



**康尔国际**  
**KANGER INT'L**

**KANGER INTERNATIONAL BERHAD**  
*[Registration No.: 201201030306 (1014793-D)]*

A N N U A L R E P O R T 2 0 2 3



# CONTENTS

Corporate Information  
**4**

Group Corporate Structure  
**5**

Corporate Milestones  
**6**

Board of Directors' Profile  
**8**

Key Senior Management's Profile  
**14**

Management Discussion and  
Analysis  
**15**

Corporate Governance Overview  
Statement  
**18**

Sustainability Statement  
**30**

Statement on Risk Management  
and Internal Control Statement  
**36**

Audit and Risk Management  
Committee Report  
**39**

Additional Compliance Information  
Disclosures  
**41**

Statement of Directors'  
Responsibility  
**43**

Financial Reports  
**45**

List of Properties  
**180**

Analysis of Shareholdings  
**181**

Analysis of Warrants Holdings  
**183**

Notice of Annual General Meeting  
**185**

Form of Proxy

# OUR PRODUCTS





ACHIEVE  
**PERFECTION,**  
QUALITY  
FIRST

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dato' Azmil bin Mohd Zabidi**  
(Independent Non-Executive  
Chairman)

**Wu Wai Kong**  
(Executive Director)

**Low Poh Seong**  
(Independent Non-Executive  
Director)

**Chong Kwang Fock**  
(Independent Non-Executive  
Director)  
(Appointed on 26 December 2023)

**Lean Boon Bee**  
(Independent Non-Executive  
Director)  
(Appointed on 1 June 2023)

**Kuah Choon Ching**  
(Resigned on 15 December 2023)

**Mazlan bin Mohamad**  
(Resigned on 26 December 2023)

## AUDIT AND RISK MANAGEMENT COMMITTEE

**Low Poh Seong**  
(Chairman/Independent Non-Executive  
Director)

**Chong Kwang Fock**  
(Member/Independent Non-Executive  
Director)

**Dato' Azmil bin Mohd Zabidi**  
(Member/Independent Non-Executive  
Director)

## REMUNERATION COMMITTEE

**Dato' Azmil bin Mohd Zabidi**  
(Chairman/Independent Non-Executive  
Director)

**Low Poh Seong**  
(Member/Independent Non-Executive  
Director)

**Chong Kwang Fock**  
(Member/Independent Non-Executive  
Director)

## NOMINATION COMMITTEE

**Dato' Azmil bin Mohd Zabidi**  
(Chairman/Independent Non-Executive  
Director)

**Low Poh Seong**  
(Member/Independent Non-Executive  
Director)

**Chong Kwang Fock**  
(Member/Independent Non-Executive  
Director)

## SHARE ISSUANCE SCHEME COMMITTEE

**Wu Wai Kong**  
(Chairman/Executive Director)

**Chong Kwang Fock**  
(Member/Independent Non-Executive  
Director)

## COMPANY SECRETARIES

**Jeremy Tai Yung Wei**  
(MAICSA 7065447)  
(SSM PC No. 202308000580)

**Thong Pui Yee**  
(MAICSA 7067416)  
(SSM PC No. 202008000510)

## PRINCIPAL PLACE OF BUSINESS/MANAGEMENT OFFICE

1 & 3, Jalan Alfa Impian 2  
Taman Perindustrian Alfa Impian  
43000 Balakong  
Selangor  
Malaysia  
Tel. : (603) 89644778  
Fax. : (603) 89645778  
Email : jw@kangergroup.com  
Website : www.kangerinternational.co

## REGISTERED OFFICE

No. 2-1, Jalan Sri Hartamas 8  
Sri Hartamas  
50480 Kuala Lumpur  
Wilayah Persekutuan (KL)  
Malaysia  
Email : cosec@shareworks.com.my  
Tel. : (603) 6201 1120  
Fax. : (603) 6201 3121

## AUDITORS

CAS Malaysia PLT (LLP0009918-  
LCA) (AF 1476)  
Chartered Accountants  
B-5-1, IOI Boulevard  
Jalan Kenari 5  
Bandar Puchong Jaya  
47170 Puchong, Selangor Darul  
Ehsan  
Malaysia  
Tel. : (603) 8075 2300 / 80 / 81  
Fax. : (603) 8600 5463

## SHARE REGISTRAR

ShareWorks Sdn. Bhd.  
No. 2-1, Jalan Sri Hartamas 8  
Sri Hartamas  
50480 Kuala Lumpur  
Wilayah Persekutuan (KL)  
Malaysia  
Email : ir@shareworks.com.my  
Tel. : (603) 6201 1120  
Fax. : (603) 6201 3121

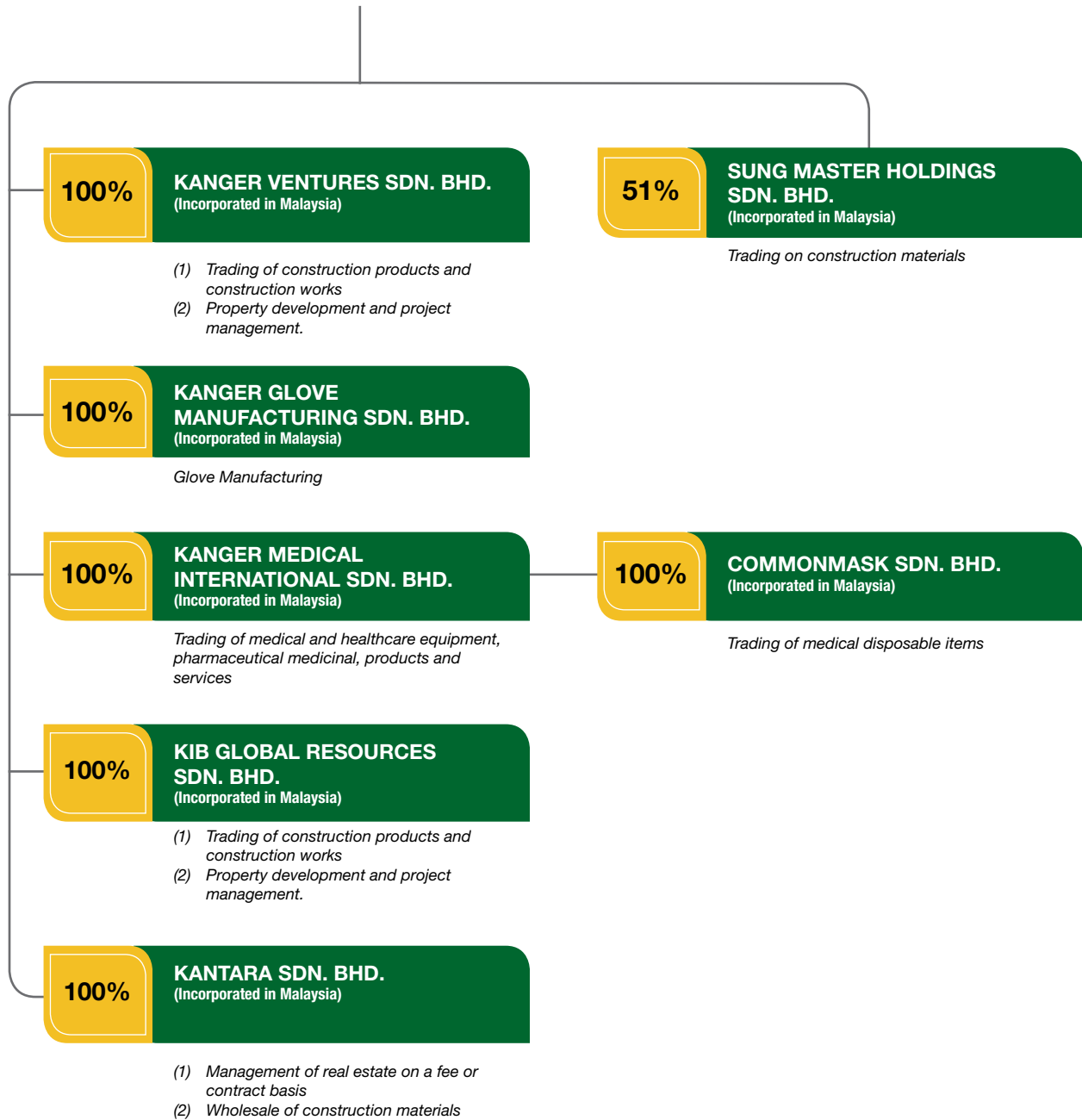
## STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia  
Securities Berhad  
Stock Name: KANGER  
Stock Code : 0170  
Listed on 23 December 2013

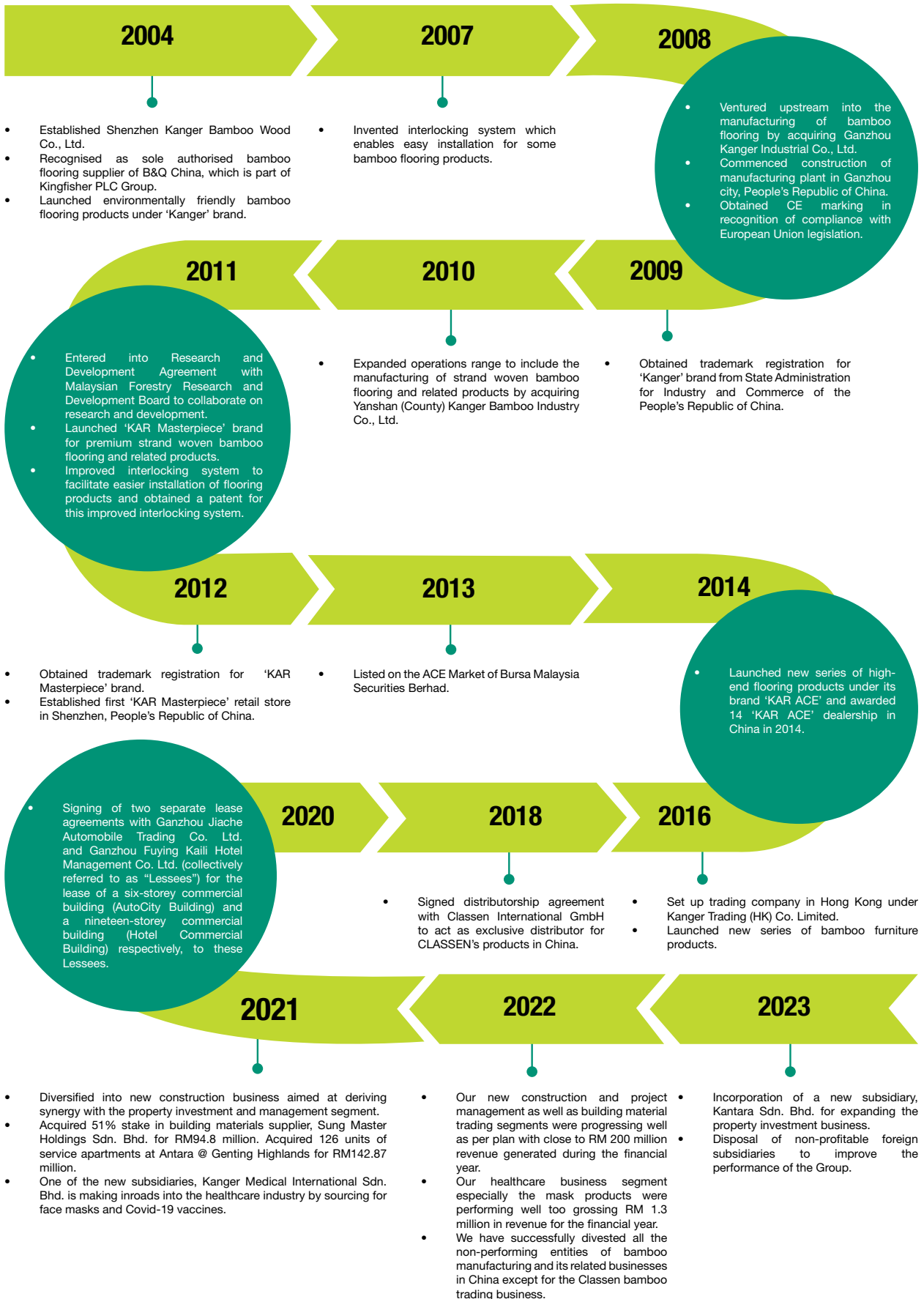
# GROUP CORPORATE STRUCTURE



**KANGER INTERNATIONAL BERHAD**  
Incorporated in Malaysia  
Investment Holding



# CORPORATE MILESTONES



# BOARD OF **DIRECTORS'** **PROFILES**





# BOARD OF DIRECTORS' PROFILE

## DATO' AZMIL BIN MOHD ZABIDI

Aged 62

Male

Malaysian

### Qualification

- Master of Arts (English Literature), Iowa State University of Science & Technology, U.S.A.
- Bachelor of Arts (English) degree, Wartburg College of Liberal Arts, U.S.A.
- Post-Graduate Certificate in Diplomatic Studies (Chevening Scholar), Foreign Service Programme, University of Oxford, UK

### Position on our Board

Independent Non-Executive Chairman

### Date first appointed to our Board

8 April 2022

### Membership of our Board Committees

- Member of Audit and Risk Management Committee
- Chairman of Remuneration Committee
- Chairman of Nomination Committee

### Working experience

Dato' Azmil started his service as Administrative and Diplomatic Officer at the Ministry of Foreign Affairs in 1992. He previously served as Assistant Secretary (Southeast Asia) from 1993 until 1995 before serving as Second Secretary at the Embassy of Malaysia in Belgium from 1995 until 1998 and First Secretary at the High Commission of Malaysia in New Zealand. He later returned to serve as Assistant Secretary (Economy) from 1999 until 2002, and Principal Assistant Secretary (Regional Cooperation, Social and Cultural) from 2002 until 2003.

