by the ARMC on 26 July 2023. The ARMC, having assessed the independence of the External Auditors as well as reviewed the level of non-audit services rendered by them for the financial year ended 31 March 2023, was satisfied with their performance, technical competency, suitability and independence. The ARMC has recommended the re-appointment of Messrs Grant Thornton Malaysia PLT as the External Auditors of the Company and the Group for the ensuing year to the Board, upon which shareholders' approval will be sought at the 23rd AGM.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

12. Effective Risk Management and Internal Control Framework

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

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

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

The Board has received assurance from the management that the Group's risk management and internal controls have been operating adequately and effectively, in all material aspects, during the year under review and up to the date of this Statement.

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

The information and further details on the Group's risk management framework and internal audit function are disclosed under the Statement on Risk Management and Internal Control on pages 19 to 22 of this Annual Report.

13. Effective Internal Audit Function

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

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

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

The Internal Auditors adopt a risk-based approach towards the planning and conduct of their audits, which is consistent with the Group's approach in designing, implementing and monitoring its internal control systems. The activities of the Internal Auditors during the financial period under review are set out in the ARMC Report on pages 42 to 46 of this Annual Report.

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

I. ENGAGEMENT WITH STAKEHOLDERS

14. Continuous Communication Between the Company and Stakeholders

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

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

15. Corporate Disclosure Policy

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

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

16. Leveraging Information Technology for Effective Dissemination of Information

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

II. CONDUCT OF GENERAL MEETINGS

17. Encourage Shareholders' Participation at General Meetings

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

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

The Notice of the Twenty-Second ("22nd") AGM of the Company was circulated twenty-eight (28) days prior to the date of the meeting, to provide shareholders ample time to read through the Annual Report. The 22nd AGM was conducted on a fully virtual basis through live streaming from the broadcast venue via Remote Participation and Voting ("RPV") facilities operated by Mlabs Research Sdn Bhd in Malaysia on 26 September 2022. All resolutions set out in the Notice of 22nd AGM were put to vote electronically (e-vote). The 22nd AGM that was conducted virtually provided an opportunity for shareholders to participate remotely at the meeting and pose relevant questions to the Chairman and the Board via real time submission of typed texts.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. CONDUCT OF GENERAL MEETINGS (CONT'D)

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

The Company will continue to leverage on technology to facilitate remote shareholders' participation and e-voting for the conduct of polls on all resolutions via remote participation and voting facilities for its forthcoming 23rd AGM to be held on 22 September 2023.

Shareholders are encouraged to attend the forthcoming 23rd AGM through the remote participation and voting ("RPV") facilities via the online platform stated in the Notice of 23rd AGM.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement, and considers that the Statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied by the Company. The Board considers and is satisfied that the Group has fulfilled its obligation under the MMLR of Bursa Securities and all applicable laws and regulations, as well as applied to the best practices of MCCG at its best throughout the financial year ended 31 March 2023.

This Statement was made in accordance with a resolution of the Board dated 26 July 2023.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made in accordance with the Main Market Listing requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

UTILISATION OF PROCEEDS

The Company did not raise any funds through any corporate proposals during the financial year under review.

AUDIT AND NON AUDIT FEES

The amount of audit fees paid or payable to the external auditors by the Group and the Company for the financial year ended 31 March 2023 are RM237,000 and RM110,000 respectively.

Non audit fees paid or payable to the external auditors or a firm or corporation affiliated to the external auditors for the Group and the Company for the financial year ended 31 March 2023 amounted to RM158,000 and RM112,500.

MATERIAL CONTRACTS INVOLVING DIRECTORS, EXECUTIVE DIRECTOR AND MAJOR SHAREHOLDERS

There were no material contracts entered into the company and/or its subsidiaries involving the above mentioned parties during the financial year ended 31 March 2023.

RELATED PARTY TRANSACTIONS/RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

An internal compliance framework exists to ensure the Company meets its obligations, including that of all related party transactions under the MMLR of Bursa Securities. The Board reviews all related party transactions during the financial year ended 31 March 2023, and the details are disclosed in Note 32 of the Financial Statements.

EMPLOYEE SHARE OPTION SCHEME

The Company Employees' Share Option Scheme ("ESOS") was established on 18 May 2016 and is to be in force until 17 May 2026. The termination of ESOS has been approved by shareholders at an EGM held on 1 November 2022.

A total of 228,500 options were forfeited and no options were exercised during the financial year ended 31 March 2023. There are no outstanding ESOS options as at 31 March 2023.

DIRECTORS' RESPONSIBILITY STATEMENT
IN RESPECT OF ANNUAL AUDITED FINANCIAL STATEMENTS

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

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

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

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

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

The Directors have a general responsibility for taking reasonable steps to safeguard the assets of the Group and the Company, to prevent and detect fraud and other irregularities. The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

The Directors are satisfied that appropriate accounting policies were used and applied consistently in preparing the financial statements of the Group and the Company for the financial year ended 31 March 2023. The Directors are also of the view that the relevant approved financial reporting standards have been observed and adopted in the preparation of these financial statements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("the Board") of D'nonce Technology Bhd ("D'Nonce" or "the Company") is pleased to present the Audit and Risk Management Committee ("ARMC") Report for the financial year ended ("FYE") 31 March 2023.

COMPOSITION OF THE ARMC

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

Designation	Name	Directorship
Chairman	Kang Teik Yih	Independent Non-Executive Director
Member	Datuk Sham Shamrat Sen Gupta	Independent Non-Executive Director
Member	Dato' Moktar Bin Mohd Noor (Ceased as a member w.e.f. 30 May 2023)	Independent and Non-Executive Chairman
Member	Ong Poh Lin Abdullah (Appointed as member w.e.f. 30 May 2023)	Independent Non-Executive Director

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

The Board assesses the composition and performance of the ARMC and its members through an annual Board Committee effectiveness assessment. Based on the assessment conducted for the FYE 31 March 2023, the Board was of the view that the present composition of the ARMC was appropriate. The Board was also satisfied that the ARMC and its members discharged their functions, duties and responsibilities, in accordance with the ARMC's Terms of Reference.

MEETINGS AND ATTENDANCE

The ARMC had met five (5) times during the FYE 31 March 2023. The composition and the attendance record of ARMC members are as follows:-

Name and Designation of the Members of ARMC	Attendance	Percentage of Attendance
Mr Kang Teik Yih Chairman of ARMC, Independent Non-Executive Director (Appointed as Chairman w.e.f. 29 September 2021)	5/5	100%
Dato' Moktar Bin Mohd Noor Member, Independent Non-Executive Chairman (Appointed w.e.f. 29 September 2021, resigned w.e.f. 30 May 2023)	5/5	100%
Datuk Sham Shamrat Sen Gupta Member, Independent Non-Executive Director (Appointed w.e.f. 14 September 2021)	5/5	100%
Ong Poh Lin Abdullah Member, Independent Non-Executive Director (Appointed w.e.f. 30 May 2023)	-	-

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

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

TERMS OF REFERENCE

The Terms of Reference of the ARMC is published on the Company's website at www.dnoncetech.com.

Independence of the Audit and Risk Management Committee

The Company recognised the need to uphold independence of its External Auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the ARMC of the Company were former key audit partners of the External Auditors appointed by the Group. The Terms of Reference of the ARMC requires a former key audit partner of the External Auditors of the Group to observe a cooling-off period of at least three (3) years, before being appointed as a member of the ARMC.

Financial Literacy of the Audit and Risk Management Committee Members

Collectively, the members of the ARMC have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the ARMC. The qualification and experience of the individual ARMC members are disclosed in the Directors' Profiles on pages 14 to 16 of this Annual Report. During the FYE 31 March 2023, all current members of the ARMC had undertaken the relevant training programmes to keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to effectively discharge their duties.

SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

In discharging its functions and duties in accordance with its Terms of Reference, the ARMC had carried out the following main activities during the FYE 31 March 2023:-.

1. Financial Reporting

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

(b) Reviewed the Directors' Report and Audited Financial Statements ("AFS") for the financial period ended 31 March 2022 of the Group prepared by the External Auditors and recommended to the Board for approval and inclusion into the Annual Report of the Company to be submitted to Bursa Securities.

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

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

Date of Review/Approvale	Review of Financial Statements
26 May 2022	Fourth quarter financial results for the financial period ended 31 March 2022
21 July 2022	Draft AFS for the financial period ended 31 March 2022
29 August 2022	First quarter financial results for the financial year ended ("FYE") 31 March 2023
29 November 2022	Second quarter financial results for the FYE 31 March 2023
21 February 2023	Third quarter financial results for the FYE 31 March 2023

SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

2. External Audit

(a) Reviewed and approved the audit scope and audit plan, as well as the proposed fees for the statutory audit of the Group for FYE 31 March 2023 as presented and proposed by the External Auditors.

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

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

(d) Met with the External Auditors in the absence of Management to discuss on any significant audit issues or concerns which may have arisen in the course of their audit of the Group for FYE 31 March 2023.

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

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

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

The ARMC was satisfied that Grant Thornton was unlikely to create any conflict of interest nor impair the independence, suitability and performance of Grant Thornton and thus, recommended to the Board to seek shareholders' approval for the re-appointment of Grant Thornton as External Auditors for the FYE 31 March 2023.

3. Internal Audit

(a) Received, discussed and reviewed the adequacy of the scope and areas of coverage of the updated Internal Audit Plan and the proposed internal audit fee for FYE 31 March 2023, to ensure comprehensive coverage over the activities of D'Nonce Group and the significant risk areas identified are audited annually.

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

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

The ARMC was satisfied with the reasonable assurance given by Management on the processes for the monitoring of the Group's internal control and risk management and their continuance to operate as intended.

SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

4. Recurrent Related Party Transactions and Related Party Transactions

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

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

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

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

5. Other Activities

(a) Reviewed corporate governance practices adopted by the Group based on the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia ("SC") in April 2017.

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

(c) Reviewed and discussed the effectiveness of the Group's risk management and internal control system as presented by Management.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

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

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

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION (CONT'D)

For the FYE 31 March 2023, the following activities were conducted by the Internal Auditors:-

1. Tabled the Internal Audit Plan for the FYE 31 March 2023 for the ARMC's review and endorsement;

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

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

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

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

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

The Group's internal audit activities were carried out mainly in accordance with the scope and annual Internal Audit Plan which had been reviewed and approved by the ARMC. For the FYE 31 March 2023, the Internal Auditors carried out the internal audit work covering the relevant business units and functions of the Group as follows:-

- Design and Conversion business unit in Kuala Lumpur, Malaysia: Production Control and Quality Assurance;
- Design and Conversion business unit in Johor Bahru, Malaysia: Sourcing and Buying and Stock Control;
- Sale and Distribution business unit in Seberang Jaya, Malaysia: Credit Control and Accounts Receivable and Stock Control; and
- Design and Conversion business unit in Sadao, Thailand: Sourcing and Buying and Stock Control.

The total cost incurred by the Company in respect of the outsourced internal audit function of the Group and the internal audit services performed by Kloo Point for the FYE 31 March 2023 was RM60,000.

For further details on the risk management, internal controls and internal audit functions of the Company and the Group, please refer to the Statement on Risk Management and Internal Control on pages 19 to 22 in this Annual Report.

This ARMC Report was made in accordance with a resolution of the Board dated 26 July 2023.

Financial Statements

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

PRINCIPAL ACTIVITIES

The principal activities of the Company 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	**65,057**	**(4,272,296)**
Attributable to:		
Owners of the Company	**(258,662)**	**(4,272,296)**
Non-controlling interests	**323,719**	**-**
	65,057	**(4,272,296)**

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The Company is not in a position to pay any dividend in view of the current financial year loss and the accumulated losses as at the end of the reporting period.

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company has increased its issued and fully paid up ordinary share capital by way of the issuance of 58,709,677 new ordinary shares at an issue price of RM0.115 each on 29 December 2022 pursuant to the acquisition of KTCL as disclosed in Note 7.1 to the financial statements.

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

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS is governed by the ESOS By-Laws and was approved by shareholders on 3 July 2015. The ESOS was to be in force until 17 May 2026. The ESOS Scheme, however, has been terminated on 1 November 2022.

There were no share options granted during the financial year.

The salient features of the ESOS are disclosed in Note 29 to the financial statements.

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

		Number of share options			
Grant date	Exercise price (RM)	Balance at 1.4.2022	Exercised	Lapsed	Balance at 31.3.2023
18 May 2016	0.25	228,500	-	(228,500)	-

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:

Dato' Moktar Bin Mohd Noor
* **Choong Lee Aun**
Datuk Sham Shamrat Sen Gupta
Kang Teik Yih
Ong Poh Lin Abdullah (appointed on 25.5.2023)
Leong Choon Fai (resigned on 30.6.2022)

Directors of the subsidiaries:

Ang Oon Ling
Lim Oon Jin
Low Chee Min
Mak Siew Wei
Tan Cheng See
Teo Tin Jien
Teoh Lim Oay
Roslant Bin Abu (resigned on 7.6.2022)
Ong Chee Keong (resigned on 8.8.2022)
Shuib Bin Hassan (resigned on 4.7.2023)

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

DIRECTORS' INTERESTS IN SHARES

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

DIRECTORS' REMUNERATION AND BENEFITS

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

	GROUP AND COMPANY RM
Fees	**227,173**
Salaries, bonus and allowances	**488,870**
EPF	**61,200**
SOCSO	**952**
EIS	**88**
	778,283

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 AND OFFICERS

The amount of insurance premium paid for professional indemnity for the directors and officers of the Company during the financial year is RM15,900.

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 action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

(i) which would render the amounts written off for bad debts or the amount of the 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.

OTHER STATUTORY INFORMATION (CONT'D)

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 year 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 EVENT

The details of the significant event are disclosed in Note 37 to the financial statements.

AUDITORS

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

The total amount of fees paid to or receivable by the auditors and its affiliate as remuneration for their services to the Group and the Company for the financial year ended 31 March 2023 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	237,000	110,000
Assurance related and non-audit services	158,000	112,500
Total	395,000	222,500

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

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

Dato' Moktar Bin Mohd Noor

Choong Lee Aun

Penang,

Date: 26 July 2023

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 57 to 148 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 March 2023** and of their financial performance and cash flows for the financial year then ended.

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

Dato' Moktar Bin Mohd Noor

Choong Lee Aun

Date: 26 July 2023

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 57 to 148 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 **26th**)
day of **July 2023**.)

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.
Registration No. 200001000687 (503292-K)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **D'nonce Technology Bhd.**, which comprise the statements of financial position as at **31 March 2023** 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 57 to 148.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 March 2023** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the 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.

Key Audit Matters	How our audit addressed the Key Audit Matters
Valuation of investment properties *(Note 5 to the financial statements)* The Group has adopted fair value model for its investment properties in the current financial year. We focused on this area as the determination of the fair value of the investment properties requires significant judgement due to the use of the estimates in the valuation techniques based on certain key assumptions.	Our audit procedures in relation to the valuation of investment properties included, amongst others, the following: • Considered the competency, capabilities and objectivity of the independent professional valuers; • Reviewed the valuation reports prepared by the independent professional valuers and understood the methodology adopted by the independent professional valuers in estimating the fair value of the investment properties; and • Performed enquiries with the independent professional valuers to obtain an understanding of the key input data and key assumptions used by the independent professional valuers.

Key Audit Matters (Cont'd)

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

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- 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.