Dato' Azmil had been appointed as Counsellor at the Embassy of Malaysia in China from 2003 until 2007 and Consul General of Malaysia to Shanghai, China from 2007 until 2010. He had also served as Undersecretary of Multilateral Economic Cooperation Directorate from 2010 until 2011, Ambassador of Malaysia to Vietnam from 2011 until 2016 and Undersecretary of Europe Division from 2016 until 2017. He was the Director-General at the Southeast Asia Regional Centre for Counter-Terrorism (SEARCCT) since 2017 prior to his appointment as the Ambassador of Malaysia to the United States in 2019.

Dato' Azmil had served the Ministry of Foreign Affairs, Malaysia for almost 30 years and retired in August 2021.

### Occupation

Company Director

### Any other directorships in public companies or listed corporation

APM Automotive Holdings Berhad  
CME Group Berhad

### Any family relationships with our Directors and/or major shareholders

Nil

### Any conflict of interests with our Group

Nil

### Interest in securities

Nil

### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

Nil

### No. of Board meetings attended in the financial year

8 out of 8

## Board of Directors' Profile (cont'd)

### WU WAI KONG

Aged 39

Male

Malaysian

#### Qualification

- International Financial Manager Program from International Financial Management Association, Shanghai, China
- BA (Honour) Degree in International Hospitality Management from Swiss Hotel Management School, Caux, Switzerland
- Diploma in Hotel Management from Sunway University, Selangor Darul Ehsan, Malaysia
- High School Diploma from Catholic High School, Selangor Darul Ehsan, Malaysia

#### Position on our Board

Executive Director

#### Date first appointed to our Board

25 October 2019

#### Membership of our Board Committees

Chairman of Share Issuance Scheme Committee

#### Working experience

From October 2006 to September 2007, he worked as Food and Beverage Management Trainee in Frenchmans Creek Golf and Country Club in Palm Beach, Florida. From October 2007 to October 2008, he worked as Room Division Management Trainee in Intercontinental Buckhead in Atlanta, Georgia.

From January 2009 to December 2009 (Singapore), he worked as Operation Executive in Global Education Link Pte Ltd, Singapore. His job scopes include transport coordination, guest tour scheduling, tour destination booking, guest accommodation and guest communications.

From February 2010 to March 2013, he was the Business Operation Manager with Excel Print & Pack Sdn. Bhd., in-charge of all operational areas such as purchasing, production, delivery and ensuring the smooth running of daily operations and resolving issues while supervising and monitoring 50 employees in the factory.

From April 2013 to April 2016, he was the Managing Partner of Vittle Tree (M) Sdn. Bhd., managing the company's overall operations, sales, administration and accounts. He was also involved in french fries factory set-up and developed sales network and distribution to South East Asia.

#### Occupation

- Assistant General Manager, PBA (China) Co. Ltd. by PBA Group Singapore
- Partner, China Economy Financial Holding Co. Ltd.

#### Any other directorships in public companies or listed corporation

Nil

#### Any family relationships with our Directors and/or major shareholders

Nil

#### Any conflict of interests with our Group

Nil

#### Interest in securities

Direct Interest: 51,174,530 ordinary shares  
Indirect Interest: 178,000 ordinary shares held through his direct family members

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

Nil

#### No. of Board meetings attended in the financial year

7 out of 8

## Board of Directors' Profile (cont'd)

### LOW POH SEONG

Aged 47

Male

Malaysian

#### Qualification

Bachelor of Business (Honours) in Accounting and Law Statistics from Middlesex University Business School

#### Position on our Board

Independent and Non-Executive Director

#### Date first appointed to our Board

30 September 2020

#### Membership of our Board Committees

- Chairman of Audit and Risk Management Committee
- Member of Remuneration Committee
- Member of Nomination Committee

#### Working experience

Mr. Low has more than 19 years of experience in accounting and finance. He started his career as an Assistant Finance Manager, where his scope involved in preparation of forecast, budget, accounting, and tax computation. He then embarked in auditing field where he held the position as Executive Internal Auditor with Low Yat Group. In 2016, Mr Low rejoined the finance sector where he was appointed as Assistant Finance Manager and Senior Financial Management Advisory Manager in Nglobe Sdn. Bhd. and CMA Management Sdn. Bhd. respectively. In year 2017, he moved on to carried out freelance works.

#### Occupation

Company Director

#### Any other directorships in public companies or listed corporation

Anzo Holdings Berhad

#### Any family relationships with our Directors and/or major shareholders

Nil

#### Any conflict of interests with our Group

Nil

#### Interest in securities

Nil

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

Nil

#### No. of Board meetings attended in the financial year

7 out of 8

## Board of Directors' Profile (cont'd)

### CHONG KWANG FOCK

Aged 44

Male

Malaysian

#### Qualification

- Member of the Malaysian Institute of Accountants
- Member of ASEAN Chartered Professional Accountant

#### Position on our Board

Independent and Non-Executive Director

#### Date first appointed to our Board

26 December 2023

#### Membership of our Board Committees

- Member of Audit and Risk Management Committee
- Member of Remuneration Committee
- Member of Nomination Committee
- Member of Share Issuance Scheme Committee

#### Working experience

Mr. Chong Kwang Fock is presently practicing as an auditor and he is a Partner of chartered accounting firm in Kuala Lumpur.

He has more than fifteen (15) years of working experience in auditing. His experience includes auditing of public listed companies, multinational companies and private limited companies in various industries. He also has experience conducting audit for companies in China.

He has vast experience in corporate exercises where his experiences include being a reporting accountant for initial public offering and funds raising exercises, due diligence and reviewing of financial forecasts and projections.

#### Occupation

Company Director

#### Any other directorships in public companies or listed corporation

BSL Corporation Bhd

#### Any family relationships with our Directors and/or major shareholders

Nil

#### Any conflict of interests with our Group

Nil

#### Interest in securities

Nil

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

Nil

#### No. of Board meetings attended in the financial year

Nil

Board of Directors' Profile  
(cont'd)**LEAN BOON BEE**

Aged 43

Female

Malaysian

<b>Qualification</b>	<b>Any other directorships in public companies or listed corporation</b>
Secondary Education, Holy Trinity Secondary School	Fast Energy Holdings Berhad
<b>Position on our Board</b>	<b>Any family relationships with our Directors and/or major shareholders</b>
Independent and Non-Executive Director	Nil
<b>Date first appointed to our Board</b>	<b>Any conflict of interests with our Group</b>
1 June 2023	Nil
<b>Membership of our Board Committees</b>	<b>Interest in securities</b>
Nil	Nil
<b>Working experience</b>	<b>Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any</b>
Madam Lean is an entrepreneur with 20 years of experience in pest control for building management. Previously, Madam Lean held various senior management roles at Pest Group Kota Kinabalu. Prior to that, she has a diverse business background, with extensive sales, marketing and business strategy experience.	Nil
<b>Occupation</b>	<b>No. of Board meetings attended in the financial year</b>
Company Director	1 out of 1



KEY SENIOR  
**MANAGEMENT'S  
PROFILES**

## KEY SENIOR MANAGEMENT'S PROFILES

The profiles of Key Senior Management are as follows:

**Wu Wai Kong**, aged 39, Male, Malaysia

Mr. Wu Wai Kong is currently the Executive Director of the Group. He oversees overall business operation and development of the Group.

His details are set out in the Board of Directors' Profile on page 9 of the Annual Report.

### GOH WOON HUA

Aged 58

Male

Malaysian

#### Qualification

- Professional Accounting Degree of Chartered Institute of Management Accountants, United Kingdom (UK)
- Postgraduate Diploma in Marketing of Chartered Institute of Management, UK
- Master of Business Administration from Portsmouth University, England

#### Position

Financial Controller

#### Date first appointed

1 December 2021

#### Working experience

Mr. Goh started his career as an auditor and he held various C-level positions prior to this engagement, where he obtained regional exposure in Hong Kong, Philippines, Indonesia, and Singapore. This brought with him over 30 years' worth of experience, multiple expertise and several leadership roles in the fields of financial, accounting, treasury operations, and investment management, both locally and regionally. To date, he has worked for local public listed companies and overseas multinational corporations such as DXN, Qi GROUP, HITACHI, and Regal Beloit (USA). His key industry experiences ranging from agroforestry, poultry farming, manufacturing, consulting, medical devices trading and direct multilevel marketing industry.

#### Any other directorships in public companies

Nil

#### Any family relationships with our Directors and/or major shareholders

Nil

#### Any conflict of interests with our Group

Nil

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

Nil

# MANAGEMENT DISCUSSION AND ANALYSIS

## COMPANY PROFILE

Our Group has been focusing on diversifying its business from trading of bamboo into construction business during the financial period under review. The business encompasses building construction of structures and buildings for residential and non-residential purposes. Besides, the Group also involved other construction related activities which consist of project management services, mechanical and electrical works, refrigeration and air conditioning works, painting works, plumbing sewerage and sanitary works, glass works, carpentry as well as tiling and flooring works.

During the financial period under review, the Group disposed its two subsidiaries namely, Kanger Investment (HK) Limited and Kanger Trading (HK) Co. Limited. The disposal of these two subsidiaries are in line with the objective of the Group to streamline its businesses to focus on construction segment as the Group believes the construction segment commands better growth prospect moving forward. The disposal of the subsidiaries also enables the Group to exit from its loss-making non-core operations.

Back in September 2021, Kanger had acquired a 51% equity interest in a company dealing with building materials namely Sung Master Holdings Sdn. Bhd. ("**Sung Master**"). With this acquisition the Group is able to generate new income streams and extent its market presence and increases its operational capacities, and to capture larger market share in the trading of building materials industry in Malaysia. In addition, Sung Master has obtain ISO 9001:2015 on trading of building materials as part of our commitment towards to achieve higher quality and environmentally responsible practices.

Our Group has also recently received approval from the shareholders to pursue with the acquisition of the remaining balance of the 49% equity interest in Sung Master.

## OPERATIONAL HIGHLIGHTS

Due to a change in the financial year end of our Group from 31 March to 30 September, the financial period under review is for a period of 18 months, covering from 1 April 2022 to 30 September 2023 ("FPE 2023").

The financial period ended 30 September 2023 ("FPE 2023") was a transformative period for us at Kanger as our businesses are in midst of recovering from the pandemic and at the same time, we also channeled our Group direction to focus on the construction segment and its related products along with property investment and management segment. The management team took on various corporate activities aimed at strategically position the Group to seize attractive market opportunities that will propel the Group's growth going forward.