Other Matter

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

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

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

Penang

Date: 26 July 2023

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2023

		GROUP			COMPANY	
			(Restated)	(Restated)		
		2023	2022	1.5.2021	**2023**	2022
	NOTE	**RM**	RM	RM	**RM**	RM
ASSETS						
Non-current assets						
Property, plant and equipment	**4**	**116,366,567**	94,514,921	67,861,296	**418,504**	517,461
Investment properties	**5**	**28,080,000**	22,950,000	22,930,000	**-**	-
Right-of-use assets	**6**	**4,111,217**	4,998,978	4,150,593	**1,507,617**	-
Investment in subsidiaries	**7**	**-**	-	-	**54,936,936**	48,185,323
Goodwill	**8**	**2,099,269**	289,128	289,128	**-**	-
Deferred tax assets	**9**	**145,562**	-	164,840	**-**	-
Trade and other receivables	**10**	**1,258,784**	51,845	194,365	**42,414,579**	23,637,640
		152,061,399	122,804,872	95,590,222	**99,277,636**	72,340,424
Current assets						
Inventory properties	**11**	**11,377,068**	349,488	425,068	**-**	-
Inventories	**12**	**25,947,102**	29,762,778	20,010,464	**-**	-
Trade and other receivables	**10**	**47,442,241**	50,616,230	59,553,379	**6,942,457**	20,409,385
Contract assets	**13**	**856,022**	719,593	696,204	**-**	-
Current tax assets		**1,963,779**	1,767,774	1,508,400	**119,296**	478,512
Other investments	**14**	**24,062,748**	13,398,146	-	**1,173,499**	5,008,133
Cash and bank balances	**15**	**25,849,605**	40,955,843	40,829,820	**580,283**	7,771,700
		137,498,565	137,569,852	123,023,335	**8,815,535**	33,667,730
TOTAL ASSETS		**289,559,964**	260,374,724	218,613,557	**108,093,171**	106,008,154
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	**16**	**117,910,820**	111,159,207	92,805,918	**117,910,820**	111,159,207
Reserves	**17**	**48,977,101**	47,359,571	30,561,086	**-**	31,260
Retained profits/ (Accumulated losses)		**35,388,015**	35,259,671	26,385,091	**(19,187,356)**	(14,946,320)
		202,275,936	193,778,449	149,752,095	**98,723,464**	96,244,147
Non-controlling interests		**5,698,367**	5,374,562	5,297,465	**-**	-
Total equity		**207,974,303**	199,153,011	155,049,560	**98,723,464**	96,244,147
Non-current liabilities						
Retirement benefit obligations	**18**	**3,523,435**	2,471,341	2,406,454	**-**	-
Borrowings	**19**	**17,919,622**	8,867,610	9,934,924	**-**	-
Lease liabilities	**6**	**2,357,135**	3,114,049	2,933,420	**1,136,371**	-
Deferred tax liabilities	**9**	**11,224,955**	11,000,083	6,424,016	**-**	-
		35,025,147	25,453,083	21,698,814	**1,136,371**	-
Current liabilities						
Trade and other payables	**20**	**23,242,688**	19,141,835	20,385,313	**7,833,564**	9,764,007
Borrowings	**19**	**21,453,950**	14,484,785	19,741,731	**-**	-
Lease liabilities	**6**	**1,863,876**	2,141,861	1,411,540	**399,772**	-
Current tax liabilities		**-**	149	326,599	**-**	-
		46,560,514	35,768,630	41,865,183	**8,233,336**	9,764,007
Total liabilities		**81,585,661**	61,221,713	63,563,997	**9,369,707**	9,764,007
TOTAL EQUITY AND LIABILITIES		**289,559,964**	260,374,724	218,613,557	**108,093,171**	106,008,154

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	NOTE	GROUP 1.4.2022 to 31.3.2023 (12 months) RM	GROUP (Restated) 1.5.2021 to 31.3.2022 (11 months) RM	COMPANY 1.4.2022 to 31.3.2023 (12 months) RM	COMPANY 1.5.2021 to 31.3.2022 (11 months) RM
Revenue	21	**174,861,114**	166,600,047	**4,453,520**	4,366,560
Other income	22	**3,197,927**	3,542,619	**9,876**	120,298
Changes in inventories of work-in-progress and finished goods		**12,589,037**	3,309,507	**-**	-
Raw materials and consumables used		**(90,393,401)**	(69,094,363)	**-**	-
Trading goods		**(28,971,939)**	(30,140,898)	**-**	-
Allowance for expected credit losses		**(183,465)**	(111,099)	**(828,765)**	(772,927)
Carriage outwards		**(1,840,651)**	(1,353,289)	**-**	-
Depreciation of					
- property, plant and equipment		**(6,403,830)**	(6,003,567)	**(248,731)**	(217,417)
- right-of-use assets		**(2,557,773)**	(2,036,560)	**(215,374)**	(23,634)
Employee benefits expense	23	**(37,408,177)**	(35,436,362)	**(4,077,261)**	(4,197,056)
Expense relating to lease of low value assets		**(78,154)**	(148,856)	**(2,388)**	(3,475)
Expense relating to short-term leases		**(749,037)**	(524,708)	**(88,708)**	(97,024)
Fair value gain on investment properties		**4,350,000**	20,000	**-**	-
Fair value loss on other investments		**(3,685,765)**	(483,823)	**-**	-
Inventories written down, net		**(602,046)**	(450,721)	**-**	-
Inventories written off		**(873,698)**	(24,482)	**-**	-
Mould costs		**(666,170)**	(131,037)	**-**	-
Property, plant and equipment written off		**(79,012)**	(3,077)	**-**	-
Realised gain/(loss) on foreign exchange		**448,400**	54,724	**377,863**	(16,790)
Unrealised gain/(loss) on foreign exchange		**56,690**	(219,273)	**(251,191)**	28,066
Unwinding discount on amount due from subsidiaries		**-**	-	**(1,359,450)**	(1,279,129)
Utilities		**(3,353,887)**	(3,689,922)	**(23,055)**	(12,908)
Other operating expenses		**(15,388,978)**	(12,995,925)	**(2,317,569)**	(1,560,969)
Operating profit/(loss)		**2,267,185**	10,678,935	**(4,571,233)**	(3,666,405)
Finance costs	24	**(1,681,214)**	(1,419,136)	**(577,368)**	(221,153)
Finance income	25	**254,314**	432,116	**876,305**	732,392
Profit/(Loss) before tax	26	**840,285**	9,691,915	**(4,272,296)**	(3,155,166)
Taxation	27	**(775,228)**	(869,711)	**-**	(2,846)
Profit/(Loss) for the financial year/period carried forward		**65,057**	8,822,204	**(4,272,296)**	(3,158,012)

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

	NOTE	GROUP **1.4.2022 to 31.3.2023 (12 months) RM**	GROUP (Restated) 1.5.2021 to 31.3.2022 (11 months) RM	COMPANY **1.4.2022 to 31.3.2023 (12 months) RM**	COMPANY 1.5.2021 to 31.3.2022 (11 months) RM
Profit/(Loss) for the financial year/period brought forward		**65,057**	8,822,204	**(4,272,296)**	(3,158,012)
Total other comprehensive income/(loss), net of tax:					
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		**2,004,128**	(1,238,257)	**-**	-
Item that will not be reclassified subsequently to profit or loss:					
Remeasurement loss on retirement benefit obligations		**-**	(58,871)	**-**	-
Revaluation of land and buildings, net		**-**	18,382,586	**-**	-
Transfer of revaluation surplus to retained profits		**355,746**	260,966	**-**	-
Realisation of revaluation surplus upon depreciation		**(355,746)**	(260,966)	**-**	-
Total comprehensive income/(loss) for the financial period		**2,069,185**	25,907,662	**(4,272,296)**	(3,158,012)
Profit/(Loss) attributable to:					
Owners of the Company		**(258,662)**	8,668,374	**(4,272,296)**	(3,158,012)
Non-controlling interests		**323,719**	153,830	**-**	-
		65,057	8,822,204	**(4,272,296)**	(3,158,012)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**1,745,874**	25,673,065	**(4,272,296)**	(3,158,012)
Non-controlling interests		**323,311**	234,597	**-**	-
		2,069,185	25,907,662	**(4,272,296)**	(3,158,012)
Earnings per ordinary share attributable to equity holders of the Company (sen)	**28**				
- Basic		**(0.07)**	2.55		
- Diluted		**(0.07)**	2.55		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	NOTE	Share Capital RM	Foreign Currency Translation Reserve RM	Revaluation Reserve RM	Legal Reserve RM	Share Options Reserve RM	Other Capital Reserve RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total Equity RM
			Non-distributable								
2023											
Balance at beginning, restated		111,159,207	4,851,016	37,324,785	32,510	31,260	5,120,000	35,259,671	193,778,449	5,374,562	199,153,011
Foreign currency translation differences for foreign operation		-	2,004,536	-	-	-	-	-	2,004,536	(408)	2,004,128
Transfer of revaluation surplus to retained profits		-	-	(355,746)	-	-	-	355,746	-	-	-
Profit for the financial year		-	-	-	-	-	-	(258,662)	(258,662)	323,719	65,057
Total comprehensive income for the financial year		-	2,004,536	(355,746)	-	-	-	97,084	1,745,874	323,311	2,069,185
Transactions with owners of the Company:											
Acquisition of a subsidiary		-	-	-	-	-	-	-	-	494	494
Issuance of ordinary shares pursuant to acquisition of a subsidiary	16	6,751,613	-	-	-	-	-	-	6,751,613	-	6,751,613
Share options lapsed		-	-	-	-	(31,260)	-	31,260	-	-	-
Total transactions with owners		6,751,613	-	-	-	(31,260)	-	31,260	6,751,613	494	6,752,107
Balance at end		117,910,820	6,855,552	36,969,039	32,510	-	5,120,000	35,388,015	202,275,936	5,698,367	207,974,303

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

	NOTE	Share Capital RM	Non-distributable: Foreign Currency Translation Reserve RM	Non-distributable: Revaluation Reserve RM	Non-distributable: Legal Reserve RM	Non-distributable: Share Options Reserve RM	Non-distributable: Other Capital Reserve RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total Equity RM
2022											
Balance at beginning											
- As previously stated		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
- Effect of changes in accounting policy and prior year adjustment	36	-	-	-	-	-	-	8,858,264	8,858,264	220,158	9,078,422
Balance at beginning, restated		92,805,918	6,089,040	19,284,165	32,510	35,371	5,120,000	26,385,091	149,752,095	5,297,465	155,049,560
Foreign currency translation differences for foreign operation		-	(1,238,024)	-	-	-	-	-	(1,238,024)	(233)	(1,238,257)
Remeasurement loss on retirement benefit obligations		-	-	-	-	-	-	(58,871)	(58,871)	-	(58,871)
Revaluation of land and buildings, net		-	-	18,301,586	-	-	-	-	18,301,586	81,000	18,382,586
Transfer of revaluation surplus to retained profits		-	-	(260,966)	-	-	-	260,966	-	-	-
		-	(1,238,024)	18,040,620	-	-	-	202,095	17,004,691	80,767	17,085,458
Profit for the financial period											
- As previously stated		-	-	-	-	-	-	8,348,376	8,348,376	150,946	8,499,322
- Effect of changes in accounting policy and prior year adjustment	36	-	-	-	-	-	-	319,998	319,998	2,884	322,882
- As restated		-	-	-	-	-	-	8,668,374	8,668,374	153,830	8,822,204
Total comprehensive income for the financial period, as restated		-	(1,238,024)	18,040,620	-	-	-	8,870,469	25,673,065	234,597	25,907,662
Transactions with owners of the Company:											
Issuance of ordinary shares	16	18,554,728	-	-	-	-	-	-	18,554,728	-	18,554,728
Shares issuance expenses	16	(201,439)	-	-	-	-	-	-	(201,439)	-	(201,439)
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	(202,500)	(202,500)
Issuance of shares to non-controlling interests		-	-	-	-	-	-	-	-	45,000	45,000
Share options forfeited		-	-	-	-	(4,111)	-	4,111	-	-	-
Total transactions with owners		18,353,289	-	-	-	(4,111)	-	4,111	18,353,289	(157,500)	18,195,789
Balance at end, restated		111,159,207	4,851,016	37,324,785	32,510	31,260	5,120,000	35,259,671	193,778,449	5,374,562	199,153,011

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

		|---------- Non-distributable	----------	----------	----------|
	NOTE	Share Capital RM	Share Options Reserve RM	Accumulated Losses RM	Total Equity RM
2023					
Balance at beginning		**111,159,207**	**31,260**	**(14,946,320)**	**96,244,147**
Total comprehensive loss for the financial year		**-**	**-**	**(4,272,296)**	**(4,272,296)**
Transactions with owners of the Company:					
Issuance of ordinary shares pursuant to acquisition of a subsidiary	**16**	**6,751,613**	**-**	**-**	**6,751,613**
Share options lapsed		**-**	**(31,260)**	**31,260**	**-**
Total transactions with owners		**6,751,613**	**(31,260)**	**31,260**	**6,751,613**
Balance at end		**117,910,820**	**-**	**(19,187,356)**	**98,723,464**
2022					
Balance at beginning		92,805,918	35,371	(11,792,419)	81,048,870
Total comprehensive loss for the financial period		-	-	(3,158,012)	(3,158,012)
Transactions with owners of the Company:					
Issuance of ordinary shares	16	18,554,728	-	-	18,554,728
Shares issuance expenses	16	(201,439)	-	-	(201,439)
Share options forfeited		-	(4,111)	4,111	-
Total transactions with owners		18,353,289	(4,111)	4,111	18,353,289
Balance at end		111,159,207	31,260	(14,946,320)	96,244,147

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	GROUP		COMPANY	
		(Restated)		
	1.4.2022 to 31.3.2023 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	**1.4.2022 to 31.3.2023 (12 months) RM**	1.5.2021 to 31.3.2022 (11 months) RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	**840,285**	9,691,915	**(4,272,296)**	(3,155,166)
Adjustments for:				
Accretion of interest on lease liabilities	**306,463**	310,950	**13,152**	1,327
Allowance for expected credit losses	**183,465**	111,099	**(828,765)**	772,927
Bad debts written off	**48,664**	-	**-**	-
Defined benefit plan	**362,848**	328,832	**-**	-
Depreciation of				
- property, plant and equipment	**6,403,830**	6,003,567	**248,731**	217,417
- right-of-use assets	**2,557,773**	2,036,560	**215,374**	23,634
Dividend income	**-**	-	**-**	(247,500)
Fair value gain on investment properties	**(4,350,000)**	(20,000)	**-**	-
Fair value loss on other investments	**3,685,765**	483,823	**-**	-
Gain on derecognition of right-of-use assets and lease liabilities	**(153,495)**	-	**-**	-
Gain on disposal of property, plant and equipment	**(45,430)**	(64,800)	**-**	(26,000)
Interest expenses	**1,374,610**	1,108,186	**564,216**	219,826
Interest income	**(254,314)**	(432,116)	**(876,305)**	(732,392)
Inventories written down, net	**602,046**	450,721	**-**	-
Inventories written off	**873,698**	24,482	**-**	-
Property, plant and equipment written off	**79,012**	3,077	**-**	-
Reversal of allowance for expected credit losses	**(54,132)**	(90,072)	**-**	(89,645)
Unrealised (gain)/loss on foreign exchange, net	**(56,690)**	219,273	**251,191**	(28,066)
Unwinding discount on amount due from subsidiaries	**-**	-	**1,359,450**	1,279,129
Operating profit/(loss) before working capital changes	**12,404,398**	20,165,497	**(3,325,252)**	(1,764,509)
Changes in:				
Inventory properties	**(1,147,580)**	75,580	**-**	-
Inventories	**3,649,334**	(10,227,517)	**-**	-
Trade and other receivables	**(5,194,866)**	8,944,830	**(545,440)**	(102,314)
Contract assets	**(136,429)**	(23,389)	**-**	-
Trade and other payables	**191,650**	(1,390,654)	**(21,664)**	14,492
Cash generated from/(used in) operations	**9,766,507**	17,544,347	**(3,892,356)**	(1,852,331)
Retirement benefit obligations paid	**(73,978)**	(100,876)	**-**	-
Income tax paid	**(1,038,343)**	(1,485,249)	**(44,637)**	(47,224)
Income tax refunded	**146,271**	124,547	**403,853**	-
Interest paid	**(1,374,610)**	(1,108,186)	**(315,898)**	(20,435)
Net cash from/(used in) operating activities	**7,425,847**	14,974,583	**(3,849,038)**	(1,919,990)

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

	NOTE	GROUP 1.4.2022 to 31.3.2023 (12 months) RM	GROUP 1.5.2021 to 31.3.2022 (11 months) RM	COMPANY 1.4.2022 to 31.3.2023 (12 months) RM	COMPANY 1.5.2021 to 31.3.2022 (11 months) RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received		**-**	-	**-**	247,500
Interest received		**254,314**	432,116	**150,807**	116,043
Investment in subsidiaries		**-**	-	**-**	(300)
Net cash outflow on acquisition of a subsidiary		**(95,008)**	-	**-**	-
Net changes in other investments		**(14,350,367)**	(13,881,969)	**3,834,634**	(5,008,133)
Purchase of property, plant and equipment	A	**(17,484,930)**	(10,375,812)	**(149,774)**	(7,640)
Proceeds from disposal of property, plant and equipment		**50,699**	71,986	**-**	26,000
Net changes in deposits pledged with licensed banks		**3,876,572**	4,598,704	**-**	-
Proceeds from issuance of shares to non-controlling interests		**-**	45,000	**-**	-
Net cash (used in)/from investing activities		**(27,748,720)**	(19,109,975)	**3,835,667**	(4,626,530)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid to non-controlling interests		**-**	(202,500)	**-**	-
Net changes in short term borrowings	B	**2,570,806**	(4,377,845)	**-**	-
Drawdown of term loans	B	**10,200,000**	3,286,030	**-**	-
Repayment of					
- lease liabilities	B	**(2,857,688)**	(2,281,209)	**(200,000)**	(26,000)
- term loans	B	**(4,539,591)**	(3,164,965)	**-**	-
- finance lease liabilities	B	**(1,433,321)**	(2,095,093)	**-**	-
Net changes in subsidiaries' balances		**-**	-	**(6,978,046)**	(5,427,292)
Proceeds from issuance of ordinary shares, net		**-**	18,353,289	**-**	18,353,289
Net cash from/(used in) financing activities		**3,940,206**	9,517,707	**(7,178,046)**	12,899,997
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(16,382,667)**	5,382,315	**(7,191,417)**	6,353,477
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**791,121**	(423,454)	**-**	-
CASH AND CASH EQUIVALENTS AT BEGINNING		**27,562,598**	22,603,737	**7,771,700**	1,418,223
CASH AND CASH EQUIVALENTS AT END		**11,971,052**	27,562,598	**580,283**	7,771,700
Represented by:					
Deposits with licensed banks		**9,516,673**	16,760,602	**-**	1,500,000
Short term money market deposit		**226,221**	5,917,361	**226,221**	5,917,361
Cash in hand and at banks		**16,106,711**	18,277,880	**354,062**	354,339
Bank overdrafts		**(4,361,880)**	-	**-**	-
		21,487,725	40,955,843	**580,283**	7,771,700
Less: Deposits pledged with licensed banks		**(9,516,673)**	(13,393,245)	**-**	-
		11,971,052	27,562,598	**580,283**	7,771,700

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

	NOTE	GROUP 1.4.2022 to 31.3.2023 (12 months) RM	GROUP 1.5.2021 to 31.3.2022 (11 months) RM	COMPANY 1.4.2022 to 31.3.2023 (12 months) RM	COMPANY 1.5.2021 to 31.3.2022 (11 months) RM
A. Purchase of property, plant and equipment					
Total acquisition cost		**21,905,930**	10,637,559	**149,774**	7,640
Acquired under finance lease liabilities	B	**(4,421,000)**	(261,747)	**-**	-
Total cash acquisition		**17,484,930**	10,375,812	**149,774**	7,640

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				
2023				
Borrowings excluding bank overdrafts	**23,352,395**	**11,218,894**	**440,403**	**35,011,692**
Lease liabilities	**5,255,910**	**(2,857,688)**	**1,822,789**	**4,221,011**
Total liabilities arising from financing activities	**28,608,305**	**8,361,206**	**2,263,192**	**39,232,703**
2022				
Borrowings excluding bank overdrafts	29,442,521	(6,090,126)	-	23,352,395
Lease liabilities	4,344,960	(2,281,209)	3,192,159	5,255,910
Total liabilities arising from financing activities	33,787,481	(8,371,335)	3,192,159	28,608,305
COMPANY				
2023				
Lease liabilities, representing total liabilities arising from financing activities	**-**	**(200,000)**	**1,736,143**	**1,536,143**
2022				
Lease liabilities, representing total liabilities arising from financing activities	24,673	(26,000)	1,327	-

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

	2023 RM	2022 RM
GROUP		
Accretion of interest on lease liabilities	**306,463**	310,950
Addition of lease liabilities	**3,529,819**	2,961,467
Arising from acquisition of a subsidiary	**440,403**	-
Derecognition	**(2,010,755)**	-
Exchange differences	**(2,738)**	(80,258)
	2,263,192	3,192,159
COMPANY		
Accretion of interest on lease liabilities	**13,152**	1,327
Addition of lease liabilities	**1,722,991**	-
	1,736,143	1,327

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

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 1-10 Medan Perniagaan Pauh Jaya, Jalan Baru, 13700 Perai, Pulau Pinang.