We are pleased to share with you the major developments taken to shape our Group into a more diversified and resilient listed entity as follows:

### Construction Business

During the financial period, the Group expanded into the construction business to enrich its revenue stream. The construction business encompasses, amongst others, the following:

- (i) Building construction which consists of construction of structures and buildings for residential and non-residential purposes; and
- (ii) Other construction related activities which consist of project management services, mechanical and electrical works, refrigeration and air-conditioning works, painting works, plumbing and some general construction works.

In October 2022, the Group has entered into a sales and purchase agreement for the acquisition of a piece of vacant leasehold land held under the individual title namely PM80, Lot 1766, Tempat Batu Ijok, Mukim Ijok, Daerah Kuala Selangor. This land is the second land bought by the Group is situated beside the land acquired previously in October 2020 namely PM79, Lot 1965. The Group has earmarked these lands in order for the Group to venture into a commercial development with the estimated gross development value is of approximately RM50 million.

Besides, the acquisition of the remaining 49% equity interest in Sung Master is expected to allow the Group to recognize and enjoy the entire profit from Sung Master, translating to a more reflective margin result of the Group according to its controlling interest and business expansion in Sung Master.



## Management Discussion and Analysis (cont'd)

### Property Investment and Management

Our previous property investment being the Antara Genting Highlands is currently under construction and is expected to be completed in 2025. As the property units are strategically located in the well-known leisure and tourism destination of Genting Highlands, we are optimistic about the futures prospects of these units which will generate further rental yields to the Group.

### OTHER CORPORATE DEVELOPMENTS

To further strengthen our financial position and capital base, Kanger has undertaken share option scheme and share grant scheme of up to 30% of the total number of issued shares to the directors and employees of the Group. During the financial period under review, approximately 51.9 million of ordinary shares were subscribed at an exercise price ranged from RM0.0346 – RM0.0630 per ordinary share for a total cash consideration of RM2.15 million under the share issuance scheme (“SIS”) by the eligible directors and employees.

### REVIEW OF FINANCIAL PERFORMANCE

#### Revenue

There is no direct comparative figure to the preceding year's corresponding period following a change in the Group's financial year end from March to September. To recap, FPE 2023 covered an extended 18-month reporting period from 1 April 2022 to 30 September 2023.

In FPE 2023, the Group recorded a total revenue of RM77.7 million. Our construction and project management as well as the trading of building materials segment delivered commendable progress and contributed the revenue of RM75.4 million to the Group, representing 97% of total revenue.

Meanwhile, the healthcare business segment recorded revenue of RM2.3 million.

#### Loss before tax

In FPE 2023, the Group recorded loss after tax of RM12.3 million largely due to non-recurring expenses amounting to RM8.4 million recorded during the financial period under review.

The non-recurring expenses as referred to include:

- Loss on disposal of motor vehicles amounting to RM1.2 million;
- Impairment loss on trade receivables amounting to RM6.4 million;
- Impairment of asset amounting to RM0.3 million; and
- Loss on disposal of subsidiaries amounting to RM0.5 million.

#### Assets

As at 30 September 2023, the Group's total assets increased by RM3.2 million to RM315.9 million as compared to RM319.1 million as at 31 March 2022. The increase was mainly due to an increase in investment property by RM27.8 million although offset by the decrease in property, plant and equipment and right of use asset amounting to RM2.4 million, decrease in inventories by RM8.8million and decrease in trade and other receivable by RM17.9 million.

In addition, the Group recorded a positive net operating cash flow of RM31.3 million during the financial period under review.

#### Liabilities

Total liabilities as at 30 September 2023 increase by RM7.8 million to RM22.8 million as compared to 31 March 2022. The increase was mainly due to the increase in trade and other payables of RM14.2 million. The increase in liabilities contributed by the increase in trade and other payables however was mitigated by the decrease in bank borrowings and lease liabilities due to repayment made during the financial period review.

## Management Discussion and Analysis (cont'd)

### Shareholders' equity

During the financial period, Kanger's share capital has increased from RM425.3 million to RM427.6 million due to the issuance of 51,936,794 new ordinary shares at exercise prices ranging from RM0.0346 – RM0.0630 per ordinary share which generated total cash consideration of RM2.2 million, at the same time contributing to fair value reserve of RM99,534 pursuant to the Company's SIS.

The new ordinary shares issued during the financial period ranked pari passu in all respect of the distribution of dividends and repayment of capital with the existing ordinary shares.

### RISKS

#### Supply Chain Disruptions and Inflation Risks

Inflation rates are increasing rapidly across many countries as many of these are still in the recovery stage after the Covid-19 pandemic. Construction materials such as lumber, steel and other materials have also experienced a surge in prices.

Prolonged interruption in the supply of construction materials and volatile fluctuations in the costs and prices of construction materials will materially affect the Group's business operations and profitability.

To mitigate the supply chain risk, we have implemented plans such as effective management of raw materials usage at the project sites and established good and close relationships with our long-term suppliers.

#### Ability to Secure New Projects

As Kanger started to diversify into the construction business, the management always endeavor to continue seeking for new projects to build the order book and to generate more income for the Group. As the projects are normally awarded on a project-to-project basis, there will be no assurance of continuity from one project to other project. Moreover, the pressure from the rest of the construction players to secure new projects is also high and this will always lead to an intense competition in the market.

Nevertheless, the management is committed to ensure that we maintain our competitive advantage by focusing on quality and timely delivery of projects. Meanwhile, the Group has always maintain a good reputation in the market and good relationship with its suppliers to ensure sustainability in the construction business.

### FUTURE PROSPECTS

As the economy normalises further, Bank Negara Malaysia ("BNM") is optimistic that the domestic demand is expected to be resilient and has projected the Malaysian economy to grow between 4% and 5% in 2023.

The growth will be driven mainly by the firm domestic demand, better-than-expected labour market conditions, stronger pick-up in tourism activity, as well as the implementation of projects including those recently tabled Budget 2023 which provide the upside risks to the domestic growth outlook.

Meanwhile, the private investment is projected to expand by 5.8% (2022: 7.2%), supported by the implementation of multi-year projects across all economic sectors for e.g., the ongoing efforts various companies to embark on automation and digitalisation, and continued progress in large-scale transport and digital infrastructure projects.

BNM also quoted that the downside risks emanate primarily from external factors, mainly from weaker-than-expected global growth stemming from a sharp tightening in global financial markets amid tighter monetary policy or worsening sentiments. Nonetheless, BNM expecting that the risk to Malaysia's growth projections is balanced.

As part of our strategy to expand the construction segment, the Group has lined up several growth initiatives through organic and non-organic means with the long-term objective of increasing the financial performance of the construction business going forward.

Furthermore, the Group is continuously looking for suitable and viable acquisition opportunities in strategic locations to expand the property investment and management segment.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Our Board of Directors (“**Board**”) presents this Corporate Governance (“**CG**”) Overview Statement (“**Statement**”) to provide shareholders and investors with an overview of the CG practices of the Company under the leadership of the Board during the financial period ended 30 September 2023 (“**FPE 2023**”). This overview takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”).

This Statement is prepared in compliance with ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and it is to be read together with the CG Report 2023 of the Company (“**CG Report**”) which is available at the Company’s website, <https://www.kangerinternational.co>.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### PART 1 – BOARD RESPONSIBILITIES

#### 1.1 Strategic aims, values and standards

Our Board is responsible for the leadership, oversight and long-term success of our Group. Our Board has established a Board Charter to provide guidance and clarity for Directors and Management with regard to the functions reserved for Board and those to be delegated to Management.

Our Board has reserved a formal schedule of matters for its decision making to ensure that direction and control of our Group are firmly in its hands.

As part of its efforts to ensure the effective discharge of its duties, our Board has delegated certain functions to respective Board Committees with each operating within its clearly defined Terms of Reference (“**TOR**”). The Chairman of each Committee will report to our Board on the outcome of the Committee’s meetings which also include the key issues deliberated at the Committee’s meetings.

Our Board has put in place the following Board Committees to assist in carrying out its fiduciary duties:

- a) Audit and Risk Management Committee (“**ARMC**”);
- b) Nomination Committee (“**NC**”);
- c) Remuneration Committee (“**RC**”); and
- d) Share Issuance Scheme Committee (“**SISC**”)

The ARMC, NC and RC have their written TOR clearly outlining their objectives, duties and powers. The final decisions on all matters are determined by our Board as a whole.

The SISC operates in accordance with the By-Laws. The number and proportion of the Company’s shares to be issued shall be determined at the sole discretion of the SISC.

#### 1.2 The Chairman of our Board

During the FPE 2023, Dato’ Azmil bin Mohd Zabidi has redesignated as our Independent Non-Executive Chairman on 1 June 2023.

Our Chairman’s responsibilities include:

- (i) leadership of our Board;
- (ii) leading the Board in the adoption and implementation of good corporate practices in the Company;
- (iii) overseeing the effective discharge of our Board’s supervisory role;
- (iv) setting Board agenda and ensuring the Directors receive complete and accurate information in a timely manner;
- (v) leading the Board meetings and discussions;
- (vi) encouraging active participation and allowing dissenting views to be freely expressed;
- (vii) promoting constructive and respectful relations between the Board members and the Management; and
- (viii) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

# Corporate Governance Overview Statement (cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART 1 – BOARD RESPONSIBILITIES (CONT'D)

#### 1.3 Separation of the position of Chairman and Executive Directors

The Chairman holds a non-executive position and is primarily responsible for the leaderships, effectiveness, conduct and governance of the Board. The Executive Directors leads the Management of the Company and has overall responsibility for the day-to-day management of the Group's operations and business as well as the implementation of the Board's policies and decisions.

The roles and responsibilities of the Chairman and Executive Director are spelt out in our Board Charter which is available on our website at [www.kangerinternational.co](http://www.kangerinternational.co).

#### 1.4 The Company Secretaries

The Board is assisted by an experienced, competent and knowledgeable Company Secretaries who give clear and sound advice on regulatory and governance matters to the Board. The Board has unrestricted access to the advice and services of the Company Secretaries.

The Company Secretaries ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained in our statutory records. The Company Secretaries also keep abreast of the evolving capital market environment, regulatory changes and developments in CG through continuous training, and updates our Board regularly on the latest regulatory updates.

#### 1.5 Board meetings

Agendas and discussion papers are circulated at least seven (7) days prior to our Board and Board Committees meetings to allow the Directors and Board Committee Members to study, evaluate the matters to be discussed and subsequently make effective decisions. Procedures have been established concerning the content, presentation and timely delivery of the discussion papers for each meeting of our Board and Board Committee meetings as well as matters arising from such meetings. Actions or updates on all matters arising from any meetings are reported in the subsequent meetings.

Notices on the closed periods for trading in the Company's securities in accordance with Chapter 14 of the ACE LR of Bursa Securities are served to the Directors prior to the commencement of the closed periods.

In between Board meetings, approvals on matters requiring the sanction of our Board are sought by way of circular resolutions enclosing all the relevant information to enable our Board to make informed decisions. All circular resolutions approved by our Board are tabled for notation at the subsequent Board meeting. Our Board also perused the decisions deliberated by the Board Committees through minutes of these Board Committees meetings. The Chairman of the respective Board Committees is responsible for informing our Board at the Board meetings of any salient matters which may require our Board's discretion.

#### 1.6 Board Charter

The Board Charter sets out the role, composition and responsibilities of our Board. It outlines processes and procedures for our Board and its Committees in discharging their stewardship effectively and efficiently.

The specific duties of our Board and a formal schedule of matters reserved for our Board and those delegated to the Management are spelt out in our Board Charter. It is the practice of our Board to deliberate on significant matters that concern the overall Group business strategy, acquisition or divestment, business expansion, major capital expenditures and significant financial matters as well review of the financial and operating performances of our Group.

The Board Charter is published on our website at [www.kangerinternational.co](http://www.kangerinternational.co).

# Corporate Governance Overview Statement (cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART 1 – BOARD RESPONSIBILITIES (CONT'D)

#### 1.7 Code of Conduct

Our Group has in place codes of ethics for Directors and employees based on four elements which are sincerity, integrity, responsibility and corporate responsibility. The Code of Conduct is disclosed on our website at [www.kangerinternational.co](http://www.kangerinternational.co).