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 26 July 2023.

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 measurement

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.

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

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

2. **BASIS OF PREPARATION** (CONT'D)

2.2 **Basis of Measurement** (Cont'd)

Fair value measurement (Cont'd)

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

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

2.3 **Functional and Presentation Currency**

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

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

2.4 **Adoption of Amendments/Improvements to MFRSs**

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

Effective for annual period 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 Combination: 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

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

2.5 **Standards Issued But Not Yet Effective**

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

Effective for annual periods beginning on or after 1 January 2023
MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules

2. **BASIS OF PREPARATION** (CONT'D)

2.5 **Standards Issued But Not Yet Effective** (Cont'd)

Effective for annual periods beginning on or after 1 January 2024
Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

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 standard and amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption.

2.6 **Significant Accounting Estimates and Judgements**

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

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

2.6.1 **Judgements made in applying accounting policies**

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

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

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

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

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

The Group has not included the extension options period as part of the lease term for lease of trademark as the extension option is not available. 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. **BASIS OF PREPARATION** (CONT'D)

2.6 **Significant Accounting Estimates and Judgements** (Cont'd)

2.6.2 **Key sources of estimation uncertainty**

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

(i) **Fair value of investment properties**

The Group measures its investment properties at fair value amount with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to determine fair values as at the end of reporting period.

The carrying amount of the investment properties as at the end of reporting period and the relevant valuation bases and fair value are disclosed in Note 5 to the financial statements.

(ii) **Inventories**

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

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 12 to the financial statements.

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

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

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

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

The information about the ECL on the Group's trade receivables is disclosed in Note 33.3.1 to the financial statements.

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

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

2. **BASIS OF PREPARATION** (CONT'D)

2.6 **Significant Accounting Estimates and Judgements** (Cont'd)

2.6.2 **Key sources of estimation uncertainty** (Cont'd)

(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 is based on standard rates of inflation, medical cost trends and mortality. It also takes into account the Group'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 defined benefit obligations.

The assumptions and model used for estimating fair value for defined benefit plan, sensitivity analysis and the carrying amounts are disclosed in Note 18 to the financial statements.

(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 29 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 **Consolidation**

(i) **Subsidiaries**

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

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

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

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

3. **ACCOUNTING POLICIES** (CONT'D)

3.1 **Consolidation** (Cont'd)

(ii) **Basis of consolidation**

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

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

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

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

(iii) **Business combination**

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

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

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

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.

3. **ACCOUNTING POLICIES** (CONT'D)

3.1 **Consolidation** (Cont'd)

(v) **Loss of control**

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

(vi) **Non-controlling interests**

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

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

(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.

3. **ACCOUNTING POLICIES** (CONT'D)

3.3 **Property, Plant and Equipment** (Cont'd)

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

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

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

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

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the disposed assets and are recognised in profit or loss in the financial year/period 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 measured at fair value and are revalued annually and are included in the statements of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the period in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and supported by market evidence. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Investment properties are derecognised when either they are disposed of or when they are 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 financial year in which they arise.

3. **ACCOUNTING POLICIES** (CONT'D)

3.4 **Investment properties** (Cont'd)

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

3.5 **Goodwill**

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

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

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

3.6 **Leases**

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

As a lessee

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

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

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

Categories	Years
Trademark	2
Premises	2 to 6
Factory buildings	2 to 6

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

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

3. **ACCOUNTING POLICIES** (CONT'D)

3.6 **Leases** (Cont'd)

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

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

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

As a lessor

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

3.7 **Impairment of Non-Financial Assets**

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

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

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

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

3. **ACCOUNTING POLICIES** (CONT'D)

3.7 **Impairment of Non-Financial Assets** (Cont'd)

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

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

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

3.8 **Financial Instruments**

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

3.8.1 **Financial assets**

(i) **Initial recognition and measurement**

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

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

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

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

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

3. **ACCOUNTING POLICIES** (CONT'D)

3.8 **Financial Instruments** (Cont'd)

3.8.1 **Financial assets** (Cont'd)

(ii) **Subsequent measurement**

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

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

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

Financial assets at amortised cost

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

Financial assets at FVTPL

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

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

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

(iii) **Derecognition**

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

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

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.

3. **ACCOUNTING POLICIES** (CONT'D)

3.8 **Financial Instruments** (Cont'd)

3.8.1 **Financial assets** (Cont'd)

(iii) **Derecognition** (Cont'd)

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

(iv) **Impairment**

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

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

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

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

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

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

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

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

3. **ACCOUNTING POLICIES** (CONT'D)

3.8 **Financial Instruments** (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 if incurs because a specified debtor fails to make payment when due.

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

3. **ACCOUNTING POLICIES** (CONT'D)

3.9 Inventory properties

Inventory properties comprise land held for development and property development costs.

Inventory properties are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less any estimated costs necessary to make the sale.

3.9.1 Land held for development

Land held for development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle.

Land held for development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

3.9.2 Property development costs

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

3.10 Inventories

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

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

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

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

3.11 Cash and Cash Equivalents

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

3.12 Provisions

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

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

3.13 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.

3. **ACCOUNTING POLICIES** (CONT'D)

3.13 **Borrowing Costs** (Cont'd)

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

3.14 **Revenue Recognition**

The Group is in the business of:

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

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

The performance obligations to recognise revenue are as follows:

(i) **Sale of goods**

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

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

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

(iii) **Mould income**

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

(iv) **Management fee**

Management fee is recognised when services are rendered.

(v) **Rental income**

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

(vi) **Interest income**

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

(vii) **Dividend income**

Dividend income is recognised when the Company’s right to receive payment is established.

(viii) **Contract balances**

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

3. ACCOUNTING POLICIES (CONT'D)

3.14 Revenue Recognition (Cont'd)

Trade receivables

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

Contract assets

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

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/period 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.

3. **ACCOUNTING POLICIES** (CONT'D)

3.15 **Employee Benefits** (Cont'd)

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

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

3.16 **Income Tax**

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

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements 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.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date, except for investment properties carried at fair value model. Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 3.4 to the financial statements, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

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. **ACCOUNTING POLICIES** (CONT'D)

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

SST is recognised as part of the expense or cost of acquisition of the asset as SST is not recoverable.

Revenue is recognised net of the amount of SST billed as it is payable to the taxation authority.

The net SST payable to the taxation authority is included as part of payables in the statements of financial position. The rate for Sales Tax is fixed at 5% or 10%, while the rate for Service Tax is fixed at 6%.

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. **ACCOUNTING POLICIES** (CONT'D)

3.19 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.

3.20 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.

3.21 Related Parties

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

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

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	At valuation			At cost					
	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Renovation RM	Capital work-in-progress RM	Total RM
2023									
At valuation/cost									
Balance at beginning, restated	41,161,320	4,680,000	23,753,256	62,499,216	12,366,809	7,024,183	11,406,520	4,147,155	167,038,459
Arising from acquisition of a subsidiary	-	-	-	23,096,625	416,946	211,126	1,380,906	-	25,105,603
Additions	12,723,887	-	-	6,784,306	815,462	565,439	496,086	520,750	21,905,930
Disposals	-	-	-	(26,238)	(21,299)	(204,820)	-	-	(252,357)
Written offs	-	-	-	-	(99,147)	-	(189,695)	-	(288,842)
Transfer to investment properties (Note 5)	(480,000)	-	(300,000)	-	-	-	-	-	(780,000)
Exchange differences	178,056	-	1,724,564	1,479,218	74,636	62,124	212,720	121,769	3,853,087
Balance at end	53,583,263	4,680,000	25,177,820	93,833,127	13,553,407	7,658,052	13,306,537	4,789,674	216,581,880
Accumulated depreciation									
Balance at beginning, restated	-	-	-	44,983,755	10,219,642	5,816,355	9,729,874	-	70,749,626
Arising from acquisition of a subsidiary	-	-	-	17,728,099	350,287	211,126	1,345,483	-	19,634,995
Current charge	-	164,356	691,937	3,844,034	677,104	591,452	434,947	-	6,403,830
Disposals	-	-	-	(25,672)	(16,596)	(204,820)	-	-	(247,088)
Written offs	-	-	-	-	(76,251)	-	(133,579)	-	(209,830)
Exchange differences	-	-	539,640	1,257,236	59,091	51,522	202,379	-	2,109,868
Balance at end	-	164,356	1,231,577	67,787,452	11,213,277	6,465,635	11,579,104	-	98,441,401
Accumulated impairment losses									
Balance at beginning/end	-	-	-	1,556,435	12,566	-	204,911	-	1,773,912
Carrying amount	53,583,263	4,515,644	23,946,243	24,489,240	2,327,564	1,192,417	1,522,522	4,789,674	116,366,567

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

	At valuation			At cost					
	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Renovation RM	Capital work-in-progress RM	Total RM
2022									
At valuation/cost									
Balance at beginning									
- As previously stated	21,095,917	4,720,000	23,976,525	57,965,678	12,063,332	6,960,143	11,913,450	523,558	139,218,603
- Effect of prior year adjustment (Note 36)	-	-	-	-	-	-	(264,617)	-	(264,617)
Balance at beginning, restated	21,095,917	4,720,000	23,976,525	57,965,678	12,063,332	6,960,143	11,648,833	523,558	138,953,986
Additions	-	-	-	4,745,676	450,783	531,593	45,115	4,864,392	10,637,559
Disposals	-	-	-	(65,400)	(12,699)	(331,874)	-	-	(409,973)
Written offs	-	-	-	-	(43,284)	(53,020)	-	-	(96,304)
Reclassification	-	-	-	1,190,096	-	-	-	(1,190,096)	-
Revaluation gain/(loss)	20,380,482	(40,000)	73,038	-	-	-	-	-	20,413,520
Exchange differences	(315,079)	-	(296,307)	(1,336,834)	(91,323)	(82,659)	(287,428)	(50,699)	(2,460,329)
Balance at end, restated	41,161,320	4,680,000	23,753,256	62,499,216	12,366,809	7,024,183	11,406,520	4,147,155	167,038,459
Accumulated depreciation									
Balance at beginning									
- As previously stated	-	351,723	1,515,683	42,812,672	9,780,499	5,694,868	9,266,972	-	69,422,417
- Effect of prior year adjustment (Note 36)	-	-	-	-	-	-	(103,639)	-	(103,639)
Balance at beginning, restated	-	351,723	1,515,683	42,812,672	9,780,499	5,694,868	9,163,333	-	69,318,778
Current charge									
- As previously stated	-	131,618	618,502	3,298,842	559,143	577,446	822,868	-	6,008,419
- Effect of prior year adjustment (Note 36)	-	-	-	-	-	-	(4,852)	-	(4,852)
- As restated	-	131,618	618,502	3,298,842	559,143	577,446	818,016	-	6,003,567
Disposals	-	-	-	(65,399)	(5,514)	(331,874)	-	-	(402,787)
Written offs	-	-	-	-	(40,207)	(53,020)	-	-	(93,227)
Elimination of accumulated depreciation on revaluation	-	(483,341)	(2,131,799)	-	-	-	-	-	(2,615,140)
Exchange differences	-	-	(2,386)	(1,062,360)	(74,279)	(71,065)	(251,475)	-	(1,461,565)
Balance at end, restated	-	-	-	44,983,755	10,219,642	5,816,355	9,729,874	-	70,749,626
Accumulated impairment losses									
Balance at beginning/end	-	-	-	1,556,435	12,566	-	204,911	-	1,773,912
Carrying amount	41,161,320	4,680,000	23,753,256	15,959,026	2,134,601	1,207,828	1,471,735	4,147,155	94,514,921

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

COMPANY

	Office furniture, fittings and computer equipment RM	Motor vehicles RM	Total RM
2023			
At cost			
Balance at beginning	**1,648,445**	**677,544**	**2,325,989**
Additions	**149,774**	**-**	**149,774**
Balance at end	**1,798,219**	**677,544**	**2,475,763**
Accumulated depreciation			
Balance at beginning	**1,429,112**	**376,824**	**1,805,936**
Current charge	**80,019**	**168,712**	**248,731**
Balance at end	**1,509,131**	**545,536**	**2,054,667**
Accumulated impairment losses			
Balance at beginning/end	**2,592**	**-**	**2,592**
Carrying amount	**286,496**	**132,008**	**418,504**
2022			
At cost			
Balance at beginning	1,644,925	826,934	2,471,859
Additions	7,640	-	7,640
Disposal	-	(149,390)	(149,390)
Transfer to a subsidiary	(4,120)	-	(4,120)
Balance at end	1,648,445	677,544	2,325,989
Accumulated depreciation			
Balance at beginning	1,367,417	371,561	1,738,978
Current charge	62,764	154,653	217,417
Disposal	-	(149,390)	(149,390)
Transfer to a subsidiary	(1,069)	-	(1,069)
Balance at end	1,429,112	376,824	1,805,936
Accumulated impairment losses			
Balance at beginning/end	2,592	-	2,592
Carrying amount	216,741	300,720	517,461

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

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

	GROUP	
	2023	2022
	RM	RM
Freehold land	**20,924,471**	8,200,584
Leasehold land	**1,806,639**	1,850,597
Buildings	**10,811,981**	11,644,948
	33,543,091	21,696,129

(ii) The carrying amount of property, plant and equipment which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 19 to the financial statements are as follows:

	GROUP	
	2023	2022
	RM	RM
Freehold land	**53,583,263**	41,161,320
Leasehold land	**4,515,644**	4,680,000
Buildings	**23,946,243**	23,753,256
Plant and machinery	**291,893**	705,436
	82,337,043	70,300,012

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

	GROUP	
	2023	2022
	RM	RM
Plant and machinery	**7,113,615**	5,487,614
Motor vehicles	**769,964**	767,099
	7,883,579	6,254,713

(iv) On 5 August 2022, a subsidiary of the Company, Attractive Venture (JB) Sdn. Bhd., has acquired two pieces of vacant freehold industrial land for a cash consideration of RM12,196,932. The acquisition transaction has been completed during the financial year.

(v) On 5 January 2023, a subsidiary of the Company, Attractive Venture (KL) Sdn. Bhd., has acquired a leasehold land with a detached factory building for a cash consideration of RM17,500,000. The acquisition transaction is still yet to be completed as of to-date.

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

(vi) 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**	**Revaluation RM**
2023			
Leasehold land, at valuation	**4,515,644**	**164,356**	-
2022			
Leasehold land, at valuation	4,680,000	-	523,341

5. **INVESTMENT PROPERTIES**

	GROUP	
		(Restated)
	2023 RM	2022 RM
At fair value		
Balance at beginning		
- As previously stated	**12,911,919**	13,211,950
- Effect of changes in accounting policy (Note 36)	**10,038,081**	9,718,050
- As restated	**22,950,000**	22,930,000
Fair value gain recognised in profit or loss	**4,350,000**	20,000
Transfer from property, plant and equipment (Note 4)	**780,000**	-
Balance at end	**28,080,000**	22,950,000

The investment properties consist of the following:

	GROUP	
		(Restated)
	2023 RM	2022 RM
At fair value		
Freehold land	**1,150,000**	600,000
Leasehold land	**8,600,000**	8,480,000
Buildings	**18,330,000**	13,870,000
	28,080,000	22,950,000

(i) The carrying amount of investment properties which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 19 to the financial statements is **RM27,780,000** (2022: RM22,650,000; 1.5.2021: RM22,600,000).