We recognise that any genuine commitment to detect and preventing actual or suspected unethical, unlawful, illegal, wrongful or other improper conducts must include a mechanism whereby employees can report their concerns freely without fear of reprisal or intimidation. Any report received will be investigated and appropriate actions shall be taken by Human Resources Department.

#### 1.8 Whistleblowing Policy and Procedure

Our Board has also established a Whistleblowing Policy and Procedure to provide an avenue for all employees of our Group and members of the public to disclose any improper conduct within our Group, and to provide protection for employees and members of the public who report such allegation. The Whistleblowing Policy and Procedure is disclosed on our website at [www.kangerinternational.co](http://www.kangerinternational.co).

#### 1.9 Anti-Bribery and Corruption Policy

Our Group has adopted an Anti-Bribery and Corruption Policy to prevent the occurrence of bribery and corruption practices in relation to the businesses of the Group. Our Group strictly prohibits all forms of bribery and corruption and will take all necessary steps to ensure that it complies with and conducts its business with transparency.

### PART 2 – BOARD COMPOSITION

#### 2.1 Board Composition

During FPE 2023, our Board comprises one (1) Independent Non-Executive Chairman, one (1) Executive Director, and three (3) Independent Non-Executive Directors. This composition ensures that at least half (1/2) of the Board comprises of Independent Non-Executive Directors which fulfils the requirement of Rule 15.02 of the ACE LR of Bursa Securities and adopted the Practice 5.2 of MCGG.

The current composition of our Board has the right mix of industry specific knowledge, broad-based business and commercial experience together with independent judgement on matters of strategy, operations, resources and business conduct. The roles of the Independent Non-Executive Chairman, the Executive Directors and the Independent Non-Executive Directors are distinct and separate with a clear division of responsibilities to ensure a balance of power and authority.

The number of Independent Directors is adequate to provide the necessary check and balance to our Board's decision-making process. The Independent Non-Executive Directors have fulfilled their role as Independent Directors through objective participation in the Board deliberations and the exercise of unbiased and independent judgement.

#### 2.2 Tenure of independent director

The tenure of an Independent Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on our Board as a Non-Independent Director, unless the Board provides justification and shareholders' approval is sought through a two-tier voting process at an Annual General Meeting ("AGM") of the Company for the Director concerned to continue to serve as an Independent Director.

# Corporate Governance Overview Statement (cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART 2 – BOARD COMPOSITION (CONT'D)

#### 2.2 Tenure of independent director (Cont'd)

The independence of a Director is measured based on the criteria prescribed under the ACE LR of Bursa Securities in which such Director should be independent and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in our best interests.

None of the Independent Non-Executive Directors of the Company has served more than nine (9) years on our Board as at the date of this Statement.

#### 2.3 Diversity of the Board and Senior Management

The Company does not practice any form of gender, ethnicity and age group biasness as all candidates for either Board or Senior Management team shall be given fair and equal treatment.

The Board recognises that a gender-diverse Board could offer greater depth and breadth whilst the diversity at Senior Management would lead to better decision-making.

The Board has not set any target or establish any policy for diversity, but it is moving towards a more gender and ethnicity equality. The Board will focus on getting the participation of women and those of different ethnicity on its Board and within Senior Management and the person selected must be able to contribute positively to the development of the Group. The Board's effort in improving gender equality is proven via the appointment of one (1) new women Independent Non-Executive Director, Madam Lean Boon Bee on 1 June 2023, which increase the women Director to 20%.

#### 2.4 Appointment and re-election of Directors

##### *Appointment of Directors*

Our Board believes that individuals who are nominated to be a Director should have demonstrated notable or significant achievements in business, education or public service; should possess the requisite intelligence, education and experience to make a significant contribution to our Board and bring a range of skills, diverse perspectives and backgrounds to its deliberations and should have the highest ethical standards, a strong sense of professionalism and intense dedication to serve the interests of the shareholders. In identifying candidates for appointment to our Board, our Board may rely on recommendations from existing Board members, major shareholders, the Management or independent sources.

The NC oversees the selection criteria and recruitment process and recommends to our Board, candidates for any directorships taking into consideration the candidates':

- age, gender and ethnicity;
- competencies, commitment, contribution and performance;
- professionalism;
- integrity; and
- expected contribution to our Group.

The candidate is then recommended to our Board for approval before his/her appointment.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART 2 – BOARD COMPOSITION (CONT'D)

##### 2.4 Appointment and re-election of Directors (Cont'd)

###### *Re-election of Directors*

In accordance with our Constitution, one-third of the Directors for the time being or if the number is not three (3) or multiple of three (3) then the number nearest to one-third shall retire from office at the AGM provided always that all Directors including a Managing Director or Deputy Managing Director shall retire from office once at least in each three (3) years but shall be eligible for re-election. The re-election of the retiring Directors who offered themselves for re-election are subject to the approval by shareholders at the AGM. In addition, any Director who is appointed either to fill a casual vacancy or as an additional Director, shall hold office only until the next AGM and shall be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Mr. Low Poh Seong, Mr. Chong Kwang Fock and Madam Lean Boon Bee, who are retiring at the forthcoming Tenth (10<sup>th</sup>) AGM have offered themselves for re-election and recommended by the Board for shareholders' approval.

##### 2.5 Nomination Committee

The NC comprises wholly of Independent Non-Executive Directors as follows:

Name	Position	No. of NC Meetings attended/held for the FPE 2023
Dato' Azmil bin Mohd Zabidi (Independent Non-Executive Chairman)	Chairman	3/3
Low Poh Seong (Independent Non-Executive Director)	Member	3/3
Chong Kwang Fock (Independent Non-Executive Director) (Appointed on 26 December 2023)	Member	NIL <sup>(1)</sup>
Mazlan bin Mohamad (Independent Non-Executive Director) (Resigned on 26 December 2023)	Member	3/3

###### Notes:

<sup>(1)</sup> Mr. Chong Kwang Fock was appointed as member of NC after the FPE 2023.

The NC is empowered by our Board and its TOR to bring to our Board recommendations as to the appointment of new Directors. The NC reviews the required mix of skills, experience, diversity and other qualities of the Directors, including core competencies. The NC also makes assessment on the effectiveness of our Board and evaluation of individual Directors and Board Committees of our Board as a whole.

The NC had undertaken the following activities for the FPE 2023:

- (i) Facilitated the self and peers' assessment on ARMC Members;
- (ii) Reviewed the appointment of Madam Lean Boon Bee as Independent Non-Executive Director;
- (iii) Reviewed performance of our Board and Board Committees;
- (iv) Reviewed performance of individual Directors and peer evaluation;
- (v) Reviewed the effectiveness of the ARMC as a whole;
- (vi) Assessed and evaluated the independence of the Independent Non-Executive Directors; and
- (vii) Reviewed and recommended to our Board, the re-election of the Directors who retired at the Ninth (9<sup>th</sup>) AGM.

# Corporate Governance Overview Statement (cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### PART 2 – BOARD COMPOSITION (CONT'D)

#### 2.6 Directors' Training

Our Directors are encouraged to attend continuing education programs and seminars to keep abreast with current developments in the market place and new statutory and regulatory requirements.

All members of our Board have attended the Mandatory Accreditation Programme prescribed by Bursa Securities.

During the FPE 2023, all the Directors continuously received briefings and updates on the new regulations and statutory requirements, particularly on the changes or amendments made to the ACE LR, application and adoption of best practices as recommended under the MCCG, circulars/directives/guidelines/consultation papers issued by Bursa Securities, Securities Commission Malaysia and Companies Commission of Malaysia respectively.

In addition, the Directors had also attended the training programs and seminars as listed below:

Directors	List of Training/ Conference/ Seminar/ Workshop Attended/ Participated
Dato' Azmil bin Mohd Zabidi	1) KPMG Briefing on ESG 2) Asia School of Business – Oversight of Climate Risks and Opportunities 3) Mandatory Accreditation Program Part 2 – Leading for Impact
Lean Boon Bee	Mandatory Accreditation Program Part 1

Our Directors will continue to undergo relevant training programs to further enhance their skills and knowledge in the discharge of their stewardship role. Mr. Wu Wai Kong and Mr. Low Poh Seong have not attended any training during FPE 2023 due to busy schedule. However, they are kept themselves abreast on financial and business matters through readings and professional advice to enable them to contribute to the Board.

#### 2.7 Remuneration Policy

Our Board does not have any formal remuneration policy. Notwithstanding that, RC is guided by the TOR of RC to recommend to our Board a Remuneration Framework on the fee structure and level of remuneration for the Executive Directors as well as remuneration package for Non-Executive Directors. The determination of remuneration packages of Non-Executive Directors is a matter for our Board as a whole.

For the FPE 2023, the RC had reviewed the remuneration package of our Executive Directors and Non-Executive Directors.

The proposed remuneration of Non-Executive Directors is reviewed and recommended by the RC to the Board for deliberation which comprises the following:

<b>Directors' Fees</b>	These fees are payable to Non-Executive Directors and are recommended by our Board for the approval of the shareholders at AGM.
<b>Meeting Allowance</b>	This allowance is payable only to the Non-Executive Directors for attendance of our Board and Board Committees meetings. The meeting allowance, if any, will be recommended by our Board for shareholders' approval at the AGM.

The Directors' Fees recommended to the shareholders' approval for the financial year ending 30 September 2024 and for the financial year ending 30 September 2025 are RM150,000 and RM300,000 respectively.

The interested Directors are abstained from deliberation and voting on their own respective remuneration.



## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART 2 – BOARD COMPOSITION (CONT'D)

##### 2.8 Remuneration Committee

The RC comprises the following members:

Name	Position	No. of RC Meetings attended/held for the FYE 2023
Dato' Azmil bin Mohd Zabidi (Independent Non-Executive Chairman)	Chairman	3/3
Low Poh Seong (Independent Non-Executive Director)	Member	3/3
Chong Kwang Fock (Independent Non-Executive Director) <i>(Appointed on 26 December 2023)</i>	Member	NIL <sup>(1)</sup>
Mazlan bin Mohamad (Independent Non-Executive Director) <i>(Resigned on 26 December 2023)</i>	Member	3/3

Notes:

<sup>(1)</sup> Mr. Chong Kwang Fock was appointed as a member of the RC after FPE 2023.

##### 2.9 Share Issuance Scheme Committee

The SISC was established by the Board on 20 November 2019 to administer and manage the Share Issuance Scheme comprising Share Option Scheme and Share Grant Scheme (collectively known as “**Share Option Scheme**”) in accordance with the By-Laws.