5. **INVESTMENT PROPERTIES** (CONT'D)

(ii) **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	
	1.4.2022 to 31.3.2023 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM
Rental income from income generating properties	**1,542,158**	1,598,585
Direct operating expenses		
- Rental income generating	**93,473**	86,214
- Non-rental income generating	**2,879**	3,339

Future minimum rental receivables under non-cancellable operating leases as at the end of the reporting period are as follows:

	GROUP	
	2023 RM	2022 RM
Within one year	**660,000**	920,750
More than one year and less than five years	**-**	660,000
	660,000	1,580,750

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

Group and Company as a lessee

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

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

6. **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES** (CONT'D)

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

	Trademark RM	Premises RM	Factory buildings RM	Total RM
2023				
Balance at beginning	**-**	**1,194,943**	**3,804,035**	**4,998,978**
Additions	**1,722,991**	**1,470,864**	**335,964**	**3,529,819**
Depreciation	**(215,374)**	**(865,622)**	**(1,476,777)**	**(2,557,773)**
Derecognition	**-**	**(266,179)**	**(1,591,081)**	**(1,857,260)**
Exchange differences	**-**	**-**	**(2,547)**	**(2,547)**
Balance at end	**1,507,617**	**1,534,006**	**1,069,594**	**4,111,217**
2022				
Balance at beginning	-	1,864,323	2,286,270	4,150,593
Additions	-	57,944	2,903,523	2,961,467
Depreciation	-	(727,324)	(1,309,236)	(2,036,560)
Exchange differences	-	-	(76,522)	(76,522)
Balance at end	-	1,194,943	3,804,035	4,998,978

COMPANY

	Trademark RM	Premises RM	Total RM
2023			
Addition	**1,722,991**	**-**	**1,722,991**
Depreciation	**(215,374)**	**-**	**(215,374)**
Balance at end	**1,507,617**	**-**	**1,507,617**
2022			
Balance at beginning	-	23,634	23,634
Depreciation	-	(23,634)	(23,634)
Balance at end	-	-	-

6. **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES** (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	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Balance at beginning	**5,255,910**	4,344,960	**-**	24,673
Additions	**3,529,819**	2,961,467	**1,722,991**	-
Accretion of interest	**306,463**	310,950	**13,152**	1,327
Payments	**(2,857,688)**	(2,281,209)	**(200,000)**	(26,000)
Derecognition	**(2,010,755)**	-	**-**	-
Exchange differences	**(2,738)**	(80,258)	**-**	-
Balance at end	**4,221,011**	5,255,910	**1,536,143**	-
Represented by:				
Non-current liabilities	**2,357,135**	3,114,049	**1,136,371**	-
Current liabilities	**1,863,876**	2,141,861	**399,772**	-
	4,221,011	5,255,910	**1,536,143**	-

The maturity analysis of lease liabilities is disclosed in Note 33.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
Depreciation expense of right-of-use assets	**2,557,773**	2,036,560	**215,374**	23,634
Accretion of interest on lease liabilities	**306,463**	310,950	**13,152**	1,327
Expense relating to lease of low value assets	**78,154**	148,856	**2,388**	3,475
Expense relating to short-term leases	**749,037**	524,708	**88,708**	97,024
Gain on derecognition of right-of-use assets and lease liabilities	**(153,495)**	-	**-**	-
Total amount recognised in profit or loss	**3,537,932**	3,021,074	**319,622**	125,460

The total cash outflows for leases of the Group and of the Company during the financial year are **RM3,684,879** (2022: RM2,954,773) and **RM291,096** (2022: RM126,499) respectively.

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2023	2022
	RM	RM
Unquoted shares, at cost	**66,667,402**	59,915,789
ESOS granted to employees of subsidiaries	**1,505,552**	1,505,552
	68,172,954	61,421,341
Less: Allowance for impairment	**13,236,018**	13,236,018
	54,936,936	48,185,323

The details of the subsidiaries are as follows:

Name of entities	Principal place of business	Effective equity interest held by the Group		Principal Activities
		2023	2022	
		%	%	
D'nonce (M) Sdn. Bhd.	Malaysia	**100**	100	Sales and distribution of advanced packaging materials, electronics products and consumables.
D'nonce (K.L) Sdn. Bhd.	Malaysia	**100**	100	Sales and distribution of advanced packaging materials, electronics products and consumables.
D'nonce (Kelantan) Sdn. Bhd.	Malaysia	**55**	55	Sales and distribution of advanced packaging materials, electronics products and consumables.
D'nonce (Johore) Sdn. Bhd.	Malaysia	**55**	55	Sales and distribution of advanced packaging materials.
Attractive Venture Sdn. Bhd.	Malaysia	**100**	100	Design and conversion of advanced packaging materials, precision polymer engineering service and contract manufacturing of electronic components.
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.

7. **INVESTMENT IN SUBSIDIARIES** (CONT'D)

Name of entities	Principal place of business	Effective equity interest held by the Group		Principal Activities
		2023	2022	
		%	%	
D'nonce Properties Sdn. Bhd.	Malaysia	**100**	100	Property development.
AV Plastics Sdn. Bhd.	Malaysia	**84**	84	Dormant.
Richmond Technology Sdn. Bhd.	Malaysia	**75**	75	Design and conversion of advanced of packaging materials.
D'nonce Energy Sdn. Bhd. ("DENE")	Malaysia	**100**	100	Dormant.
Integrated SCM Co., Ltd. (2) (4)	Thailand	**99**	99	Wholesale of industrial chemicals.
Logistic Solution Holdings Co., Ltd. (4)	Thailand	**99**	99	Investment holding.
ISCM Technology (Thailand) Co., Ltd. (4)	Thailand	**100**	100	Cleanroom services and contract manufacturing of electronic components and mask.
ISCM Industries (Thailand) Co., Ltd. ("SCMI") (3) (4)	Thailand	**5**	5	Design and conversion of advanced of packaging materials.
D'nonce Singapore Pte. Ltd. ("DSIN") (4)	Singapore	**100**	100	Dormant.
Komark (Thailand) Company Limited ("KTCL") (4)	Thailand	**100**	-	Manufacture and distribution of product labels.
Indirect - held through ISCM Technology (Thailand) Co., Ltd.				
ISCM Industries (Thailand) Co., Ltd. ("SCMI") (3) (4)	Thailand	**95**	95	Design and conversion of advanced of packaging materials.
Indirect - held through D'nonce Energy Sdn. Bhd.				
Pelita Emasjaya Sdn. Bhd. ("PESB")	Malaysia	**55**	55	Dormant.

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

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

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

(4) *Not audited by Grant Thornton Malaysia PLT.*

7. **INVESTMENT IN SUBSIDIARIES** (CONT'D)

7.1 **Acquisition of a subsidiary**

2023

On 29 December 2022, the Company has acquired equity interest of 99.9991% in KTCL for a purchase consideration of RM6,751,613 by way of issuance of 58,709,677 new ordinary shares in the Company at issued price of RM0.115 each with reference to the quoted price of the share of the Company at the date of acquisition.

The management of the Company believes that it is synergistic to expand the operations of the Group's packaging and design solutions segment to include the labelling business with the objective of expanding and creating diversity in its product offerings in order to increase the Group's revenue.

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of KTCL as at the date of acquisition were as follows:

	KTCL
	RM
Plant and equipment	**5,470,608**
Inventories	**1,521,178**
Trade and other receivables	**3,277,397**
Cash and bank balances	**201,378**
Retirement benefit obligations	**(683,182)**
Trade and other payables	**(4,405,010)**
Borrowings	**(440,403)**
Total identifiable net assets at fair value	**4,941,966**
Non-controlling interest measured at fair value	**(494)**
Goodwill arising on acquisition	**1,810,141**
Purchase consideration transferred	**6,751,613**

The goodwill of RM1,810,141 comprises the value of expected synergies arising from the acquisition, in light of it being complementary to its existing business by way of offering its existing customers in Thailand with adhesive labelling. After the completion of the acquisition, the Group will be a one-stop provider for packaging and labelling solutions in Thailand and enable the Group to strengthen its foothold and enhance its competitiveness in the end-to-end packaging and labelling segments in Thailand.

Acquisition-related costs

Transaction costs of RM296,386 was expensed off in the profit or loss.

7. **INVESTMENT IN SUBSIDIARIES** (CONT'D)

7.1 **Acquisition of a subsidiary** (Cont'd)

2023 (Cont'd)

Impact of the acquisition on the Statements of Comprehensive Income

From the date of acquisition, KTCL has resulted RM4,013,197 and RM128,855 to the Group's revenue and loss before tax for the financial year respectively. If the acquisition had occurred on 1 April 2022, the Group's revenue would have been increased by RM14,922,198 and the Group's profit before tax would have been decreased by RM657,781 for the financial year.

Analysis of cash flows on acquisition

	RM
Transaction costs of the acquisition (included in cash flows from operating activities)	296,386
Net cash acquired with the subsidiary	(201,378)
Net cash outflow on acquisition	95,008

2022

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

7.2 **Subscription of ordinary shares in subsidiaries**

2022

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

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

7. **INVESTMENT IN SUBSIDIARIES** (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
2023						
NCI percentage of ownership interest and voting interest (%)	**45%**	**45%**	**18%**	**16%**	**25%**	
Carrying amount of NCI (RM)	**1,578,985**	**2,015,257**	**2,579,959**	**(1,382,452)**	**861,221**	**5,652,970**
Profit/(Loss) allocated to NCI (RM)	**93,223**	**63,222**	**146,588**	**(1,370)**	**25,744**	**327,407**
(Restated) 2022						
NCI percentage of ownership interest and voting interest (%)	45%	45%	18%	16%	25%	
Carrying amount of NCI (RM)	1,485,761	1,952,034	2,433,371	(1,381,082)	835,477	5,325,561
Profit/(Loss) allocated to NCI (RM)	126,268	(76,020)	70,000	(1,433)	38,393	157,208
(Restated) 2021						
NCI percentage of ownership interest and voting interest (%)	45%	45%	18%	16%	25%	
Carrying amount of NCI (RM)	1,359,493	2,028,055	2,363,371	(1,379,648)	797,085	5,168,356

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

7. **INVESTMENT IN SUBSIDIARIES** (CONT'D)

7.3 **Subsidiaries with material non-controlling interests ("NCI")** (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
2023					
Assets and liabilities					
Non-current assets	153,530	1,202,307	20,495,470	-	1,602,167
Current assets	6,669,612	3,506,038	14,427,603	18,237	4,651,661
Non-current liabilities	-	(62,793)	(9,613,306)	-	(196,435)
Current liabilities	(3,314,287)	(167,204)	(10,976,660)	(8,658,564)	(2,612,508)
Net assets	3,508,855	4,478,348	14,333,107	(8,640,327)	3,444,885
Results					
Revenue	10,875,453	238,636	22,680,474	-	11,356,590
Net profit/(loss) for the financial year	207,163	140,494	814,380	(8,565)	102,976
Total comprehensive income/(loss) for the financial year	207,163	140,494	814,380	(8,565)	102,976
Net cash generated from/(used in):					
Operating activities	301,901	25,792	(3,085,272)	(8,565)	(29,228)
Investing activities	(228,813)	3,526	(13,055,207)	-	(72,148)
Financing activities	254,977	(1,062,493)	15,722,914	40	(323,946)
Net change in cash and cash equivalents	328,065	(1,033,175)	(417,565)	(8,525)	(425,322)

7. **INVESTMENT IN SUBSIDIARIES** (CONT'D)

7.3 **Subsidiaries with material non-controlling interests ("NCI")** (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
(Restated)					
2022					
Assets and liabilities					
Non-current assets	149,373	1,053,183	7,798,389	-	2,042,448
Current assets	5,869,397	3,638,301	11,092,054	217,561	4,244,155
Non-current liabilities	(47,375)	(47,793)	(1,417,408)	-	(450,475)
Current liabilities	(2,669,703)	(305,837)	(3,954,308)	(8,849,323)	(2,494,219)
Net assets	3,301,692	4,337,854	13,518,727	(8,631,762)	3,341,909
Results					
Revenue	10,344,139	410,792	16,481,679	-	10,513,063
Net profit/(loss) for the financial period	280,596	(168,934)	388,890	(8,959)	153,570
Total comprehensive income/(loss) for the financial period	280,596	(168,934)	388,890	(8,959)	153,570
Net cash (used in)/generated from:					
Operating activities	8,667	(219,952)	3,274,969	(14,871)	250,096
Investing activities	(476,677)	15,040	754,418	-	(675,001)
Financing activities	(128,555)	274,250	(3,967,746)	(87,500)	170,972
Net change in cash and cash equivalents	(596,565)	69,338	61,641	(102,371)	(253,933)

7. **INVESTMENT IN SUBSIDIARIES** (CONT'D)

7.3 **Subsidiaries with material non-controlling interests ("NCI")** (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
(Restated)					
2021					
Assets and liabilities					
Non-current assets	237,951	1,088,190	5,582,777	1,850	1,328,590
Current assets	4,967,813	3,754,741	14,941,024	319,933	4,610,922
Non-current liabilities	(97,642)	(47,793)	(289,367)	-	(359,062)
Current liabilities	(2,087,026)	(288,350)	(7,104,597)	(8,944,586)	(2,392,111)
Net assets	3,021,096	4,506,788	13,129,837	(8,622,803)	3,188,339
Results					
Revenue	10,795,159	629,050	16,401,226	-	11,358,300
Net profit/(loss) for the financial period	441,261	272,289	270,914	(192,415)	449,452
Total comprehensive income/(loss) for the financial period	441,261	272,289	270,914	(192,415)	449,452
Net cash (used in)/generated from:					
Operating activities	299,237	(406,524)	2,450,932	(151,728)	911,547
Investing activities	(335,922)	180,460	(185,382)	888,783	145,300
Financing activities	(153,982)	638,473	(2,421,072)	(679,778)	(335,776)
Net change in cash and cash equivalents	(190,667)	412,409	(155,522)	57,277	721,071

8. **GOODWILL**

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

	GROUP	
	2023	2022
	RM	RM
Balance at beginning	**413,371**	413,371
Arising from acquisition of a subsidiary	**1,810,141**	-
	2,223,512	413,371
Less: Allowance for impairment	**(124,243)**	(124,243)
Balance at end	**2,099,269**	289,128

The carrying amount of goodwill allocated to each CGU is as follows:

	GROUP	
	2023	2022
	RM	RM
Contract manufacturing	**289,128**	289,128
Labelling	**1,810,141**	-
	2,099,269	289,128

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.

8. **GOODWILL** (CONT'D)

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

(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, annual growth rate as shown below is applied to the remaining years of the cash flow projections of the respective CGUs. A terminal value is assigned at the end of the five-year cash flow projections period based on an assumed growth rate of 0% (2022: 0%) in perpetuity.

	Annual growth rate	
	2023	2022
	RM	RM
GROUP		
Contract manufacturing	**2%**	2%
Labelling	**4.4%**	-

(iv) Discount rate

Pre-tax discount rate as shown below was applied to the calculations in determining the recoverable amount of the respective CGUs. The discount rate is estimated based on the weighted average cost of capital of the Group for the financial year/period.

	Pre-tax discount rate	
	2023	2022
	RM	RM
GROUP		
Contract manufacturing	**8%**	11.1%
Labelling	**9.17%**	-

Sensitivity to changes in key assumptions

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

9. DEFERRED TAX (ASSETS)/LIABILITIES

	GROUP	
		(Restated)
	2023	2022
	RM	RM
Balance at beginning		
- As previously stated	**10,519,432**	5,780,526
- Effect of changes in accounting policy (Note 36)	**480,651**	478,650
- As restated	**11,000,083**	6,259,176
Recognised in profit or loss	**245,384**	428,270
Recognised in other comprehensive income	**-**	4,646,074
	11,245,467	11,333,520
Over provision in prior period/year	**(166,074)**	(333,437)
Balance at end	**11,079,393**	11,000,083

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

		GROUP	
		(Restated)	(Restated)
	2023	2022	1.5.2021
	RM	RM	RM
Deferred tax assets	**(145,562)**	-	(164,840)
Deferred tax liabilities	**11,224,955**	11,000,083	6,424,016
	11,079,393	11,000,083	6,259,176

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

		GROUP	
		(Restated)	(Restated)
	2023	2022	1.5.2021
	RM	RM	RM
Property, plant and equipment	**2,077,293**	1,639,457	1,548,887
Investment properties	**915,650**	480,650	478,650
Right-of-use assets	**309,041**	223,416	280,196
Lease liabilities	**(317,594)**	(240,534)	(297,224)
Revaluation reserve	**9,313,574**	9,414,780	4,881,243
Unused tax losses	**(84,689)**	-	-
Unabsorbed allowance for increased exports allowance	**-**	-	(91,919)
Unabsorbed capital allowances	**(189,947)**	-	-
Unabsorbed reinvestment allowance	**(207,779)**	-	-
Provisions	**(736,156)**	(517,686)	(540,657)
	11,079,393	11,000,083	6,259,176

9. **DEFERRED TAX (ASSETS)/LIABILITIES** (CONT'D)

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. As at the end of the reporting period, the Group's and the Company's deferred tax position are as follows:

	GROUP		**COMPANY**	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Deferred tax recognised:				
Property, plant and equipment	**202,686**	1,295,977	**117,562**	130,052
Unused tax losses	**(125,031)**	(692,256)	**(117,562)**	(130,052)
Unabsorbed capital allowances	**(77,655)**	(269,816)	**-**	-
Unabsorbed reinvestment allowance	**-**	(333,905)	**-**	-
	-	-	**-**	-
Deferred tax assets not recognised:				
Unused tax losses	**27,323,343**	19,615,542	**2,808,821**	216,357
Unabsorbed capital allowances	**8,921,339**	8,982,254	**812,567**	753,130
Unabsorbed reinvestment allowance	**7,935,521**	8,758,927	**-**	-
Other deductible temporary differences	**310,338**	976,412	**-**	-
	44,490,541	38,333,135	**3,621,388**	969,487

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**	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Unused tax losses	**27,801,245**	20,307,798	**2,926,383**	346,409
Unabsorbed capital allowances	**9,790,442**	9,252,070	**812,567**	753,130
Unabsorbed reinvestment allowance	**8,801,266**	9,092,832	**-**	-

In respect of Malaysia's subsidiaries, the unused tax losses can be carried forward for ten consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred. 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.