The SISC composition is as follows:

Name	Position
Wu Wai Kong (Executive Director) <i>(Redesignation as Chairman on 14 December 2023)</i>	Chairman
Chong Kwang Fock (Independent Non-Executive Director) <i>(Appointed on 26 December 2023)</i>	Member
Kuah Choon Ching (Executive Director) <i>(Redesignation as member on 14 December 2023 and resigned on 15 December 2023)</i>	Member

The Share Option Scheme will allow the Company to grant the share options to all the eligible persons of the Company and its subsidiaries (“**Group**”) (excluding subsidiaries which are dormant) as a recognition of their performance and contribution to the Group.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART 2 – BOARD COMPOSITION (CONT'D)

##### 2.10 Details of the remuneration of Directors

The details of the remuneration of Directors on named basis for the FPE 2023 were as follows:

	Directors' fees (RM'000)	Salaries, other emoluments and benefits (RM'000)	Allowances (RM'000)	Total (RM'000)
<b>Executive Directors</b>				
(i) Wu Wai Kong	–	345	8	353
(ii) Kuah Choon Ching <i>(Resigned on 15 December 2023)</i>	–	345	8	353
<b>Subtotal</b>	–	690	16	706
<b>Non-Executive Directors</b>				
(i) Dato' Azmil bin Mohd Zabidi <i>(Redesignated as Chairman on 1 June 2023)</i>	62	–	5.6	67.6
<b>Non-Executive Directors</b>				
(i) Low Poh Seong	54	–	7.2	61.2
(ii) Lean Boon Bee <i>(Appointed on 1 June 2023)</i>	12	–	0.8	12.8
(iii) Chong Kwang Fock <i>(Appointed on 26 December 2023)</i>	–	–	–	–
(iv) Mazlan bin Mohamad <i>(Resigned on 26 December 2022)</i>	54	–	6.4	60.4
<b>Subtotal</b>	182	–	20	202
<b>Grand Total</b>	<b>182</b>	<b>690</b>	<b>36</b>	<b>908</b>

##### 2.11 Remuneration of Senior Management

The remuneration packages of the Senior Management are determined with the objective to attract, retain and reward the Senior Management who run the operations of our Group. The remuneration packages of the Senior Management of our Group consist of both fixed and performance-linked elements. The fixed components include salaries and ordinary contractual entitlements. The performance-linked component includes a discretionary bonus payment taking into consideration our Group and individual performances and never of a percentage of the Group's revenue. There are no other incentives or compensation for 'loss of employment' or termination benefits. It is commercially disadvantageous to disclose the remuneration of our Top Senior Management in this very competitive environment. The recruitment and retention of key technical/managerial personnel is challenging and is a key focus of our Human Resource policy. Remuneration remains an important consideration in this regard.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### PART 2 – BOARD COMPOSITION (CONT'D)

##### 2.11 Remuneration of Senior Management (Cont'd)

The remuneration of the Key Senior Management of the Company for the FPE 2023 is as follows:

Range of remuneration (RM)	No. of Key Senior Management	
	Directors	Managers
50,000 and below	–	–
50,001 – 100,000	–	1
100,001 – 150,000	–	–
150,000 – 200,000	–	–
250,001 – 300,000	–	–
300,001 – 350,000	2	–
350,001 and above	–	–

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### PART 1 – AUDIT COMMITTEE

##### 3.1 Audit and Risk Management Committee

The ARMC comprises solely of three (3) Independent Non-Executive Directors, which comply with the following prescribed requirements:

- Rule 15.09(1)(b) of the ACE LR which stipulates that “*all the audit committee members must be non-executive directors, with a majority of them being independent directors*”; and
- Step Up Practice 9.4 of the MCCG which recommends that the AC should comprise solely of Independent Directors.

During the FPE 2023, the Chairman of ARMC is Mr. Low Poh Seong while the Chairman of the Board is Dato' Azmil bin Mohd Zabidi. Subsequently, Dato' Azmil bin Mohd Zabidi was appointed as a member of ARMC on 8 April 2022.

##### 3.2 Former audit partner

Practice 9.2 of the MCCG requires the ARMC to have a policy that requires a former audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

As a matter of practice, the ARMC has recommended to the NC not to consider any former audit partner as a candidate for Board Directorship/Audit Committeeship to solidify the ARMC's stand on such Policy.

##### 3.3 Suitability, objectivity and independence of the External Auditors

In accordance with the TOR of the ARMC, the ARMC would on an annual basis, reviews and monitors the suitability, objectivity and independence of the External Auditors. The ARMC sets policy and procedures on the provision of non-audit services by the External Auditors.

The ARMC will review, consider, and assess the suitability, objectivity, independence, credential and resources in performing the audit on the External Auditors annually before recommending to our Board for approval.

# Corporate Governance Overview Statement (cont'd)

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART 1 – AUDIT COMMITTEE

#### 3.3 Suitability, objectivity and independence of the External Auditors (Cont'd)

The Company had appointed Messrs. CAS Malaysia PLT as the new External Auditors on 10 February 2021. Upon review the performance of the Messrs. CAS Malaysia PLT in performing the audit for FPE 2023, the ARMC recommended to our Board for the re-appointment of Messrs. CAS Malaysia PLT as our External Auditors for the financial year ending 30 September 2024. Our Board has in turn, recommended the same for shareholders' approval at our forthcoming Tenth (10<sup>th</sup>) AGM.

#### 3.4 Qualification of the Audit and Risk Management Committee

Our Board ensures that the ARMC as a whole is financially literate and has sufficient understanding of our Group's business. The ARMC would also review and provide advice on the financial statements which give a true and fair view of our financial position, financial performance and cash flows position.

Our Board provides our shareholders with the Audited Consolidated Financial Statements and quarterly reports (interim reports) on a timely basis. The ARMC reviews the quarterly reports and Audited Consolidated Financial Statements, before the approval by our Board, focusing particularly on:

- (1) financial performance and financial position of the Group;
- (2) changes in or implementation of major accounting policy to the financial statements;
- (3) key audit matters in the Auditors' Report;
- (4) significant and unusual events; and
- (5) compliance with accounting standards and other legal requirements.

### PART 2 – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### 4.1 Risk Management and Internal Control Framework

The Board is committed to ensuring that the Group has a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

The Group has an ongoing framework for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and are guided by operational manuals, policies and procedures and are regularly reviewed by the Board.

Further details of the risk management framework and internal control function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### PART 1 – COMMUNICATION WITH STAKEHOLDERS

##### 5.1 Effective, transparent and regular communication

Our Board is aware of our commitment to enhance long term shareholders' value through regular communication with all our shareholders, regardless of individual or institutional investors.

We have adopted a Corporate Disclosure Policy, which is applicable to our Board and all employees of our Group, in handling and disclosing material information to the shareholders and the investing public. The following communication channels are mainly used by us to disseminate information on a timely basis to the shareholders and the investing public:

- a) General meeting which is an important forum for shareholders to engage with our Directors and Senior Management;
- b) Annual Report communicates comprehensive information on the businesses, financial results, governance and key activities undertaken by our Group;
- c) Company's announcements, quarterly financial results and other corporate disclosures to Bursa Securities are available on the website at [www.bursamalaysia.com](http://www.bursamalaysia.com), as well as on our website at [www.kangerinternational.co](http://www.kangerinternational.co); and
- d) Press releases provide up-to-date information on our Group's key corporate initiatives and investments, if any.

Where possible and applicable, our Group provides additional disclosure of information on a voluntary basis. Our Board believes that an on-going communication with shareholders is vital to shareholders and investors in order for them to make informed investment decisions.

#### PART 2 – CONDUCT OF GENERAL MEETINGS

##### 6.1 Notice of General Meetings

We had convened and held one (1) AGM during the FPE 2023 with sufficient notice served to the shareholders as detailed below:

Date of General Meeting	Type of General Meeting	Notice Date	Notice Period
29 August 2022	AGM	29 July 2022	30 clear days

##### 6.2 Attendance of General Meeting

The attendance of the Directors at the annual general meeting held during the FPE 2023 were as follows:

Name of Directors	Attendance
Dato' Azmil bin Mohd Zabidi	1/1
Wu Wai Kong	1/1
Low Poh Seong	1/1
Lean Boon Bee (Appointed on 1 June 2023)	NIL
Kuah Choon Ching (Resigned on 15 December 2023)	1/1
Mazlan bin Mohamad (Resigned on 26 December 2023)	1/1

## Corporate Governance Overview Statement (cont'd)

### **PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

#### **PART 2 – CONDUCT OF GENERAL MEETINGS (CONT'D)**

##### **6.2 Attendance of General Meeting (Cont'd)**

Our management team was also present at the general meetings to respond to the queries raised by shareholders, proxies and corporate representatives present. The Chairman of the general meetings provided sufficient time for the shareholders, proxies and corporate representatives present to ask questions for each agenda as set out in the notice before putting the resolutions to vote.

##### **6.3 Voting**

The Company had conducted the poll voting for all resolutions as set out in the notice of general meetings held during the FPE 2023 in accordance with Rule 8.31A of the ACE LR of Bursa Securities.

This Statement was approved by our Directors on 29 January 2024.

# SUSTAINABILITY STATEMENT

Kanger International Berhad (“**Kanger**” or the “**Company**”) and its group of companies (the “**Group**”) is committed to sustainability, and this commitment is rooted in the knowledge that economically, environmentally and socially responsible business practices are essential to foster the long-term well-being of its stakeholders and businesses.

## 1. GOVERNANCE

### Governance structure

A strong and effective corporate governance ensures corporate success, cultivates culture of integrity, and maintains investors’ confidence. The Group develops a sustainability framework that is led by the Board of Directors (“**Board**”) and driven across its operations with the help of the senior management team. The Board is tasked to integrate and promote sustainability into the Group’s long-term strategic plans and key business processes.

The senior management will oversee sustainability management by managing the associated impacts, risks, and opportunities in an integrated manner that optimises value creation. This is designed to ensure that the Group is managed in a sustainable manner, considering the interests of all stakeholders, including shareholders, employees, customers, suppliers, and the community.

### Anti-bribery and anti-corruption

The Group’s is committed to conduct its business free from any acts of bribery or corruption. All employees, contractors and suppliers are required to adhere to anti-bribery and anti-corruption legislations.

The Group’s Anti-Bribery and Corruption Policy, which is approved by the Board, spells out clearly the Company’s stance on bribery and corruption and conducts which are prohibited. This policy is applicable to directors, employees as well as persons associated with Kanger.

### Whistleblowing

The Group has a zero-tolerance stance towards any form of misconduct. Its Whistleblowing Policy and procedures encourage employees to raise genuine concerns on any malpractices or misconduct without fear of retaliation. This allows the Group to deal with any allegations in a confidential manner and provides appropriate protection to the whistle-blower against any form of reprisals.

### Stakeholder engagement

Kanger engages with different stakeholder groups to identify, prioritize and address material sustainability matters. For effective engagement with its stakeholders, various methods are employed including the following:

Stakeholder	Engagement Objective	Methods of engagement
Employees	<ul style="list-style-type: none"> <li>- Compensation, welfare and employee care</li> <li>- Safe and conducive workplace</li> <li>- Continuing professional development</li> <li>- Fair policy and practices</li> </ul>	<ul style="list-style-type: none"> <li>- Staff performance appraisal</li> <li>- Management and committee meetings</li> <li>- Professional development</li> <li>- Team building activities</li> </ul>
Customers	<ul style="list-style-type: none"> <li>- Product and service quality</li> <li>- Payment terms and timeliness</li> <li>- Business continuity</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings</li> <li>- Proposals / quotations / agreements</li> <li>- Business reviews</li> <li>- Corporate website</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>- Product and service quality</li> <li>- Timely delivery</li> <li>- Competitive price and terms of payments</li> <li>- Maintaining good relationship</li> <li>- Creditability</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings</li> <li>- Proposals / quotations / agreements</li> <li>- Business reviews</li> <li>- Corporate website</li> </ul>

## Sustainability Statement (cont'd)

### 1. GOVERNANCE (CONT'D)

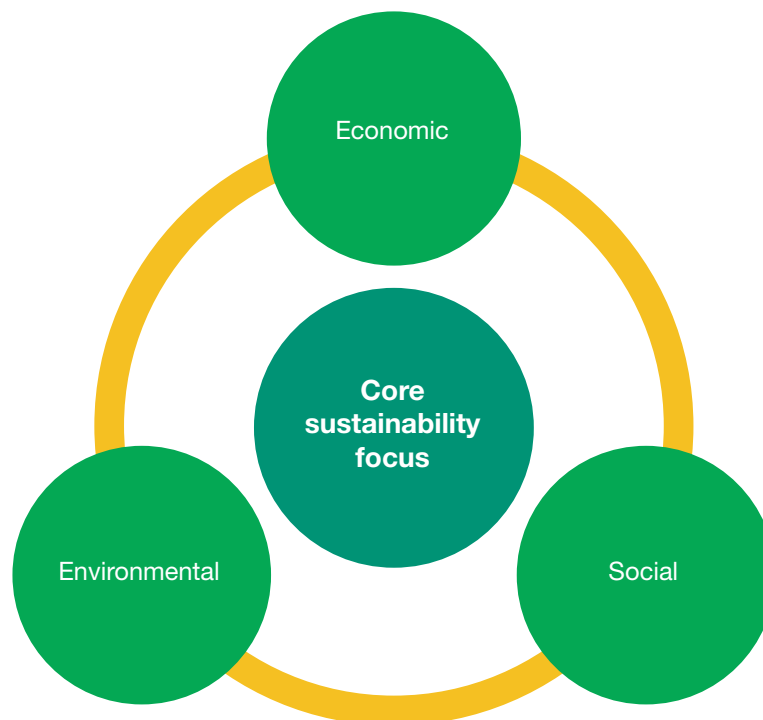
#### Stakeholder engagement (Cont'd)