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

9. **DEFERRED TAX (ASSETS)/LIABILITIES** (CONT'D)

The unabsorbed reinvestment allowance and the unused tax losses will be disregarded in the following YAs:

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
YA 2024	**2,906,253**	1,347,393	**-**	-
YA 2025	**3,838,061**	1,673,539	**-**	-
YA 2026	**9,080,497**	8,130,613	**-**	-
YA 2027	**333,905**	333,905	**-**	-
YA 2028	**1,361,328**	692,917	**-**	-
YA 2029	**14,131,118**	14,103,065	**200,364**	200,364
YA 2030	**712,282**	780,132	**-**	-
YA 2031	**472,667**	986,370	**-**	-
YA 2032	**313,820**	798,537	**-**	-
YA 2033	**813,443**	540,904	**146,045**	146,045
YA 2034	**2,639,137**	13,255	**2,579,974**	-
	36,602,511	29,400,630	**2,926,383**	346,409

Unrecognised temporary differences relating to investment 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 **RM16,850,339** (2022: RM17,217,000; 1.5.2021: RM15,456,000). The deferred tax liability is estimated to be **RM1,685,034** (2022: RM1,721,700; 1.5.2021: RM1,545,600).

10. **TRADE AND OTHER RECEIVABLES**

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Non-current				
Trade receivables				
Third party – interest bearing at 6%	**-**	47,512	**-**	-
Other receivables				
Third party – interest bearing at 6%	**-**	4,333	**-**	-
Third party – non-interest bearing	**1,258,784**	-	**-**	-
Amount due from subsidiaries	**-**	-	**42,414,579**	23,637,640
Balance carried forward	**1,258,784**	51,845	**42,414,579**	23,637,640

10. **TRADE AND OTHER RECEIVABLES** (CONT'D)

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Balance brought forward	**1,258,784**	51,845	**42,414,579**	23,637,640
Current				
Trade receivables				
Third party – interest bearing at 6%	**590,650**	628,138	**-**	-
Third parties – non-interest bearing	**30,272,485**	29,514,763	**-**	-
	30,863,135	30,142,901	**-**	-
Less: Allowance for expected credit losses	**(1,093,625)**	(1,030,818)	**-**	-
	29,769,510	29,112,083	**-**	-
Other receivables				
Sundry receivables	**3,866,640**	1,027,993	**26,910**	49,177
Less: Allowance for expected credit losses	**(1,307,760)**	(21,896)	**-**	-
	2,558,880	1,006,097	**26,910**	49,177
Amount due from subsidiaries	**-**	-	**17,738,703**	30,922,306
Less: Allowance for expected credit losses	**-**	-	**(11,656,672)**	(10,827,907)
	-	-	**6,082,031**	20,094,399
Deposits	**5,764,460**	13,812,588	**8,010**	29,380
Prepayments	**9,297,199**	6,633,270	**773,314**	184,237
GST recoverable	**52,192**	52,192	**52,192**	52,192
	17,672,731	21,504,147	**6,942,457**	20,409,385
Total current trade and other receivables	**47,442,241**	50,616,230	**6,942,457**	20,409,385
Total trade and other receivables	**48,701,025**	50,668,075	**49,357,036**	44,047,025

The normal trade credit terms granted by the Group range from **30 to 120 days** (2022: 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 deposits of the Group are an amount of:

(i) **RM Nil** (2022: RM9,880,000) paid to accept rights granted to the Group for the development of freehold land. The amount has been transferred to land held for development under inventory properties subsequent to the transfer of ownership of freehold land to the Group as disclosed in Note 11.1 to the financial statements;

(ii) **RM1,750,000** (2022: RM Nil) paid to a third party to acquire a leasehold land with a detached factory building pursuant to the Sale and Purchase Agreement dated 5 January 2023 as disclosed in Note 4 to the financial statements;

(iii) **RM430,000** (2022: RM430,000) paid to a third party to acquire a leasehold land with a detached factory building pursuant to the Sale and Purchase Agreement dated 23 August 2018; and

(iv) **RM390,000** (2022: RM Nil) paid to a licensed bank for banking guarantee purpose.

10. **TRADE AND OTHER RECEIVABLES** (CONT'D)

Included in the prepayments of the Group is an amount of **RM4,200,000** (2022: RM Nil) paid to Pasukhas Sdn. Bhd. to design and build the production building, warehouse and three storey office.

The amount due from subsidiaries are unsecured, non-interest bearing, classified based on expected timing of realisation and to be settled in cash except for **RM24,542,157** (2022: RM16,051,113) on which interest is charged at **2.90% to 3.30%** (2022: 2.90% to 3.30%) per annum.

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

	GROUP		**COMPANY**	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Ringgit Malaysia	**28,963,066**	30,959,714	**48,666,922**	41,280,261
Thai Baht	**16,674,901**	14,361,647	**690,114**	669,136
United States Dollar	**2,457,945**	4,703,801	**-**	2,097,628
Singapore Dollar	**605,113**	642,913	**-**	-
	48,701,025	50,668,075	**49,357,036**	44,047,025

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

	GROUP		**COMPANY**	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Trade receivables				
Balance at beginning	**1,030,818**	1,011,373	**-**	-
Arising from acquisition of a subsidiary	**16,655**	-	**-**	-
Current financial year/period	**183,465**	111,099	**-**	-
Written off	**(100,959)**	(22,680)	**-**	-
Reversal	**(54,132)**	(90,072)	**-**	-
Exchange differences	**17,778**	21,098	**-**	-
Balance at end	**1,093,625**	1,030,818	**-**	-
Other receivables				
Balance at beginning	**21,896**	78,883	**-**	-
Arising from acquisition of a subsidiary	**1,285,864**	-	**-**	-
Written off	**-**	(56,987)	**-**	-
Balance at end	**1,307,760**	21,896	**-**	-
Amount due from subsidiaries				
Balance at beginning	**-**	-	**10,827,907**	10,144,625
Current financial year/period	**-**	-	**828,765**	772,927
Reversal	**-**	-	**-**	(89,645)
Balance at end	**-**	-	**11,656,672**	10,827,907
	2,401,385	1,052,714	**11,656,672**	10,827,907

11. INVENTORY PROPERTIES

	NOTE	GROUP 2023 RM	GROUP 2022 RM
Land held for development	**11.1**	**11,027,580**	-
Property development costs			
- Development costs		**349,488**	349,488
		11,377,068	349,488

11.1 Land held for development

In prior financial year, the Company had paid a non-refundable deposit of RM9,880,000 to accept rights for the development of freehold land as disclosed in Note 10 to the financial statements.

During the financial year, the Group has paid an additional RM950,000 to acquire the entire land from the landowners. The transfer of ownership has been completed during the financial year and the non-refundable deposit of RM9,880,000 has been reclassified from trade and other receivables to land held for development under inventories properties during the financial year.

12. INVENTORIES

	GROUP 2023 RM	GROUP 2022 RM
At cost		
Raw materials	**10,646,635**	16,072,292
Work-in-progress	**2,618,464**	1,929,775
Finished goods	**7,217,027**	6,027,925
Trading goods	**3,607,207**	5,615,927
	24,089,333	29,645,919
At net realisable value		
Raw materials	**814,019**	37,980
Finished goods	**748,180**	17,549
Trading goods	**295,570**	61,330
	1,857,769	116,859
	25,947,102	29,762,778

12. INVENTORIES (CONT'D)

	GROUP	
	1.4.2022 to 31.3.2023 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	**106,776,303**	95,925,754
Inventories written down		
- Addition	**729,941**	450,721
- Reversal	**(127,895)**	-
Inventories written off	**873,698**	24,482

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

13. CONTRACT ASSETS

	GROUP	
	2023 RM	2022 RM
Balance at beginning	**719,593**	696,204
Billings during the financial year	**(719,593)**	(696,204)
Revenue recognised during the financial year	**856,022**	719,593
Balance at end	**856,022**	719,593

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

14. OTHER INVESTMENTS

	GROUP		COMPANY	
	2023 RM	2022 RM	**2023 RM**	2022 RM
Financial assets at fair value through profit or loss:				
Investment in shares quoted in Malaysia	**22,889,249**	8,390,013	**-**	-
Short term investment	**1,173,499**	5,008,133	**1,173,499**	5,008,133
	24,062,748	13,398,146	**1,173,499**	5,008,133

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

15. **CASH AND BANK BALANCES**

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Deposits with licensed banks				
- Unencumbered	**-**	3,367,357	**-**	1,500,000
- Encumbered	**9,516,673**	13,393,245	**-**	-
Short term money market deposit	**226,221**	5,917,361	**226,221**	5,917,361
Cash in hand and at banks	**16,106,711**	18,277,880	**354,062**	354,339
	25,849,605	40,955,843	**580,283**	7,771,700

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

Included in the encumbered deposits with licensed banks is an amount of **RM Nil** (2022: RM305,421) held in trust by a director of a subsidiary.

The effective interest rates per annum and maturities of the deposits with licensed banks as at the end of the reporting period ranged from **1.60% to 2.85%** (2022: 0.15% to 2.00%) per annum and **1 month to 12 months** (2022 : 1 month to 12 months) respectively.

The effective interest rate per annum and maturity of the short term money market deposit as at the end of the reporting period are **1.30%** (2022: 1.30%) per annum and **1 day** (2022: 1 day) respectively.

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

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Ringgit Malaysia	**15,566,207**	30,353,139	**370,957**	7,769,544
Thai Baht	**8,417,211**	9,430,874	**2,299**	2,156
United States Dollar	**1,064,845**	805,332	**207,027**	-
Singapore Dollar	**797,779**	362,935	**-**	-
Others	**3,563**	3,563	**-**	-
	25,849,605	40,955,843	**580,283**	7,771,700

16. **SHARE CAPITAL**

	Number of ordinary shares		Amount	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Issued and fully paid:				
Balance at beginning	**375,752,700**	313,127,300	**111,159,207**	92,805,918
Issuance of ordinary shares pursuant to:				
- Acquisition of a subsidiary	**58,709,677**	-	**6,751,613**	-
- Private placements	**-**	62,625,400	**-**	18,554,728
Shares issuance expenses	**-**	-	**-**	(201,439)
Balance at end	**434,462,377**	375,752,700	**117,910,820**	111,159,207

2023

During the financial year, the Company has increased its issued and fully paid up ordinary share capital by way of the issuance of 58,709,677 new ordinary shares at an issue price of RM0.115 each on 29 December 2022 pursuant to the acquisition of KTCL as disclosed in Note 7.1 to the financial statements.

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

2022

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

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

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

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

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

The new ordinary shares issued in the prior financial period ranked *pari passu* in all respects with the existing ordinary shares of the Company.

17. RESERVES

		GROUP		COMPANY	
		2023	2022	**2023**	2022
	NOTE	**RM**	RM	**RM**	RM
Non-distributable:					
Foreign currency translation reserve	**17.1**	**6,855,552**	4,851,016	**-**	-
Revaluation reserve	**17.2**	**36,969,039**	37,324,785	**-**	-
Legal reserve	**17.3**	**32,510**	32,510	**-**	-
Share options reserve	**17.4**	**-**	31,260	**-**	31,260
Other capital reserve	**17.5**	**5,120,000**	5,120,000	**-**	-
		48,977,101	47,359,571	**-**	31,260

17.1 Foreign currency translation reserve

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

17.2 Revaluation reserve

	GROUP	
	2023	2022
	RM	RM
Balance at beginning	**37,324,785**	19,284,165
Revaluation of land and building	**-**	23,028,660
Attributable of non-controlling interests	**-**	(81,000)
Realisation of revaluation surplus upon depreciation	**(355,746)**	(260,966)
Deferred tax impact on revaluation surplus	**-**	(4,646,074)
Balance at end	**36,969,039**	37,324,785

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

17.3 Legal reserve

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

17.4 Share options reserve

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

17.5 Other capital reserve

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

18. RETIREMENT BENEFIT OBLIGATIONS

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

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

	GROUP	
	2023	2022
	RM	RM
Present value of defined benefit plan, representing net liability under non-current liabilities	**3,523,435**	2,471,341

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

	GROUP	
	2023	2022
	RM	RM
Current service cost	**298,839**	282,761
Interest cost	**64,009**	46,071
	362,848	328,832

The movement of the defined benefit plan are as follows:

	GROUP	
	2023	2022
	RM	RM
Balance at beginning	**2,471,341**	2,406,454
Arising from acquisition of a subsidiary	**683,182**	-
Recognised in profit or loss	**362,848**	328,832
Recognised in other comprehensive income	**-**	58,871
Paid during the financial year/period	**(73,978)**	(100,876)
Exchange differences	**80,042**	(221,940)
Balance at end	**3,523,435**	2,471,341

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

	GROUP	
	2023	2022
	%	%
Discount rate	**2.60**	2.60
Expected salary increment rate	**6.00**	6.00

18. **RETIREMENT BENEFIT OBLIGATIONS** (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			
	2023	2022	**2023**	2022
	%	%	**RM**	RM
Discount rate increase	**1**	1	**(285,811)**	(257,559)
Discount rate decrease	**(1)**	(1)	**321,325**	302,040
Expected salary increment rate increase	**1**	1	**341,438**	285,139
Expected salary increment rate decrease	**(1)**	(1)	**(300,017)**	(249,388)

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

	GROUP	
	2023	2022
	RM	RM
Within next 12 months	**31,054**	18,943
Between 2 to 5 years	**381,550**	402,989
Beyond 5 years	**9,139,112**	8,926,149
	9,551,716	9,348,081

The average duration of the defined benefit plan obligation at the end of the reporting period is **12.13 years** (2022: 13.13 years).

19. **BORROWINGS**

	GROUP	
	2023	2022
	RM	RM
Non-current liabilities		
Secured:		
Finance lease liabilities		
Minimum payments:		
Within one year	**1,651,535**	1,664,627
More than one year and less than two years	**1,414,599**	660,394
More than two years and less than five years	**3,040,176**	327,131
	6,106,310	2,652,152
Future finance charges	**(642,991)**	(176,512)
	5,463,319	2,475,640
Amount due within one year included under current liabilities	**(1,395,851)**	(1,593,989)
Balance carried forward	**4,067,468**	881,651

19. **BORROWINGS** (CONT'D)

	GROUP	
	2023	2022
	RM	RM
Balance brought forward	**4,067,468**	881,651
Term loans		
Total amount repayable	**16,700,634**	10,599,822
Amount due within one year included under current liabilities	**(2,848,480)**	(2,613,863)
	13,852,154	7,985,959
	17,919,622	8,867,610
Current liabilities		
Secured:		
Bank overdrafts	**4,361,880**	-
Bankers' acceptance	**4,286,733**	-
Finance lease liabilities	**1,395,851**	1,593,989
Revolving credit	**8,561,006**	8,000,000
Term loans	**2,848,480**	2,613,863
Trust receipts	**-**	2,276,933
	21,453,950	14,484,785
Total borrowings	**39,373,572**	23,352,395

The borrowings are secured by way of:

(i) Legal charges over certain subsidiaries' freehold land, leasehold land, buildings, plant and machinery as disclosed in Note 4 to the financial statements;
(ii) Legal charges over certain subsidiaries' investment properties as disclosed in Note 5 to the financial statements;
(iii) Deposits with licensed banks of the Group as disclosed in Note 15 to the financial statements;
(iv) Corporate guarantee of the Company and certain subsidiaries; and
(v) Leased assets as disclosed in Note 4 to the financial statements.

The currency profile of borrowings is as follows:

	GROUP	
	2023	2022
	RM	RM
Ringgit Malaysia	**36,054,501**	14,736,469
Thai Baht	**3,319,071**	8,615,926
	39,373,572	23,352,395

19. **BORROWINGS** (CONT'D)

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

	Effective interest rates per annum	Total	Within one year	More than one year and less than two years	More than two years and less than five years	More than five years
	(%)	RM	RM	RM	RM	RM
GROUP						
2023						
Bank overdrafts	**7.40**	**4,361,880**	**4,361,880**	**-**	**-**	**-**
Bankers acceptance	**2.85 - 5.49**	**4,286,733**	**4,286,733**	**-**	**-**	**-**
Finance lease liabilities	**2.29 - 10.00**	**5,463,319**	**1,395,851**	**1,237,565**	**2,829,903**	**-**
Revolving credit	**4.67 - 5.19**	**8,561,006**	**8,561,006**	**-**	**-**	**-**
Term loans	**4.31 - 6.00**	**16,700,634**	**2,848,480**	**1,119,352**	**4,019,960**	**8,712,842**
2022						
Finance lease liabilities	2.29 - 13.00	2,475,640	1,593,989	572,221	309,430	-
Revolving credit	2.95 - 3.85	8,000,000	8,000,000	-	-	-
Term loans	4.60 - 5.60	10,599,822	2,613,863	654,550	4,380,237	2,951,172
Trust receipts	6.00	2,276,933	2,276,933	-	-	-

20. **TRADE AND OTHER PAYABLES**

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Trade payables				
Third parties	**13,485,088**	12,899,672	**-**	-
Other payables				
Sundry payables	**2,374,312**	1,975,335	**131,808**	11,882
Amount due to subsidiaries	-	-	**7,478,685**	9,387,464
Accruals	**3,492,473**	3,510,515	**223,071**	364,661
Amount due to directors	**105,000**	99,523	**-**	-
Deposits received	**3,785,815**	656,790	**-**	-
	9,757,600	6,242,163	**7,833,564**	9,764,007
Total trade and other payables	**23,242,688**	19,141,835	**7,833,564**	9,764,007

20. **TRADE AND OTHER PAYABLES** (CONT'D)

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

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Ringgit Malaysia	**5,722,682**	7,829,699	**7,833,564**	9,734,118
Thai Baht	**15,956,837**	7,393,124	**-**	29,889
United States Dollar	**1,563,169**	3,829,391	**-**	-
Japanese Yen	**-**	67,423	**-**	-
Singapore Dollar	**-**	22,198	**-**	-
	23,242,688	19,141,835	**7,833,564**	9,764,007

Trade payables of the Group are non-interest bearing and are normally settled within **30 to 90 days** (2022: 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 **RM7,478,685** (2022: RM8,670,010) on which interest is charged at **3.30%** (2022: 6.70%) per annum.

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

Included in the deposit received of the Group is an amount of **RM2,250,000** (2022: RM Nil) received from a third party for the intention to acquire a subsidiary's leasehold land with a detached building. There is no sale and purchase agreement being executed as of to-date.

21. **REVENUE**

21.1 **Disaggregated revenue information**

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	(Restated) 1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
Types of goods or service				
Sale of goods	**157,920,480**	146,779,858	**-**	-
Contract manufacturing	**14,522,967**	18,072,401	**-**	-
Mould income	**906,517**	194,038	**-**	-
Management fees	**-**	-	**4,453,520**	4,119,060
Total revenue from contracts with customers	**173,349,964**	165,046,297	**4,453,520**	4,119,060
Dividend income	**-**	-	**-**	247,500
Rental income	**1,511,150**	1,553,750	**-**	-
Other revenue	**1,511,150**	1,553,750	**-**	247,500
Total revenue	**174,861,114**	166,600,047	**4,453,520**	4,366,560

21. REVENUE (CONT'D)

21.1 Disaggregated revenue information (Cont'd)

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	(Restated) 1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
Geographical markets				
Thailand	**79,121,732**	79,095,973	**-**	-
Malaysia	**78,246,669**	64,331,957	**4,453,520**	4,119,060
Singapore	**7,785,402**	15,894,487	**-**	-
Denmark	**3,675,431**	57,947	**-**	-
Indonesia	**2,156,913**	842,007	**-**	-
United States of America	**1,482,541**	1,335,532	**-**	-
Europe	**575,331**	-	**-**	-
Vietnam	**184,694**	357,373	**-**	-
United Kingdom	**-**	2,103,957	**-**	-
China	**51,161**	703,952	**-**	-
Others	**70,090**	323,112	**-**	-
Total revenue from contracts with customers	**173,349,964**	165,046,297	**4,453,520**	4,119,060
Timing of revenue recognition				
Revenue recognised at a point in time	**173,349,964**	165,046,297	**-**	-
Revenue recognised over time	**-**	-	**4,453,520**	4,119,060
Total revenue from contracts with customers	**173,349,964**	165,046,297	**4,453,520**	4,119,060

21.2 Performance obligations

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

22. OTHER INCOME

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
Bad debts recovered	**25,727**	12,200	**-**	-
Gain on disposal of property, plant and equipment	**45,430**	64,800	**-**	26,000
Insurance claims	**79,392**	71,253	**-**	-
Others	**114,951**	445,034	**9,876**	4,653
Rental income	**98,408**	44,835	**-**	-
Reversal of allowance for expected credit losses	**54,132**	90,072	**-**	89,645
Sales commission	**386,229**	308,603	**-**	-
Scrap sales	**2,393,658**	2,505,822	**-**	-
	3,197,927	3,542,619	**9,876**	120,298

23. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
Fees	**344,333**	533,123	**227,173**	533,123
Salaries, wages, bonus and allowances	**33,401,831**	31,693,669	**3,207,893**	3,186,761
EPF	**1,846,759**	1,762,024	**324,880**	408,786
SOCSO	**360,836**	323,144	**15,923**	13,436
EIS	**18,841**	14,381	**1,515**	1,340
Defined benefit plan (Note 18)	**362,848**	328,832	**-**	-
Other benefits	**1,072,729**	781,189	**299,877**	53,610
	37,408,177	35,436,362	**4,077,261**	4,197,056

23. **EMPLOYEE BENEFITS EXPENSE** (CONT'D)

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

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	**1.4.2022 to 31.3.2023 (12 months) RM**	1.5.2021 to 31.3.2022 (11 months) RM
Executive directors of the Company:				
- Salaries, bonus and allowances	**413,000**	512,529	**413,000**	512,529
- EPF	**61,200**	89,275	**61,200**	89,275
- SOCSO	**952**	736	**952**	736
- EIS	**88**	-	**88**	-
	475,240	602,540	**475,240**	602,540
Non-executive directors of the Company:				
- Fees	**227,173**	436,460	**227,173**	533,123
- Allowances	**75,870**	300,529	**75,870**	203,866
	303,043	736,989	**303,043**	736,989
Executive directors of subsidiaries:				
- Fees	**117,160**	96,663	**-**	-
- Salaries, bonus and allowances	**3,312,432**	1,957,727	**917,044**	-
- EPF	**220,347**	202,792	**19,520**	-
- SOCSO	**4,759**	3,485	**-**	-
- EIS	**494**	224	**-**	-
	3,655,192	2,260,891	**936,564**	-
Total directors' remuneration	**4,433,475**	3,600,420	**1,714,847**	1,339,529

The directors' remuneration can be further analysed as:

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months) RM	1.5.2021 to 31.3.2022 (11 months) RM	**1.4.2022 to 31.3.2023 (12 months) RM**	1.5.2021 to 31.3.2022 (11 months) RM
Present directors:				
- Executive	**4,075,444**	2,119,155	**1,411,804**	171,953
- Non-executive	**284,433**	217,277	**284,433**	217,277
	4,359,877	2,336,432	**1,696,237**	389,230
Past directors:				
- Executive	**54,988**	647,613	**-**	333,924
- Non-executive	**18,610**	616,375	**18,610**	616,375
	73,598	1,263,988	**18,610**	950,299
	4,433,475	3,600,420	**1,714,847**	1,339,529

24. **FINANCE COSTS**

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
Accretion of interest on lease liabilities	**306,463**	310,950	**13,152**	1,327
Interest expenses on:				
- amount due to subsidiaries	**-**	-	**248,318**	199,391
- finance lease liabilities	**123,236**	233,799	**-**	-
- other banks borrowings	**756,978**	314,019	**315,898**	20,435
- term loans	**494,537**	560,368	**-**	-
	1,681,214	1,419,136	**577,368**	221,153

25. **FINANCE INCOME**

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
Interest income from:				
- amounts due from subsidiaries	**-**	-	**725,498**	616,349
- deposits with licensed banks	**241,962**	408,392	**150,807**	116,043
- trade and other receivables	**12,352**	23,724	**-**	-
	254,314	432,116	**876,305**	732,392

26. PROFIT/(LOSS) BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
After charging:				
Auditors' remuneration				
- Statutory audit				
- Grant Thornton Malaysia PLT				
- Current year	**237,000**	232,000	**110,000**	105,000
- Over provision in prior year	**(3,000)**	(7,600)	**-**	-
- Other auditors	**139,841**	98,424	**-**	15,900
- Assurance related and non-audit services				
- Grant Thornton Malaysia PLT	**105,000**	5,000	**105,000**	5,000
- Affiliate of Grant Thornton Malaysia PLT	**53,000**	53,000	**7,500**	7,500
Bad debts written off	**48,664**	-	**-**	-
Gain on derecognition of right-of-use assets and lease liabilities	**(153,495)**	-	**-**	-

27. TAXATION

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	(Restated) 1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
Statements of comprehensive income:				
Malaysian income tax:				
Based on results for the financial year/period				
- Current tax	**(644,701)**	(1,064,397)	**-**	-
- Deferred tax relating to the origination and reversal of temporary differences	**(245,384)**	(428,270)	**-**	-
	(890,085)	(1,492,667)	**-**	-
(Under)/Over provision in prior year/period				
- Current tax	**(51,217)**	289,519	**-**	(2,846)
- Deferred tax	**166,074**	333,437	**-**	-
	114,857	622,956	**-**	(2,846)
Tax expense recognised in profit or loss	**(775,228)**	(869,711)	**-**	(2,846)

27. **TAXATION** (CONT'D)

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	(Restated) 1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
Deferred tax relate to items recognised in other comprehensive income (Note 9)				
Revaluation of land and buildings	**-**	4,646,074	**-**	-

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

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

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	(Restated) 1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
Profit/(Loss) before tax	**840,285**	9,691,915	**(4,272,296)**	(3,155,166)
Income tax at Malaysian statutory tax rate of 24%	**(201,669)**	(2,326,060)	**1,025,351**	757,240
Effect of tax rate in foreign jurisdiction	**22,517**	277,011	**-**	-
Income not subject to tax	**1,044,000**	2,000	**-**	87,876
Expenses not deductible for tax purposes	**(790,224)**	(2,851,133)	**(388,895)**	(796,634)
Effect of double deduction	**24,106**	19,002	**-**	-
Utilisation of reinvestment allowance	**96,949**	162,040	**-**	-
Utilisation of unrecognised unused tax losses and unabsorbed allowances	**426,328**	3,269,743	**-**	-
Deferred tax assets not recognised	**(1,613,298)**	(157,807)	**(636,456)**	(48,482)
Annual crystallisation of deferred tax on revaluation reserve	**101,206**	112,537	**-**	-
	(890,085)	(1,492,667)	**-**	-
Over/(Under) provision in prior period/year	**114,857**	622,956	**-**	(2,846)
	(775,228)	(869,711)	**-**	(2,846)

28. (LOSS)/EARNINGS PER SHARE

28.1 Basic (loss)/earnings per share

Basic (loss)/earnings per share of the Group is calculated by dividing the (loss)/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	
	1.4.2022 to 31.3.2023 (12 months) RM	(Restated) 1.5.2021 to 31.3.2022 (11 months) RM
(Loss)/Profit attributable to owners of the Company (RM)	**(258,662)**	8,669,246
Weighted average number of ordinary shares in issue	**395,323,000**	340,446,000
Basic (loss)/earnings per share (in sen)	**(0.07)**	2.55

28.2 Diluted (loss)/earnings per share

Diluted (losses)/earnings per share of the Group is calculated by dividing the (loss)/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	
	1.4.2022 to 31.3.2023 (12 months) RM	(Restated) 1.5.2021 to 31.3.2022 (11 months) RM
(Loss)/Profit attributable to owners of the Company (RM)	**(258,662)**	8,669,246
Weighted average number of ordinary shares in issue	**395,323,000**	340,446,000
Adjustment for conversion of ESOS	**-**	84,000
	395,323,000	340,530,000
Diluted (loss)/earnings per share (in sen)	**(0.07)**	2.55

29. **EMPLOYEES' SHARE OPTION SCHEME ("ESOS")**

The ESOS is governed by the ESOS By-Laws and was approved by shareholders on 3 July 2015. The ESOS was to be in force until 17 May 2026. The ESOS Scheme, however, has been terminated on 1 November 2022.

The main features of the ESOS were as follows:

(i) Eligible persons meet the following criteria as at the date of offer:

- if he has attained the age of eighteen (18) years on the date offer and is not an undercharged bankrupt;
- if he is employed on a full-time basis on the payroll of a company within the Group and his employment must have been confirmed in writing on or prior to the date of offer;
- if he is a contract worker on a full-time basis serving under a contract of employment; and
- if he fulfils any other criteria and/or falls within such category that the ESOS Committee may from time to time at its absolute discretion determine.

(ii) The maximum number of new shares of the Company, which may be available under the Scheme, shall not exceed in aggregate 15% of the total issued and paid-up share capital of the Company at any point in time during the duration of the Scheme and includes any extension thereof.

(iii) The option price shall be determined by the Option Committee based on the 5-day weighted average market price of shares of the Company immediately preceding the offer date of the option with a discount of not more than 10%.

(iv) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new shares of the Company comprised in the ESOS.

(v) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank *pari passu* in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new shares.

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

	Balance at beginning	**Forfeited**	**Lapsed**	**Balance at end**
2023				
Share option expiring 17 May 2026	**228,500**	**-**	**(228,500)**	**-**
2022				
Share option expiring 17 May 2026	259,000	(30,500)	-	228,500

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

29. **EMPLOYEES' SHARE OPTION SCHEME ("ESOS")** (CONT'D)

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 (%)	-

30. **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.

30. **SEGMENTAL INFORMATION** (CONT'D)

By business segments divided by the customers' industries

2023

	Healthcare RM	Electrical and electronics RM	Other industries RM	Others RM	Elimination RM	Note	Total RM
Revenue							
External sales	54,399,743	93,648,134	26,813,237	-	-		174,861,114
Inter-segment sales	-	9,388,027	-	-	(9,388,027)	A	-
Total revenue	54,399,743	103,036,161	26,813,237	-	(9,388,027)		174,861,114
Results							
Segment results	4,027,077	4,996,090	494,350	(515,417)	-		9,002,100
Unallocated expenses							(6,734,915)
Operating profit							2,267,185
Finance costs							(1,681,214)
Finance income							254,314
Profit before tax							840,285
Taxation							(775,228)
Profit for the financial year							65,057
Assets							
Segment assets	86,793,397	156,995,797	25,131,959	11,746,063	-		280,667,216
Unallocated assets							6,783,407
Current tax assets							1,963,779
Deferred tax assets							145,562
Total assets							289,559,964
Liabilities							
Segment liabilities	9,950,658	47,184,425	6,351,240	4,976,290	-		68,462,613
Unallocated liabilities							1,898,093
Deferred tax liabilities							11,224,955
Total liabilities							81,585,661
Other segment information							
Additions to non-current assets	2,427,483	19,262,677	65,997	149,773	-	B	21,905,930
Depreciation							
- property, plant and equipment	2,009,734	3,762,101	40,038	591,957	-		6,403,830
- right-of-use assets	157,341	1,983,870	176,897	239,665	-		2,557,773
Non-cash expenses other than depreciation	254,711	1,833,254	391,041	331,678	-	C	2,810,684

30. **SEGMENTAL INFORMATION** (CONT'D)

By business segments divided by the customers' industries

(Restated)
2022

	Healthcare RM	Electrical and electronics RM	Other industries RM	Others RM	Elimination RM	Note	Total RM
Revenue							
External sales	57,001,964	87,755,449	21,842,634	-	-		166,600,047
Inter-segment sales	-	7,888,714	-	-	(7,888,714)	A	-
Total revenue	57,001,964	95,644,163	21,842,634	-	(7,888,714)		166,600,047
Results							
Segment results	7,949,758	9,179,291	672,905	(405,164)	-		17,396,790
Unallocated expenses							(6,717,855)
Operating profit							10,678,935
Finance costs							(1,419,136)
Finance income							432,116
Profit before tax							9,691,915
Taxation							(869,711)
Profit for the financial period							8,822,204
Assets							
Segment assets	92,129,354	127,328,540	15,869,672	10,933,263	-		246,260,829
Unallocated assets							12,346,121
Current tax assets							1,767,774
Total assets							260,374,724
Liabilities							
Segment liabilities	14,669,205	29,477,751	5,334,245	399,440	-		49,880,641
Unallocated liabilities							340,840
Deferred tax liabilities							11,000,083
Current tax liabilities							149
Total liabilities							61,221,713
Other segment information							
Additions to non-current assets	7,011,253	3,529,093	89,573	7,640	-	B	10,637,559
Depreciation							
- property, plant and equipment	1,914,925	3,681,647	137,735	269,260	-		6,003,567
- right-of-use assets	144,229	1,709,248	117,807	65,276	-		2,036,560
Non-cash expenses other than depreciation	490,018	1,068,498	286,814	(47,945)	-	C	1,797,385

30. **SEGMENTAL INFORMATION** (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:

	GROUP	
	1.4.2022 to 31.3.2023 (12 months)	(Restated) 1.5.2021 to 31.3.2022 (11 months)
	RM	RM
Accretion of interest on lease liabilities	**306,463**	310,950
Allowance for expected credit losses	**183,465**	111,099
Bad debts written off	**48,664**	-
Defined benefit plan	**362,848**	328,832
Fair value gain on investment properties	**4,350,000**	20,000
Fair value loss on other investments	**(3,685,765)**	483,823
Gain on disposal of property, plant and equipment	**(45,430)**	(64,800)
Gain on derecognition of right-of-use assets and lease liabilities	**(153,495)**	-
Inventories written down, net	**602,046**	450,721
Inventories written off	**873,698**	24,482
Property, plant and equipment written off	**79,012**	3,077
Reversal of allowance for expected credit losses	**(54,132)**	(90,072)
Unrealised (gain)/loss on foreign exchange	**(56,690)**	219,273
	2,810,684	1,797,385

By geographical segments

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

	Non-current assets	
	2023	(Restated) 2022
	RM	RM
Malaysia	**80,205,017**	57,432,006
Thailand	**71,856,382**	65,372,866
	152,061,399	122,804,872

Information about major customers

Total revenue from **1** (2022: 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 **RM28,083,351** (1.5.2021 to 31.3.2022: RM32,797,366).