Kanger engages with different stakeholder groups to identify, prioritize and address material sustainability matters. For effective engagement with its stakeholders, various methods are employed including the following: (Cont'd)

Stakeholder	Engagement Objective	Methods of engagement
Shareholders and investors	<ul style="list-style-type: none"> <li>- Business continuity</li> <li>- Corporate governance</li> <li>- Capital appreciation and shareholder returns</li> <li>- Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>- Annual general meetings / extraordinary general meetings</li> <li>- Annual reports</li> <li>- Quarterly reports</li> <li>- Announcements to Bursa Malaysia Securities Berhad</li> <li>- Corporate website</li> </ul>
Government and regulators	<ul style="list-style-type: none"> <li>- Compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with requirements</li> <li>- Dialogues, seminars, and meetings</li> <li>- Reports</li> <li>- Factory visits</li> </ul>
Financial Institutions	<ul style="list-style-type: none"> <li>- Continuous financial support</li> </ul>	<ul style="list-style-type: none"> <li>- Annual reports</li> <li>- Quarterly reports</li> <li>- Meetings</li> <li>- Corporate website</li> </ul>

### 2. CORE SUSTAINABILITY FOCUS

The Group emphasises on the following core areas of sustainability that are material to the continued success of its operations:



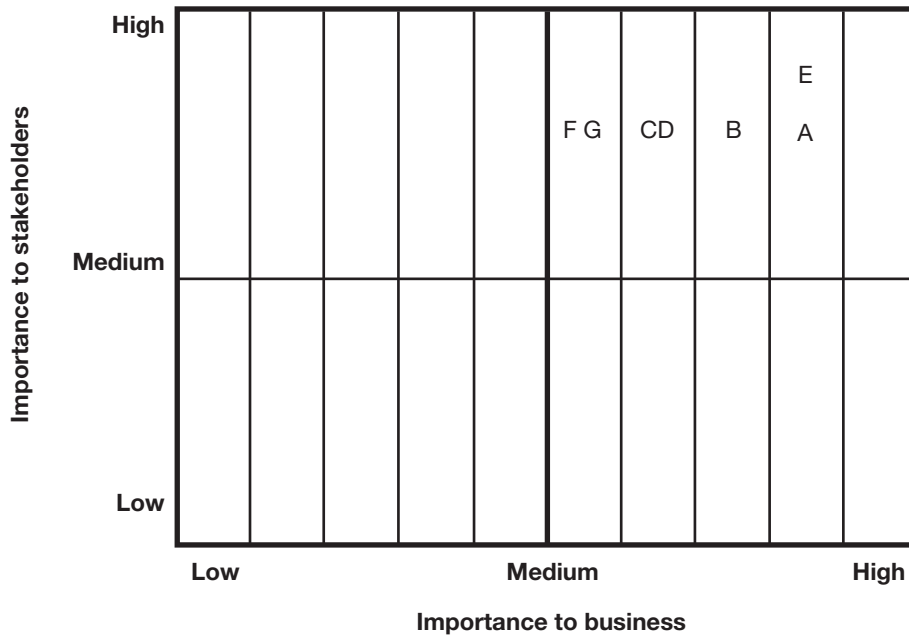


# Sustainability Statement (cont'd)

## 2. CORE SUSTAINABILITY FOCUS (CONT'D)

The selection and assessment of material topics is an ongoing process. Upon the identification of the factors that are significant to the Group's business and stakeholders, the Group then reviews the exposures and extent of the impact of these factors. During the materiality determination process, the Group took into consideration the material topics that have the greatest impact on the Group's sustainability.

**Materiality matrix**



A	Economic	Managing business continuity
B	Economic	New business and investment
C	Environmental	Waste management
D	Environmental	Energy consumption
E	Social	Occupational health and safety
F	Social	Talent development
G	Social	Equal employment opportunities

## Sustainability Statement (cont'd)

### 2. CORE SUSTAINABILITY FOCUS (CONT'D)

In the 18-month FPE 30 September 2023, the Group's focus areas are summarised as follows:

Topic	Focus areas	Activities and approach
Economic	Improving financial performance	<p>The Group's economic performance is vital to its ability to continue as a going concern and therefore, its ability to provide goods and services to customers as well as the livelihood of its employees. This may also affect the share price performance of the Company and results in loss of shareholder value.</p> <p>In recent years, the Group diversified into the construction and healthcare sectors, to increase its sources of income and reduce its reliance on any one source of income or business segment.</p> <p>The Group remains committed to streamline its business operations to increase productivity and reduce wastage. To further improve financial performance, the Group strives to manage its costs effectively and continuously explore opportunities that are complementary and synergistic to its current business activities.</p>
Economic	Managing business continuity	<p>To minimize operational disruptions caused by unexpected threats, crises, and disasters, and to maintain customer confidence, the Group prioritized business continuity by implementing business continuity management plans and conducting regular risk assessments.</p> <p>In addition, the Group will develop and implement response plans for each type of threat. These plans will outline the steps to protect employees, minimize disruption to business operations, and resume full operations as quickly as possible.</p>
Economic	New business and investment	<p>The Group's has benefited from its diversification into the construction and healthcare sectors.</p> <p>In assessing new business and investment, the Group places priority in enhancing shareholders' value and will assess the risks associated with embarking on the new business and investment to select the right business for supporting sustainable growth.</p> <p>For any investment or business ventures, a proper diligence process will be carried out to ensure that the Group and its shareholders capitalise on the opportunities presented while mitigating risks. Upon acquisition, the Group will continue to monitor the operations of a new business and its strategies, to stay relevant and competitive.</p>
Environmental	Environmental compliance	<p>The Group is committed to adherence with the relevant environmental laws and regulations. Its environmental management system has been accredited with ISO 14001:2004 certification, an international standard for environmental administration system.</p>
Environmental	Waste management	<p>The Group acknowledges its environmental responsibility and strives to mitigate its own environmental impact.</p> <p>Waste is generated from its construction sites and are disposed of through approved methods. Where possible, some materials are reused while others are sent to approved recycling centres.</p> <p>Through proper planning and control, the Group aims to avoid unnecessary waste due to substandard results.</p>

## Sustainability Statement (cont'd)

### 2. CORE SUSTAINABILITY FOCUS (CONT'D)

In the 18-month FPE 30 September 2023, the Group's focus areas are summarised as follows: (Cont'd)

Topic	Focus areas	Activities and approach
Environmental	Energy consumption	<p>The Group's operations consume electricity and this contributes towards greenhouse gas emissions released by the combustion of fossil fuels to produce electricity. Further, the Group acknowledges that water is a scarce resource and that a high usage of water may be detrimental to the environment.</p> <p>As such, the Group is committed to reduce both electricity and water utilisation in its operations.</p> <p>Further, employees are always reminded to switch off the lights and appliances during their rest time / off days to conserve energy. Power saving features or sleep mode are also enabled on computers, photocopiers, and other equipment to reduce power consumption when these items are not in use.</p>
Social	Occupational health and safety	<p>The Group prioritizes the well-being and safety of its employees by ensuring that its premises are clean, organized, and adequately equipped with fire prevention measures.</p> <p>The Group regularly reviews safety performance results, occupational illness and injury incidents, workplace hazards as well as mitigation measures.</p> <p>Personal protective equipment is provided to all concerned workers to reduce potential occupational hazard exposure, whilst preventive actions such as fire drills are carried out annually to prepare employees for speedy evacuation in the event of fire emergencies. Contractors and visitors are also expected to comply with health, safety and environment standards.</p> <p>Further, the Group has regular training in relation to fire safety, chemical spills, machine safety and accident-prevention to ensure preparedness to respond to workplace safety incidents.</p>
Social	Talent development	<p>The Group also believes in providing learning and development opportunities to employees to enable them to achieve personal growth and better work performance.</p> <p>In the current financial period, the Group encouraged and supported the growth and development of its employees in advancing their knowledge and skills through internal training as well as encouraging them to attend various development programmes and webinars so that they stay responsive to changes in the work environment and contribute positively to the Group.</p> <p>To reward and retain talent, the Group aims to provide competitive remuneration to employees. Further, employee appraisals are conducted annually to assess their performance and to provide feedback for further improvement. By doing so, the Group hopes to build a stronger workforce.</p> <p>As part of its remuneration strategy, eligible employees are granted share options to subscribe for shares of the Company. This is to align the interest of employees to that of the Group's growth aspirations as well as to reward and retain talent that contribute to the performance of the Group.</p>

## Sustainability Statement (cont'd)

### 2. CORE SUSTAINABILITY FOCUS (CONT'D)

In the 18-month FPE 30 September 2023, the Group's focus areas are summarised as follows: (Cont'd)

Topic	Focus areas	Activities and approach
Social	Equal employment opportunities	<p>While the Group does not have a fixed policy in terms of workplace diversity, it is committed to provide equal employment opportunities and a work environment where all employees will have an equal opportunity to perform, excel and work together, regardless of their religions, ethnicity, gender, age and nationality.</p> <p>In the current financial period, the Group's workforce comprised more male employees but there was diversity in terms of skills, experiences, cultures as well as age.</p> <p>The Group will work towards achieving gender balance and strive for a workplace where everyone feels valued, empowered, and encouraged to bring their unique perspective.</p>

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is pleased to include a statement on our Group's risk management and internal control during the financial period under review. The Statement was prepared in accordance with Rule 15.26 (b) of ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

## RESPONSIBILITY

Our Board is responsible for the adequacy and effectiveness of our Group's risk management and internal control systems. Our Board ensures that the systems managing the Group's key areas of risk are within an acceptable risk profile in order to increase the likelihood that our Group's policies and business objectives will be achieved. Due to the inherent limitations in the risk management and internal control systems, our Board will continue to review these systems to ensure that the risk management and internal control systems provide a reasonable but not level of absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

Our Board through the Audit and Risk Management Committee has established an ongoing process for identifying, evaluating and managing the significant risks faced by our Group and this process includes enhancing the risk management and internal control systems as and when there are changes to the business environment or regulatory guidelines. The process is regularly reviewed by our Board and is guided by the Statement of Risk Management & Internal Control: Guidelines for Directors of Listed Issuers. The Management assists our Board in the implementation of our Board's policies and procedures on risk and control by identifying and assessing the risks faced as well as designing, operating and monitoring the internal controls to mitigate and control these risks.

Our Board is of the view that the risk management and internal control systems in place for the financial period under review and up to the date of issuance of the financial statements are adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators, employees and our Group's assets.

## RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is committed to ensuring that the Group has a sound system of risk management and internal control to safeguard shareholders' investments and Groups' assets.

The Group has an ongoing framework for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and are guided by operational manuals, policies and procedures and are regularly reviewed by the Board.

Further details of the risk management framework and internal control function are set out as following.

## RISK MANAGEMENT

The context within the risks that managed by our Group and the related key focus of accountability for this are as follows:-

### (1) Strategic Risks – Our Board and Executive Directors

Strategic risks are the primary risks caused by events that are external to our Group, but have a significant impact on our Group's strategic decisions or activities.

The causes of these risks include national and global economies, government policies and regulations, interest rates and climatic conditions. Often, they cannot be predicted or monitored through a systematic operational procedure. The lack of advance warning and frequent immediate response required to manage strategic risks mean they are often well identified and monitored by senior management as part of their strategic planning and review mechanisms.

Accountability for managing strategic risks therefore rests with our Board and the Executive Directors. The benefit of effectively managing strategic risks is that our Group can forecast more accurately and quickly adapt to the changing demands that are placed upon our Group. It also means that our Group is less likely to be surprised by any external events that require significant change.

# Statement on Risk Management and Internal Control (cont'd)

## RISK MANAGEMENT (CONT'D)

### (2) Operation Risks – Heads of Division/Department

Operational risks are inherent in the ongoing activities of different business units or subsidiaries of our Group. These are the risks associated with such things as the day-to-day operational performance of staff, the risks caused by the Group and the Group's subsidiaries structure and the manner in which the subsidiaries report to corporate headquarter. Senior management needs ongoing assurance that operational risks are identified and well managed.

Accountability for managing operational risks rests particularly with the Heads of Business Division/Departments. The benefits of efficiently managing operational risks include maintaining superior quality standards, eliminating undesirable surprises, the early identification of problematic issues, being prepared for emergencies if they happen and being held in high regard by shareholders for the efficient and effective management of risk.

In compliance with the Bursa Securities requirements in relation to anti-corruption measures (“**Anti-Corruption Amendment**”) effective on 1 June 2020, the management had come out with the Anti-Bribery and Corruption (“**ABAC**”) Policy and Whistleblowing Policy & Procedures. These policies have been approved by the Board on 1 June 2020 and published on the Group web site. Code of Ethics & Conduct of the Group and the Group's subsidiaries have been enhanced with the guideline of the policies.

## INTERNAL CONTROL

The key processes that have been established in reviewing the adequacy and effectiveness of the internal control system include the following:-

### **Internal Audit**

The Internal Audit function is outsourced to an independent professional firm to check on compliance with policies and procedures and the effectiveness of our Group's internal control system and to highlight significant findings in respect of any non-compliance. The Internal Auditors report directly to the Audit and Risk Management Committee. The internal audit will focus on compliance with ABAC of the group for financial period ended 2023 cycle. The proposed internal audit plan will be submitted to the Audit and Risk Management Committee for consideration and approval. The Audit and Risk Management Committee is responsible to review and discuss with the Management on the issues highlighted by the Internal Auditors, whenever necessary.

### **Audit and Risk Management Committee**

The Audit and Risk Management Committee reviews and discusses internal control issues identified by the Internal Auditors, External Auditors and the Management, and evaluates the adequacy and effectiveness of our Group's risk management and internal control systems. The Audit and Risk Management Committee also reviews the internal audit functions with particular emphasis on the scope and frequency of audits and the adequacy of resources. The minutes of the Audit and Risk Management Committee meetings are tabled to the Boards on a periodical basis.

### **Share Issuance Scheme (“SIS”) Committee**

The SIS Committee administers options and/ or shares under the SIS and regulates the securities transactions in accordance with established regulations and by-laws.

### **Organisational Structure**

Our Group has in place the organisational structure with clearly defined lines of responsibilities and functionalities which promotes appropriate levels of accountability for risk management, control procedures and effectiveness of operations. All new employees are required to undergo an orientation program to be acknowledged of the organizational structure and the job function is clearly written for transparency and better accountability.

## Statement on Risk Management and Internal Control (cont'd)

### INTERNAL CONTROL (CONT'D)

#### *Limit of Authority*

There are policy guidelines and authority limits imposed on the Executive Directors and the Management within our Group in respect of the day-to-day operations, signing of sales and supplier agreements, acquisitions and disposal of assets.

#### *Control Environment*

Our Board considers the integrity of staff at all levels to be of utmost importance, and this is pursued through comprehensive recruitment, appraisal and reward program. There is an effective group organizational structure on how the business activities are planned, controlled and monitored.

Our Group's culture and values, as well as the standard of conduct and discipline we expect from our employees have been communicated to them via the employee handbook or letters of appointment.

### CONCLUSION

To the best knowledge of our Board, there were no material losses incurred during the year under review that caused by weaknesses in internal control. Our Board has received assurance from the Executive Directors and the Financial Controller that our Group's risk management and internal control systems are operating adequately and effectively, in all material aspects. The Management continues to take measures to improve and strengthen the internal control environment.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report of our Group for the financial period ended 30 September 2023 and have reported to our Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by our Board in reviewing the adequacy and effectiveness of the risk management and internal control systems.

This Statement was made in accordance with a resolution of our Board of Directors dated 29.01.2024.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“**Board**”) is pleased to present the Audit and Risk Management Committee (“**ARMC**”) Report for the FPE 2023.

## 1. MEMBERS OF AUDIT AND RISK MANAGEMENT COMMITTEE AND MEETINGS

The ARMC met seven (7) times during the FPE 2023.

The composition of the ARMC and details of the attendance of the members at the meetings are set out as follows:

Name	Position	Total number of Meetings Attended
Low Poh Seong (Independent Non-Executive Director)	Chairman	6/7
Mazlan bin Mohamad (Independent Non-Executive Director)	Member	6/7
Dato’ Azmil bin Mohd Zabidi (Independent Non-Executive Chairman)	Member	7/7

Following the resignation of Mazlan bin Mohamad as ARMC member on 26 December 2023, the Board has appointed Mr. Chong Kwang Fock as the new member in his place on 26 December 2023.

## 2. TERMS OF REFERENCE

The Terms of Reference of the ARMC are published in our website at [www.kangerinternational.co](http://www.kangerinternational.co).

## 3. SUMMARY OF ACTIVITIES

The ARMC carried out the following activities during the FPE 2023:

- (i) Reviewed unaudited quarterly financial results before recommending to our Board for consideration and approval. The ARMC invited the Executive Directors to brief it on any updates on the operations of our Group every quarter and on any material matters that require the ARMC’s attention. The review is also to ensure that the unaudited quarterly financial results complied with the applicable accounting standards and ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”);
- (ii) Reviewed our audited financial statements prior to submission to our Board for consideration and approval. The review ensures that the financial statements were drawn up in accordance with the applicable accounting standards and the provisions of the Companies Act 2016;
- (iii) Reviewed the External Auditors’ scope of work and audit plan for the FPE 2023;
- (iv) Reviewed with the External Auditors, the results of the audit status reports;
- (v) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control to be included in the Annual Report 2022 and submitted the said documents to our Board for consideration and approval;
- (vi) Reviewed the Anti-Bribery and Corruption Policy and Whistleblowing Policy;
- (vii) Reviewed with the Internal Auditors, the internal audit reports and their evaluation of system of internal controls;



## Audit and Risk Management Committee Report (cont'd)

### 3. SUMMARY OF ACTIVITIES (CONT'D)

The ARMC carried out the following activities during the FPE 2023: (Cont'd)

- (viii) Reviewed related party transactions within our Group;
- (ix) Conducted private discussion with the External Auditors without the presence of the Management in relation to the financial statements of our Group;
- (x) Recommended the re-appointment of Messrs. CAS Malaysia PLT, Chartered Accountants as the External Auditors of the Company and Group after accessing their job scopes, engagement team, competency, objectivity and independence;
- (xi) Assessed objectivity, suitability, independence and performance of the outsourced Internal Auditors;
- (xii) Reviewed the offer, acceptance and exercise of options under the employees' share option scheme; and
- (xiii) Reviewed the status of establishment of risk framework and register.

### 4. INTERNAL AUDIT FUNCTION

The ARMC is supported by the internal audit team whose primary responsibility is to evaluate and report on the adequacy, integrity and effectiveness of the overall system of internal control of our Group. The internal audit function of the Group is outsourced to GovernanceAdvisory.com Sdn. Bhd. who reports directly to the ARMC with its findings and recommendations. Any necessary corrective actions after reporting to our Board by the ARMC will be directed by our Board.

Our Group's internal audit activities are mainly carried out in accordance with the annual internal audit plan that has been tabled to the ARMC for its review and approval and selected ad-hoc audits on the Management's requests. The Internal Auditors adopt a risk-based audit approach in auditing objectively to provide the assurance that risks were mitigated to acceptable levels. This approach would draw the Internal Auditors' attention towards gaining an understanding of our Group's interaction with external forces, changes in the strength of the relationships during the period under audit, and the risk of potential future changes presented by the external forces. Their approach would entail understanding on how the business risks translate to audit risks, and communicating value added input to the Management through the audit process. Whenever required, the Internal Auditors would make reference to our Group's policies and procedures, established practices, Listing Requirements and recommended industry practices.

During the FPE 2023, the Internal Auditors carried out the internal audit on Sales and Purchase Review of Sung Master Holdings Sdn. Bhd.

The findings arising from the audit field work were highlighted together with suitable recommendations for improvement to the Management for review and further action where necessary.

The ARMC had reviewed and assessed our internal audit function and was of the view that the scope, functions (including independence), objectivity, competency, resources, authorities granted to the outsourced internal audit function as well as internal audit program and processes were adequate to provide the ARMC with reasonable assurance that governance, risk and control structures and processes of our Group is adequate and effective. The results of the internal audit program, processes or investigation undertaken was adequately communicated to the ARMC and appropriate actions are taken on the recommendations of the Internal Auditors.

The cost incurred for the internal audit function in respect of the FPE 2023 was approximately RM18,000.

## ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

In Compliance with the Bursa Malaysia Securities Berhad's Ace Market Listing Requirements, the following additional information are provided:

**Private Placement of up to 180,306,505 new ordinary shares in Kanger International Berhad (“Kanger” or the “Company”) (“Kanger Shares”), representing approximately 20% of the total number of issued Kanger Shares (“Private Placement”)**

On 29 December 2023, the Private Company announced a proposal to undertake a private placement of new ordinary shares, representing up to 20% of the total number of issued shares in the Company. A total of up to 180,306,505 Shares (“**Placement Share(s)**”), representing approximately 20% of the existing total number of 649,868,002 issued Kanger Shares, assuming of all outstanding 169,951,156 Warrants B are exercised into new Kanger Shares and 81,713,369 Share Issuance Scheme Options are exercised prior to the implementation of the Proposed Private Placement, may be issued pursuant to the Proposed Private Placement.

### MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of directors, chief executive who is not a director or major shareholders either still subsisting at the end of the financial period ended 30 September 2023 or entered into since the end of the previous financial year.

### AUDIT AND NON-AUDIT FEES

The statutory audit fees and non-audit fees paid or payable by the Group and the Company to the External Auditors for the FPE 2023 were as follows:

Audit Services	2023	
	Group	Company
Statutory audit fees	234,000	140,000
Non-audit fees	28,000	28,000
<b>TOTAL</b>	<b>262,000</b>	<b>168,000</b>

### SHARE ISSUANCE SCHEME (“SIS”)

The SIS of the Company was approved by the shareholders at the Extraordinary General Meeting held on 24 December 2019 and is governed by the By-laws.

The Board had approved the existing SIS for a period of ten (10) years from 27 December 2019 to 26 December 2029, in accordance with the terms of the SIS By-Laws.

Date Offered	Total Number of Option or Shares Granted	Exercise Price	Total Number of Options Exercised	Exercised Date
13 January 2020	90,000,000	RM0.0650	28,000,000 12,000,000 20,000,000 30,000,000	26 August 2020 27 August 2020 18 November 2020 29 January 2021
20 February 2020	40,000,000	RM0.0700	20,000,000 20,000,000	18 November 2020 29 February 2021
11 December 2020*	548,908,342	RM0.1590	–	–

## Additional Compliance Information Disclosures (cont'd)

### SHARE ISSUANCE SCHEME ("SIS") (CONT'D)

Date Offered	Total Number of Option or Shares Granted	Exercise Price	Total Number of Options Exercised	Exercised Date
15 February 2021**	548,908,342	RM0.0992	100,806,451 50,403,225 50,403,225 50,403,225	26 February 2021 26 February 2021 1 March 2021 15 March 2021
8 April 2021***	296,892,216	RM0.05409	92,438,528 92,438,528 46,209,193	23 April 2021 21 May 2021 2 July 2021
28 April 2022	2,380,952	RM0.0630	2,380,952	29 April 2022
18 May 2022	2,752,293	RM0.0545	2,752,293	19 May 2022
30 September 2022	8,728,179	RM0.0401	8,728,179	4 October 2022
7 October 2022	6,437,768	RM0.0466	6,437,768	12 October 2022
14 October 2022	2,762,431	RM0.0362	2,762,431	17 October 2022
31 October 2022	5,780,347	RM0.0346	5,780,347	16 November 2022
30 November 2022	10,958,904	RM0.0365	10,958,904	2 December 2022
15 December 2022	12,135,922	RM0.0412	4,854,368 2,427,184 4,854,368	16 December 2022 27 December 2022 5 January 2023

\* The outstanding of 548,908,342 options had been cancelled due to no options were accepted by employees.

\*\* The outstanding of 296,892,216 options was lapsed on 16 March 2021.

\*\*\* The outstanding of 65,805,967 options was withdrawn on 11 January 2022.