31. CAPITAL COMMITMENTS

	GROUP	
	2023	2022
	RM	RM
Approved but not provided for:		
- Leasehold land and building	**19,620,000**	3,870,000
- Plant and machinery	**72,308**	290,000

32. RELATED PARTY DISCLOSURES

(i) Identity of related party

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

Related parties	**Relationship**
Wangsa Interaktif Sdn. Bhd.	A company in which a director of a subsidiary, En. Roslant Bin Abu, has substantial financial interests. En. Roslant Bin Abu has ceased to be a director of a subsidiary with effect from 7 June 2022.
AT Glove Engineering Sdn. Bhd.	A subsidiary of the corporate shareholder of the Company.
AT Precision Tooling Sdn. Bhd.	A subsidiary of the corporate shareholder of the Company.
Pasukhas Sdn. Bhd.	A director of a subsidiary, Mr. Mak Siew Wei, who is also a director in the holding company of Pasukhas Sdn. Bhd.

32. **RELATED PARTY DISCLOSURES** (CONT'D)

(ii) **Related party transactions**

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

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
Net advances to subsidiaries	**-**	-	**8,131,462**	18,420,916
Interest expense paid/payable to subsidiaries	**-**	-	**248,318**	199,391
Interest income from subsidiaries	**-**	-	**725,498**	616,349
Management fees from subsidiaries	**-**	-	**4,453,520**	4,119,060
Dividend income from a subsidiary	**-**	-	**-**	247,500
Purchase from AT Glove Engineering Sdn. Bhd.	**56,199**	-	**-**	-
Rental of motor vehicles paid to a subsidiary	**-**	-	**56,208**	51,524
Rental income received from AT Precision Tooling Sdn. Bhd.	**67,400**	-	**-**	-
Sales to Wangsa Interaktif Sdn. Bhd.	**-**	145,609	**-**	-
Transfer of property, plant and equipment to a subsidiary	**-**	-	**-**	3,051
Deposit paid to Pasukhas Sdn. Bhd.	**4,200,000**	-	**-**	-

32. **RELATED PARTY DISCLOSURES** (CONT'D)

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

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

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

	GROUP		COMPANY	
	1.4.2022 to 31.3.2023 (12 months)	1.5.2021 to 31.3.2022 (11 months)	**1.4.2022 to 31.3.2023 (12 months)**	1.5.2021 to 31.3.2022 (11 months)
	RM	RM	**RM**	RM
Fees	**344,333**	533,123	**227,173**	533,123
Salaries, allowances and bonus	**3,801,302**	3,534,387	**1,405,914**	1,479,997
EPF	**281,547**	396,600	**80,720**	193,808
SOCSO	**5,711**	4,567	**952**	1,082
EIS	**582**	224	**88**	-
	4,433,475	4,468,901	**1,714,847**	2,208,010
Analysed as:				
- Directors	**4,433,475**	3,600,420	**1,714,847**	1,339,529
- Other key management personnel	**-**	868,481	**-**	868,481
	4,433,475	4,468,901	**1,714,847**	2,208,010

33. FINANCIAL INSTRUMENTS

33.1 Categories of financial instruments

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

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2023			
Financial assets			
Trade and other receivables, excluding non-refundable deposits, prepayments and GST recoverable	**37,601,634**	**37,601,634**	**-**
Other investments	**24,062,748**	**-**	**24,062,748**
Cash and bank balances	**25,849,605**	**25,849,605**	**-**
	87,513,987	**63,451,239**	**24,062,748**
Financial liabilities			
Borrowings	**39,373,572**	**39,373,572**	**-**
Trade and other payables	**23,242,688**	**23,242,688**	**-**
	62,616,260	**62,616,260**	**-**
2022			
Financial assets			
Trade and other receivables, excluding non-refundable deposits, prepayments and GST recoverable	34,102,613	34,102,613	-
Other investments	13,398,146	-	13,398,146
Cash and bank balances	40,955,843	40,955,843	-
	88,456,602	75,058,456	13,398,146
Financial liabilities			
Borrowings	23,352,395	23,352,395	-
Trade and other payables	19,141,835	19,141,835	-
	42,494,230	42,494,230	-

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.1 **Categories of financial instruments** (Cont'd)

	Carrying amount RM	AC RM	FVTPL RM
COMPANY			
2023			
Financial assets			
Trade and other receivables, excluding prepayments and GST recoverable	**48,531,530**	**48,531,530**	**-**
Other investments	**1,173,499**	**-**	**1,173,499**
Cash and bank balances	**580,283**	**580,283**	**-**
	50,285,312	**49,111,813**	**1,173,499**
Financial liabilities			
Trade and other payables	**7,833,564**	**7,833,564**	**-**
2022			
Financial assets			
Trade and other receivables, excluding prepayments and GST recoverable	43,810,596	43,810,596	-
Other investments	5,008,133	-	5,008,133
Cash and bank balances	7,771,700	7,771,700	-
	56,590,429	51,582,296	5,008,133
Financial liabilities			
Trade and other payables	9,764,007	9,764,007	-

33.2 **Financial risk management**

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

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.3 **Credit risk**

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

33.3.1 **Trade receivables**

The Group gives its customers credit terms that range between **30 to 120 days** (2022: 30 to 120 days). In deciding whether credit shall be extended, the Group will take into consideration factors such as relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, receivables balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

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

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

	Gross **RM**	**Allowance for expected credit losses** **RM**	**Net** **RM**
GROUP			
2023			
Not past due	**23,131,057**	**-**	**23,131,057**
1 to 30 days past due	**3,997,671**	**-**	**3,997,671**
31 to 60 days past due	**470,801**	**-**	**470,801**
61 to 90 days past due	**573,300**	**-**	**573,300**
More than 90 days past due	**1,596,681**	**-**	**1,596,681**
	6,638,453	**-**	**6,638,453**
Impaired	**1,093,625**	**(1,093,625)**	**-**
	30,863,135	**(1,093,625)**	**29,769,510**
2022			
Not past due	22,749,649	-	22,749,649
1 to 30 days past due	4,081,220	-	4,081,220
31 to 60 days past due	1,024,973	-	1,024,973
61 to 90 days past due	336,002	-	336,002
More than 90 days past due	967,751	-	967,751
	6,409,946	-	6,409,946
Impaired	1,030,818	(1,030,818)	-
	30,190,413	(1,030,818)	29,159,595

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.3 **Credit risk** (Cont'd)

33.3.1 **Trade receivables** (Cont'd)

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/period.

The Group has trade receivables amounting to **RM6,638,453** (2022: RM6,409,946) 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** (2022: 1 customer) representing **24%** (2022: 11%) 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 and contract assets as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross	**Allowance for expected credit losses**	**Net**
	RM	**RM**	**RM**
Credit risk rating			
GROUP			
2023			
Low risk	**30,625,532**	**-**	**30,625,532**
Individually impaired	**1,093,625**	**(1,093,625)**	**-**
	31,719,157	**(1,093,625)**	**30,625,532**
2022			
Low risk	29,879,188	-	29,879,188
Individually impaired	1,030,818	(1,030,818)	-
	30,910,006	(1,030,818)	29,879,188

In managing the credit risk of the trade receivables and contract assets, 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 and contract assets at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables and contract assets are estimated based on past default experience and an analysis of the trade receivables' and contract assets' current financial position, adjusted for factors that are specific to the trade receivables and contract assets such as liquidation and bankruptcy. Forward looking information such as gross domestic product rate has been incorporated in determining the expected credit losses.

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.3 **Credit risk** (Cont'd)

33.3.1 **Trade receivables** (Cont'd)

Maximum exposure to credit risk (Cont'd)

Trade receivables are usually collectible and the Group does not have much historical bad debts written off or impairment of trade receivables and contract assets. 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/period based on the above assessment as the impact to the Group's financial statements is not material.

33.3.2 **Intercompany balances**

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

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

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

33.3.3 **Financial guarantees**

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

	COMPANY	
	2023	2022
	RM	RM
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries		
- Limit	**99,251,520**	79,069,951
- Maximum exposure	**39,218,046**	23,015,129

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.

33.4 **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.

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.4 **Liquidity risk** (Cont'd)

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					
2023					
Non-derivative financial liabilities					
Borrowings	**39,373,572**	**43,430,663**	**22,633,359**	**10,461,910**	**10,335,394**
Lease liabilities	**4,221,011**	**5,890,777**	**2,010,929**	**3,879,848**	**-**
Trade and other payables	**23,242,688**	**23,242,688**	**23,242,688**	**-**	**-**
Total undiscounted financial liabilities	**66,837,271**	**72,564,128**	**47,886,976**	**14,341,758**	**10,335,394**
2022					
Non-derivative financial liabilities					
Borrowings	23,352,395	23,802,747	13,360,039	6,537,058	3,905,650
Lease liabilities	5,255,910	6,187,350	2,440,080	3,444,270	303,000
Trade and other payables	19,141,835	19,141,835	19,141,835	-	-
Total undiscounted financial liabilities	47,750,140	49,131,932	34,941,954	9,981,328	4,208,650

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.4 **Liquidity risk** (Cont'd)

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM	More than five years RM
COMPANY					
2023					
Non-derivative financial liabilities					
Lease liabilities	**1,536,143**	**1,600,000**	**300,000**	**1,300,000**	**-**
Trade and other payables	**7,833,564**	**7,833,564**	**7,833,564**	**-**	**-**
* Financial guarantees	**-**	**39,218,046**	**39,218,046**	**-**	**-**
Total undiscounted financial liabilities	**9,369,707**	**48,651,610**	**47,351,610**	**1,300,000**	**-**
2022					
Non-derivative financial liabilities					
Trade and other payables	9,764,007	9,764,007	9,764,007	-	-
* Financial guarantees	-	23,015,129	23,015,129	-	-
Total undiscounted financial liabilities	9,764,007	32,779,136	32,779,136	-	-

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

33.5 **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 and the Company'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	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Fixed rate instruments				
Financial assets	**10,333,544**	23,357,946	**226,221**	7,417,361
Financial liabilities	**18,311,058**	10,475,640	**-**	-

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.5 **Interest rate risk** (Cont'd)

	GROUP		COMPANY	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Floating rate instruments				
Financial assets	-	-	24,542,157	16,051,113
Financial liabilities	21,062,514	12,876,755	7,478,685	8,670,010

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 an insignificant impact to the Group's and the Company's (loss)/profit before tax and equity. 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.

33.6 **Foreign currency risk**

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

		Increase/(Decrease) GROUP			
		2023		2022	
		Equity	**Profit before tax**	Equity	Profit before tax
		RM	**RM**	RM	RM
USD/RM	- strengthened 5%	**89,188**	**117,352**	175,769	231,275
	- weakened 5%	**(89,188)**	**(117,352)**	(175,769)	(231,275)
SGD/RM	- strengthened 5%	**53,310**	**70,145**	37,698	49,603
	- weakened 5%	**(53,310)**	**(70,145)**	(37,698)	(49,603)

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.6 **Foreign currency risk** (Cont'd)

Sensitivity analysis for foreign currency risk (Cont'd)

		Increase/(Decrease) GROUP			
		2023		2022	
		Equity	**Profit before tax**	Equity	Profit before tax
		RM	**RM**	RM	RM
THB/RM	- strengthened 5%	**2,303,001**	**290,811**	1,767,770	389,174
	- weakened 5%	**(2,303,001)**	**(290,811)**	(1,767,770)	(389,174)
USD/THB	- strengthened 5%	**(14,724)**	**(19,373)**	(111,939)	(147,288)
	- weakened 5%	**14,724**	**19,373**	111,939	147,288
USD/RM	- strengthened 5%	**7,867**	**10,351**	79,710	104,881
	- weakened 5%	**(7,867)**	**(10,351)**	(79,710)	(104,881)
THB/RM	- strengthened 5%	**26,312**	**34,621**	24,373	32,070
	- weakened 5%	**(26,312)**	**(34,621)**	(24,373)	(32,070)

33.7 **Equity price risk**

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

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

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

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

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the share price of the quoted equity securities had been 5% higher/lower, with all other variables held constant, the Group's profit before tax and equity would have been **RM1,144,462** (2022: RM419,501) higher/lower, arising as a result of higher/lower fair value gain on investment in quoted shares.

34. FAIR VALUE INFORMATION

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.

34.1 Non-financial assets that are measured at fair value

The directors determine the recurring fair values of the Group's freehold land, leasehold land, buildings and investment properties with reference to valuation reports by external independent professional valuers using the market comparison method, investment method and cost method.

Description of valuation techniques used and key inputs to valuation of investment properties:

Valuation techniques	Significant unobservable inputs	Range
2023		
Market comparison method	Difference in location, time factor, size, view, level, terrain and tenure	-50% to - 5%
Investment method	Estimated rental value per square foot per month	RM1.20 to RM1.50
	Estimated outgoing per square foot per month	RM0.07 to RM0.20
	Market yield rate	4.5% to 6%
	Void rate	5.5%
2022		
Market comparison method	Difference in location, time factor, price per square foot, size, view, level, terrain and tenure	-50% to -5%
Investment method	Estimated rental value per square foot per month	RM1.20 to RM1.50
	Estimated outgoing per square foot per month	RM0.07 to RM0.20
	Market yield rate	4.5% to 6%
	Void rate	5.5%

Significant changes in any of the above inputs in isolation would result in significant changes in the fair value of freehold land, leasehold land, buildings and investment properties.

Market comparison method

Under the market comparison method, the land and buildings are valued by reference to transactions of similar land and buildings in the surrounding with adjustments made for differences in size, accessibility, frontage, site improvement, tenure if any and other relevant characteristics.

Investment method

Under investment method, a property's fair value is derived from an estimate of the market rental, which the subject property can reasonably be let for. Outgoings or operating expenses, such as repair and maintenance, insurance and management fee are then deducted from the annual rental income. The net annum rental income is capitalised at an appropriate current market yield to arrive at its indicative property's fair value.

34. **FAIR VALUE INFORMATION** (CONT'D)

34.1 **Non-financial assets that are measured at fair value** (Cont'd)

Cost method

Under the cost method, the land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in size, accessibility, frontage, site improvement, tenure if any and other relevant characteristics. The building is valued at current gross replacement cost of improvements less allowance for physical deterioration and all relevant forms of obsolescence at the date of valuation. The land and building values are the summated to arrive at the fair value.

Details of the Group's freehold land, leasehold land, buildings and investment properties and information about the fair value hierarchy are as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2023					
Freehold land	**-**	**-**	**53,583,263**	**53,583,263**	**53,583,263**
Leasehold land	**-**	**-**	**4,680,000**	**4,680,000**	**4,515,644**
Building	**-**	**-**	**25,177,820**	**25,177,820**	**23,946,243**
Investment properties	**-**	**-**	**28,080,000**	**28,080,000**	**28,080,000**
2022					
Freehold land	-	-	41,161,320	41,161,320	41,161,320
Leasehold land	-	-	4,680,000	4,680,000	4,680,000
Building	-	-	23,753,256	23,753,256	23,753,256
Investment properties	-	-	22,950,000	22,950,000	22,950,000

Level 3 fair value

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

Level 3 fair value of freehold land, leasehold land, buildings and investment properties have been generally derived using the market comparison approach and investment method.

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.

34. **FAIR VALUE INFORMATION** (CONT'D)

34.2 **Financial assets that are measured at fair value on a recurring basis**

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2023					
Financial asset					
Other investments	**24,062,748**	**-**	**-**	**24,062,748**	**24,062,748**
2022					
Financial asset					
Other investments	**13,398,146**	**-**	**-**	**13,398,146**	**13,398,146**
COMPANY					
2023					
Financial asset					
Other investments	**1,173,499**	**-**	**-**	**1,173,499**	**1,173,499**
2022					
Financial asset					
Other investments	**5,008,133**	**-**	**-**	**5,008,133**	**5,008,133**

Level 1 fair value

Level 1 fair value of the other investments is derived by reference to their quoted market prices in active markets at the end of the reporting period.

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.

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

The Group and the Company consider their total equity and total loans and borrowings to be the key components of their capital structure. 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	
	2023	2022	**2023**	2022
	RM	RM	**RM**	RM
Total borrowings	**39,373,572**	23,352,395	**-**	-
Less: Cash and bank balances	**(25,849,605)**	(40,955,843)	**(580,283)**	(7,771,700)
Net debt/(cash)	**13,523,967**	(17,603,448)	**(580,283)**	(7,771,700)
Total equity	**207,974,303**	199,153,011	**98,723,464**	96,244,147
Gearing ratio	**0.07**	-	**-**	-

36. COMPARATIVE FIGURES

The financial statements of the Group have been retrospectively restated due to the following:

(i) Changes in accounting policy on the measurement of the Group's investment properties

During the financial year, the Group has changed its accounting policy on measurement of the Group's investment properties from cost model to fair value model. The changes in this accounting policy were applied retrospectively.

(ii) Written off of renovation cost in Attractive Venture (JB) Sdn. Bhd. ("AVJB")

A subsidiary of the Company, AVJB, has written off renovation cost on a rented property due to the discontinuation of rental of the rented property in the prior years. The written off of renovation cost has been retrospectively adjusted on 1 May 2021 in the financial statements.

(iii) Reclassification of account

Mould income, mould cost, interest income, realised gain/(loss) on foreign exchange and unrealised gain/(loss) on foreign exchange have been reclassified to conform with current year's presentation.

36. **COMPARATIVE FIGURES** (CONT'D)

The effects of the above adjustments and reclassifications to the financial statements of the Group are as follows:

	As previously stated	Adjustments and reclassifications	As restated
	RM	RM	RM
GROUP			
Statements of financial position			
31.3.2022			
Property, plant and equipment	94,671,047	(156,126)	94,514,921
Investment properties	12,911,919	10,038,081	22,950,000
Retained profits	26,081,409	9,178,262	35,259,671
Non-controlling interests	5,151,520	223,042	5,374,562
Deferred tax liabilities	10,519,432	480,651	11,000,083
1.5.2021			
Property, plant and equipment	68,022,274	(160,978)	67,861,296
Investment properties	13,211,950	9,718,050	22,930,000
Retained profits	17,526,827	8,858,264	26,385,091
Non-controlling interests	5,077,307	220,158	5,297,465
Deferred tax liabilities	5,945,366	478,650	6,424,016
Statements of comprehensive income			
1.5.2021 to 31.3.2022			
Revenue	166,406,009	194,038	166,600,047
Other income	4,864,043	(1,321,424)	3,542,619
Depreciation of:			
- property, plant and equipment	(6,008,419)	4,852	(6,003,567)
- investment properties	(300,031)	300,031	-
Fair value gain on investment properties	-	20,000	20,000
Mould cost	-	(131,037)	(131,037)
Realised gain/(loss) on foreign exchange	(194,648)	249,372	54,724
Unrealised gain/(loss) on foreign exchange	(665,171)	445,898	(219,273)
Other operating expenses	(13,126,962)	131,037	(12,995,925)
Finance income	-	432,116	432,116
Taxation	(867,710)	(2,001)	(869,711)
Non-controlling interests	150,946	2,884	153,830

The changes did not have a material impact on other comprehensive income for the financial year. The impact on the statements of cash flows for the financial period from 1 May 2021 to 31 March 2022 only relates to the changes in profit before tax, certain adjustments to reconcile profit before tax to net cash flows from operating activities, and working capital adjustments. However, there was no impact on the net cash flows from operating activities. The cash flows from investing and financing activities were not affected as well.

37. **SIGNIFICANT EVENT**

During the financial year, Bursa Malaysia Securities Berhad ("Bursa Securities") has approved the following proposals which are yet to be undertaken by the Company:

(i) Proposed renounceable rights issue of up to 434,690,877 Company's shares on the basis of 1 rights share for every 1 existing share together with up to 434,690,877 free detachable warrants on the basis of 1 warrant for every 1 rights share ("Proposed Right Issue with Warrants");
(ii) Proposed establishment of a new share issuance scheme ("SIS") of up to 15% of the total number of issued shares (excluding treasury shares, if any) at any point in time during the duration of the scheme for eligible employees, executive directors and non-executive directors of the Company and its non-dormant subsidiaries ("Proposed SIS"); and
(iii) Proposed allocations of SIS Options to the directors of the Company under proposed new SIS

Bursa Securities has resolved to grant the Company an extension of time until 25 September 2023 to complete the implementation of the Proposed Right Issue with Warrants and Proposed SIS.

LIST OF PROPERTIES OWNED
AS AT 31 MARCH 2023

Beneficial owner / Location	Description / Existing Use	Land / Built in area (sq.ft.)	Age of building (years) as at 31.03.2023	Type of land / tenure (Year of expiry for leasehold)	Net book value as at 31.03.2023 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	32	60 years - leasehold (2045)	383	05.11.1990
51-14 B & C, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Penang. #	Building / Corporate Head Office	* / 3,670	28	Freehold	1,766	14-B: 21.03.1994 14-C: 18.04.1994
BAM Villa, Unit 42C-7-5C, Taman Maluri, Cheras, 56000 Kuala Lumpur. @	Condominium	* / 975	30	99 years - leasehold (2090)	300	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	34	60 years - leasehold (2046)	4,914	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	27	Freehold	780	10.05.1995
Plot 37, 1652 Mukim 11, Lorong Perusahaan Maju 7, Taman Perindustrian Bukit Tengah, Phase IV, 13600 Prai, Penang. @	Industrial land and building / Factory	44,800 / 50,000	21	60 years - leasehold (2052)	11,000	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	6	60 years - leasehold (2072)	15,000	29.04.2011
No. 2733, Tingkat Perusahaan 6A, 13600 Prai, Penang. #	Industrial land and building / Factory	43,706 / 25,649	19	60 years - leasehold (2049)	4,837	01.07.2015
Attractive Venture (JB) Sdn. Bhd.						
No. 17 1/4, Jalan Air Hitam, 81400 Saleng, Senai, Johor. #	Building / Factory	103,226 / 31,300	26	Freehold	4,026	14.12.2010
HS(D) 78374 PTD 114164, Mukim Senai, Kulai, Johor.	Vacant industrial land	174,242 / *	0	Freehold	6,362	05.08.2022
HS(D) 78375 PTD 114165, Mukim Senai, Kulai, Johor.	Vacant industrial land	174,242 / *	0	Freehold	6,362	05.08.2022

LIST OF PROPERTIES OWNED (CONTD)
AS AT 31 MARCH 2023

Beneficial owner / Location	Description / Existing Use	Land / Built in area (sq.ft.)	Age of building (years) as at 31.03.2023	Type of land / tenure (Year of expiry for leasehold)	Net book value as at 31.03.2023 RM'000	Date of acquisition
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	26	Freehold	1,000	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	23	Freehold	48,703	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	1,746	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	14	Freehold	2,949	05.02.2016
					110,128	

* Not applicable

Revalued as at 31 March 2022

@ Revalued as at 31 March 2023

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2023

Total Number of Issued Shares	:	434,462,377
Class of Shares	:	Ordinary Shares
Number of Shareholders	:	4,618
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	60	1.30	2,380	^0.00
100 – 1,000	687	14.88	508,736	0.12
1,001 – 10,000	1,959	42.42	11,490,975	2.65
10,001 – 100,000	1,576	34.13	57,277,907	13.18
100,001 – Less than 5% of issued shares	334	7.23	195,172,702	44.92
5% and above of issued shares	2	0.04	170,009,677	39.13
Total	**4,618**	**100.00**	**434,462,377**	**100.00**

^ *Negligible*

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%
AT SYSTEMATIZATION BERHAD	111,300,000	25.62	-	-
GENERAL LABELS & LABELLING (M) SDN BHD	58,709,677	13.51	-	-
KOMARKCORP BERHAD	-	-	*58,709,677	13.51

Note :

* *Deemed interest by virtue of its shareholdings in General Labels & Labelling (M) Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*

DIRECTORS' SHAREHOLDINGS

Name of Directors	No. of Shares held		No. of Shares held	
	Direct	%	Indirect	%
Dato' Moktar Bin Mohd Noor	-	-	-	-
Datuk Sham Shamrat Sen Gupta	-	-	-	-
Choong Lee Aun	-	-	-	-
Kang Teik Yih	-	-	-	-
Ong Poh Lin Abdullah	-	-	-	-

LIST OF TOP THIRTY (30) LARGEST REGISTERED SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	%
1.	AT SYSTEMATIZATION BERHAD	111,300,000	25.62
2.	GENERAL LABELS & LABELLING (M) SDN BHD	58,709,677	13.51
3.	AFFIN HWANG NOMINEES (ASING) SDN BHD - EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	21,647,600	4.98
4.	UOB KAY HIAN NOMINEES (ASING) SDN BHD - EXEMPT AN FOR UOB KAY HIAN PTE LTD (ACCOUNT CLIENTS)	9,773,200	2.25
5.	CGS-CIMB NOMINEES (ASING) SDN BHD - EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	7,651,500	1.76
6.	SERSOL MARKETING SDN. BHD.	7,238,800	1.67
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LAW KIM CHOON	6,579,200	1.51
8.	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR NG SAY KHEONG (E-PPG/JMR)	5,458,800	1.26
9.	GLORY SANCTUARY CAPITAL SDN. BHD.	4,133,700	0.95
10.	CAPITAL PAIRING SDN. BHD.	3,630,000	0.84
11.	JAIN CONSULTANCY SDN. BHD.	3,600,000	0.83
12.	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CHEAH SAY BAH (E-BBB/BBA)	3,150,000	0.73
13.	CHEE WAI HONG	2,500,000	0.58
14.	GRACE CHEAH YEONG SEN	2,417,700	0.56
15.	CHEW KWI PEK @ CHEW KWI GAIK	2,250,000	0.52
16.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD - EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (ASING WM CLT)	2,196,700	0.51
17.	HO PHON GUAN	2,000,000	0.46
18.	LEE KOK HOONG	1,924,200	0.44
19.	CITIGROUP NOMINEES (ASING) SDN BHD - EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	1,600,000	0.37
20.	ACE EDIBLE OIL INDUSTRIES SDN BHD	1,566,500	0.36
21.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)	1,500,000	0.35
22.	LENA LEONG OY LIN	1,500,000	0.35
23.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD - MAYBANK SECURITIES PTE LTD FOR TNG KAY LIM	1,500,000	0.35
24.	HSBC NOMINEES (ASING) SDN BHD - EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	1,490,000	0.34
25.	SOO SONG YING	1,490,000	0.34
26.	NOBLE PINNACLE SDN BHD	1,430,600	0.33
27.	TA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR ANG OON LING	1,347,000	0.31
28.	RHB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TAN YEN CHUAN	1,338,000	0.31
29.	G RUBBER SDN. BHD.	1,337,100	0.31
30.	GABRIEL LEE LING LING	1,270,000	0.29
	Total	**273,530,277**	62.99

NOTICE OF TWENTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third ("23rd") Annual General Meeting of **D'NONCE TECHNOLOGY BHD** will be conducted on a virtual basis through live streaming from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("Broadcast Venue") on Friday, 22 September 2023 at 10:30 a.m. to transact the following businesses:-

A G E N D A

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 3)**

2. To approve the payment of Directors' Fees and Benefits up to an amount of RM400,000 for the period from this 23rd Annual General Meeting until the next Annual General Meeting of the Company. **(Resolution 1)**

3. To re-elect Datuk Sham Shamrat Sen Gupta who retires pursuant to Article 107 of the Company's Constitution as Director of the Company. **(Resolution 2)**

4. To re-elect Ms. Ong Poh Lin Abdullah who retires pursuant to Article 114 of the Company's Constitution as Director of the Company. **(Resolution 3)**

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

Special Business

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

6. **Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 ("Proposed General Mandate")** **(Resolution 5)**

   "THAT subject always to Sections 75 and 76 of the Companies Act 2016 ("the Act"), the Constitution, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approval of any governmental and/or regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and such authority under this resolution shall continue in force until the conclusion of the 24th Annual General Meeting or when it is required by law to be held, whichever is earlier, AND THAT the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

   THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the Act read together with Article 11 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the Act.

   AND THAT the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

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

BY ORDER OF THE BOARD
ADELINE TANG KOON LING (LS 0009611)
(SSM PC NO. 202008002271)
Company Secretary

WONG YUET CHYN (MAICSA 7047163)
(SSM PC NO. 202008002451)
Company Secretary

Pulau Pinang
Date: 31 July 2023

NOTES:-

1. IMPORTANT NOTICE

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

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

Please read these Notes carefully and follow the procedures in the Administrative Guide for the 23rd AGM in order to participate remotely via RPV facilities.

2. APPOINTMENT OF PROXY

(a) For the purpose of determining who shall be entitled to participate this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 13 September 2023. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.

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

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

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

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

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

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

(h) The instrument appointing a proxy and any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Workshire Share Registration Sdn Bhd of A3-3-8 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed. The duly completed proxy form transmitted by facsimile or electronic mail will not be accepted.

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

(j) Last date and time for lodging the proxy form is Wednesday, 20 September 2023 at 10:30 a.m.

(k) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company's Share Registrar at Workshire Share Registration Sdn Bhd of A3-3-8 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia.

NOTES (CONT'D) :-

3. Audited Financial Statements for the financial year ended 31 March 2023

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

4. Resolution 1 – Directors' Fees and Benefits

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

The Proposed Resolution 1 for the Directors' Fees and Benefits proposed for the period from this 23rd AGM until the date of next AGM are calculated based on the current Board size and number of scheduled Board and Committee meetings to be held from this 23rd AGM until the date of next AGM. This resolution is to facilitate payment of Directors' Fees and Benefits on a current financial year basis. In the event the proposed amount is insufficient, (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the shortfall.

5. Resolution 2 – Re-election of Directors who retires in accordance with Article 107 of the Constitution of the Company

Article 107 of the Constitution of the Company provides that an election of directors shall take place each year. 1/3 of the directors for the time being shall retire from office at each AGM but shall be eligible for re-election at the said meeting. If the total number of the directors is not 3 or a multiple of 3, the number nearest to 1/3 will retire. The Directors to retire in every year shall be those who have been longest in office since their last election.

Datuk Sham Shamrat Sen Gupta who will be retiring and offering himself for re-election at the 23rd AGM were evaluated by the Nominating Committee and the Board. Based on the evaluation outcome, the Nominating Committee and the Board were of the view that their performances were satisfactory and recommended their re-election for shareholders' approval.

6. Resolution 3 – Re-election of Directors who retires in accordance with Article 114 of the Constitution of the Company

Article 114 of the Constitution of the Company provides that any Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Madam Ong Poh Lin Abdullah was newly appointed to the Board on 25 May 2023 and will be retiring and offering herself for re-election at the 23rd AGM.

7. Resolution 4 – Re-appointment of Auditors

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

NOTES (CONT'D) :-

8. Explanatory Notes on Special Business

(i) Resolution 5 – Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 5 is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. The proposed Ordinary Resolution 5, if passed, will give the Directors of the Company authority to allot and issue shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company.

The Proposed General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to funding future investment project(s), working capital and/or acquisitions.

By approving the allotment and issue of the Company's shares pursuant to the Proposed General Mandate which will rank the equally with the existing issued shares in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Article 11 of the Constitution of the Company to be first offered the Company's Shares which will result in a dilution to their shareholdings percentage in the Company.

The General Mandate is to provide flexibility to the Company to allot new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this General Mandate is for possible fund-raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, operational expenditure and acquisitions.

As at the date of this notice, 58,709,677 new shares have been issued pursuant to the general mandate to issue and allot shares granted to the Directors at the Twenty-Second AGM held on 26 September 2022 which will lapse at the conclusion of the Twenty-Third AGM.

Personal Data Privacy

By registering for the meeting via remote participation and electronic voting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereof); and (c) for the Company's (or its agents") compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively "the Purpose"); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

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

Your Dependable Partner

Proxy Form

No. of Shares held	
CDS Account No.	

I/We ______________________________ NRIC/ Passport/ Registration No. ______________
[Full name in block as per NRIC/Passport]

of ____
[Address]

Email Address: ______________________________ Contact No.:______________

being member(s) of **D'nonce Technology Bhd**, hereby appoint:-

Full Name *(in Block as per NRIC/Passport)*	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address:		**Contact No.:**	

and/or^

Full Name *(in Block as per NRIC/Passport)*	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address:		**Contact No.:**	

or failing him/her, the Chairman of the Meeting, as ^my/our proxy to vote for ^me/us and on ^my/our behalf at the Twenty-Third Annual General Meeting of the Company, which will be conducted on a virtual basis through live streaming from the broadcast venue at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan ("Broadcast Venue") on **Friday, 22 September 2023** at **10:30 a.m.** or any adjournment thereof, and to vote as indicated below:-

Resolution	Description of Resolution	For	Against
1	Approval on the payment of Directors' Fees and Benefits up to an amount of RM400,000 for the period from this 23rd Annual General Meeting until the next Annual General Meeting of the Company.		
2	Re-election of Datuk Sham Shamrat Sen Gupta as Director of the Company pursuant to Article 107 of the Company's Constitution.		
3	Re-election of Ms. Ong Poh Lin Abdullah as Director of the Company pursuant to Article 114 of the Company's Constitution.		
4	Re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
5	Authority to Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this __________ day of ____________ 2023.

____
Signature*
Member

^ *Delete whichever is not applicable*
* *Manner of execution:*
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:-

1. **IMPORTANT NOTICE**

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

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

   Please read these Notes carefully and follow the procedures in the Administrative Guide for the 23rd AGM in order to participate remotely via RPV facilities.

2. **APPOINTMENT OF PROXY**

   (a) For the purpose of determining who shall be entitled to participate this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 13 September 2023. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.

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

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

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

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The Share Registrar
D'NONCE TECHNOLOGY BHD.
Registration No. 200001000687 (503292-K)

Workshire Share Registration Sdn. Bhd.
[202101030155 (1430455-D)]

A3-3-8 Solaris Dutamas, No 1, Jalan Dutamas 1
50480 Kuala Lumpur

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

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

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

   (h) The instrument appointing a proxy and any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Workshire Share Registration Sdn Bhd of A3-3-8 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed. The duly completed proxy form transmitted by facsimile or electronic mail will not be accepted.

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

   (j) Last date and time for lodging the proxy form is Wednesday, 20 September 2023 at 10:30 a.m.

   (k) For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company's Share Registrar at Workshire Share Registration Sdn Bhd of A3-3-8 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia.

www.dnoncetech.com

D'NONCE TECHNOLOGY BHD.
[200001000687/503292-K]

51-14 B&C, Menara BHL, Jalan Sultan Ahmad Shah,
10050 Penang, Malaysia

: 604-228 1198