The details of SIS are set out in Note 16 to the financial statements on page 145 to 147 of this Annual Report.

## STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 (“**Act**”) to ensure that the financial statements for each financial year are prepared in accordance with the applicable approved accounting standards and the requirements of the Act, which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for the FPE 2023, the Directors ensured that the Management has:

- (a) adopted appropriate accounting policies and applied them consistently;
- (b) made appropriate judgements and estimates that are reasonable;
- (c) the financial statements have been prepared on the going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors have an overall responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.



# FINANCIAL REPORT

Directors' Report  
**45**

Statement by Directors  
**52**

Statutory Declaration  
**52**

Independent Auditors' Report  
to the Members  
**53**

Statements of Financial Position  
**62**

Statements of Profit or Loss and  
Other Comprehensive Income  
**64**

Statement of Changes In Equity  
**66**

Statements of Cash Flows  
**70**

Notes to the Financial Statements  
**74**



# DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 September 2023.

## CHANGE OF FINANCIAL YEAR END

The Group and the Company had on 27 February 2023 announced the changed in its financial year end from 31 March to 30 September. Therefore, the financial period covered in these financial statements is for a period of eighteen (18) months from 1 April 2022 to 30 September 2023. Thereafter, the financial year of the Group and of the Company shall revert to twelve (12) months ending 30 September, for each subsequent year. The comparatives are for the financial year from 1 April 2021 to 31 March 2022.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the Company in each subsidiaries are as disclosed in Note 9 to the financial statements.

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

## FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial period	<u>(12,294,607)</u>	<u>(81,866,712)</u>
Attributable to:		
Owners of the Company	(13,143,277)	(81,866,712)
Non-controlling interests	848,670	-
	<u>(12,294,607)</u>	<u>(81,866,712)</u>

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature other than those as disclosed in the notes to the financial statements.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provision during the financial period except as disclosed in the financial statements.

## DIVIDENDS

No dividend has been paid or declared since the end of the previous financial year. The directors do not recommend that a dividend to be paid in respect of the current financial period.

## Directors' Report (cont'd)

### SHARES AND DEBENTURES

During the financial period, the Company increased its share capital from RM425,311,850 to RM427,561,384 through the following:

- (a) issuance of 51,936,794 new ordinary shares within exercise price ranges from RM0.0346 to RM0.063 per ordinary share for a total cash consideration of RM2,150,000 and fair value of RM99,534 pursuant to the Company's Shares Issuance Scheme ("SIS");

The new ordinary shares issued during the financial period ranked pari passu in all respect of the distribution of dividends and repayment of capital with the existing ordinary shares.

There were no debentures issued during the financial period.

### WARRANTS

#### WARRANTS B 2021/2026

The Warrants B are constituted under a Deed Poll to be executed by the Company and involved the issuance of 1,700,011,579 Warrants B on the basis of one (1) Warrant for every one (1) existing ordinary shares of the Company held by the shareholders of the Company on 30 August 2021.

The exercise price of the Warrant B has been fixed at RM0.05 each.

Each Warrant B entitles the Warrant holders to subscribe for one (1) new ordinary share of the Company at any time during the exercise period at the exercise price of RM0.05 each (subject to adjustments in accordance with the provisions of the Deed Poll).

The period commencing on, and including the first date of issue of the Warrants B and ending at the close of business at 5.00pm in Malaysia on the date which is five (5) years from the date of issue of the Warrants if such date is not a market day, then it shall be the market day immediately preceding the said non market day, but excluding those days during the period on which the Record of Depositors and/or the Warrants Register is or are closed.

On 09 February 2022, 1,529,560,423 Warrants B were consolidated arising from the adjustments to the exercise price and number of outstanding Warrants B pursuant to the share consolidation exercise ("Share Consolidation").

On 10 February 2022, the Company has completed the share consolidation exercise by consolidating ten (10) ordinary shares in the Company into one (1) ordinary share and warrants B of the Company.

The new exercise price of the Warrant B has been fixed at RM0.50 each.

There were total of 169,951,156 Warrants B remained unexercised during the financial period ended 30 September 2023.

There was no movements in the Warrants B 2021/2026 during the financial period.

## Directors' Report (cont'd)

### OPTIONS GRANTED OVER UNISSUED SHARES

The Company's SIS is governed by the by-laws approved by the shareholders at the Extraordinary General Meeting held on 24 December 2019 and was effected on 27 December 2019. Under the SIS, the Company has implemented a SIS of up to 30% of the total number of issued shares of the Company, excluding treasury shares, at any period of time, comprising a Share Option Scheme ("SOS") and a Share Grant Scheme ("SGS"). The SIS is in force for a maximum period of ten (10) years from the effective date and is administered by the Share Issuance Scheme Committee ("SISC").

The salient features and other terms of the SIS are disclosed in Note 16 (ii) to the financial statements.

The following table illustrates the share options granted and exercised during the financial period:

Grant date	Exercise price RM	Number of options over ordinary shares				
		As at 01.04.2022	Granted	Exercised	Withdrawn	As at 30.09.2023
28.4.2022	0.06300	-	2,380,952	(2,380,952)	-	-
18.5.2022	0.05450	-	2,752,293	(2,752,293)	-	-
30.9.2022	0.04010	-	8,728,179	(8,728,179)	-	-
7.10.2022	0.04660	-	6,437,768	(6,437,768)	-	-
14.10.2022	0.03620	-	2,762,431	(2,762,431)	-	-
31.10.2022	0.03460	-	5,780,347	(5,780,347)	-	-
30.11.2022	0.03650	-	10,958,904	(10,958,904)	-	-
15.12.2022	0.04120	-	12,135,920	(12,135,920)	-	-
		-	51,936,794	(51,936,794)	-	-

### DIRECTORS

The names of the directors of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Wu Wai Kong	
Low Poh Seong	
Dato' Azmil Bin Mohd Zabidi	(Appointed on 08 April 2022)
Lean Boon Bee	(Appointed on 01 June 2023)
Chong Kwang Fock	(Appointed on 26 December 2023)
Kuah Choon Ching	(Resigned on 15 December 2023)
Mazlan Bin Mohamad	(Resigned on 26 December 2023)

Other than as stated above, the names of the directors of the subsidiaries of the Company during the financial period and the period from the end of the financial period to the date of this report, not including those directors listed above are:

Tan Jyy Yeen	
Sii Tung Nai	(Resigned on 15 December 2022)



## Directors' Report (cont'd)

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial period in the ordinary shares and warrants of the Company during the financial period were as follows:

Shareholdings in the name of directors	Number of ordinary shares			As at 30.09.2023
	As at 01.04.2022	Acquired	Sold	
<u>Direct interest</u>				
Kuah Choon Ching	74,051,317	-	-	74,051,317
Wu Wai Kong	674,530	-	-	674,530
<u>Indirect interest</u>				
Wu Wai Kong*	178,000	-	-	178,000

\* Deemed interests by virtue of shares held by his direct family members.

Warrants B holding in the name of directors	Number of Warrants B			As at 30.09.2023
	As at 01.04.2022	Acquired	Share Consolidation	
<u>Direct interest</u>				
Kuah Choon Ching	2,500,000	-	-	2,500,000

By virtue of their interests in the shares of the Company, all the above directors are also deemed to have interests in the shares of the subsidiary companies to the extent the directors have their interests.

Other than disclosed above, none of the other directors in office at the end of the financial period have any interest in the shares and Warrants B of the Company during the financial period.

### DIRECTORS' REMUNERATIONS

The details of the directors' remuneration paid or payable to the directors or past directors of the Group and of the Company during the financial period are disclosed in Note 29 to the financial statements.

The details of the other benefits otherwise than in cash received or receivable from the Group and the Company by the directors or past directors of the Group and of the Company during the financial period are disclosed in Note 29 to the financial statements.

No payment has been paid to or payable to any third party in respect of the services provided to the Group and the Company by the directors or past directors of the Group and of the Company during the financial period.

## Directors' Report (cont'd)

### INDEMNITY AND INSURANCE COSTS

The Group maintains directors' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the financial period, which provides appropriate insurance cover for the directors and officers of the Company and of its subsidiary companies. The total amount of indemnity insurance coverage and insurance premium paid during the financial period were RM10,000,000 and RM20,000 respectively.

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been the auditor of the Company.

### DIRECTORS' BENEFITS

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

Since the end of the previous financial year, none of the directors of the Company have received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 29 to the financial statements) by reason of a contract made by the Company or a related corporation with the 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.

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

	<b>Group RM</b>	<b>Company RM</b>
<b>Directors of the Company</b>		
<u>Executive Directors:</u>		
Salaries, allowance and bonus	1,060,500	756,000
Defined contribution plans	133,320	82,800
Social security contribution	2,192	1,472
Employment insurance system	1,104	168
<u>Non-Executive Directors:</u>		
Fees	182,000	182,000
Other benefits	20,000	20,000
	<u>1,399,116</u>	<u>1,042,440</u>

## Directors' Report (cont'd)

### OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that no 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 at their book values in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

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

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

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

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial period in which this report is made.

### SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL PERIOD

Significant events during and subsequent to the financial period are disclosed in Note 34 to the financial statements.

Directors' Report  
(cont'd)**AUDITORS**

The auditors, CAS Malaysia PLT, Chartered Accountants have indicated their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial period ended 30 September 2023 were as follows:

	<b>Group RM</b>	<b>Company RM</b>
Statutory audit		
- current financial period	243,500	140,000
- (over)/underprovision in prior year	(9,400)	600
Other services		
- current financial period	28,000	28,000
- underprovision in prior year	3,000	3,000
	<u>265,100</u>	<u>171,600</u>

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 31 January 2024.

WU WAI KONG  
Director

DATO' AZMIL BIN MOHD ZABIDI  
Director

## STATEMENT BY DIRECTORS

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

We, WU WAI KONG and DATO' AZMIL BIN MOHD ZABIDI, being two of the directors of KANGER INTERNATIONAL BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 19 to 136 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2023 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 31 January 2024.

WU WAI KONG  
Director

DATO' AZMIL BIN MOHD ZABIDI  
Director

## STATUTORY DECLARATION

Pursuant to Section 251 (1)(b) of the Companies Act 2016

I, PHAN YI HUA, being the officer primarily responsible for the accounting records and financial management of KANGER INTERNATIONAL BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 19 to 136 are in my opinion 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 )  
PHAN YI HUA )  
at Puchong in the state of Selangor Darul Ehsan )  
on 31 January 2024 )

PHAN YI HUA  
(MIA Membership No: 48970)

Before me,

Commissioner for Oath

# INDEPENDENT AUDITORS' REPORT

To The Members of Kanger International Berhad

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of KANGER INTERNATIONAL BERHAD, which comprise the statements of financial position as at 30 September 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 19 to 136.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2023, and of their financial performance and their cash flows for the period 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.

## Independent Auditors' Report (cont'd)

### Report on the Audit of the Financial Statements (continued)

#### Key Audit Matters

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

Key audit matters	How the matter was addressed in the audit
<p><b>1) Impairment of Goodwill</b>  <i>Refer to Note 3.5 - Significant Accounting Policies, Note 4.8 - Significant Accounting Judgements, Estimates and Assumptions and Note 6 - Intangible Assets.</i></p> <p>As at 30 September 2023, the Group's carrying amount of goodwill is amounting to RM90.3 million, which represented 29% of the Group's total assets.</p> <p>The Group is required to perform an impairment test on the goodwill annually irrespective of whether there is any indication of impairment, by comparing the carrying amount with its recoverable amount.</p> <p>We considered this as key audit matter due to the significance of the goodwill to the Group's financial statements as it involves significant management's judgement and assumption, for each Cash Generating Unit ("CGU") in preparation of the cash flow projections.</p> <p>Key assumptions which required management's judgement and assumption includes:</p> <ol style="list-style-type: none"> <li>annual discount rate;</li> <li>terminal growth rate; and</li> <li>annual growth rates.</li> </ol>	<p>Our audit procedures include:</p> <ol style="list-style-type: none"> <li>obtained and reviewed the cash flow projections;</li> <li>enquired the management on the basis of preparation and justification used in the cash flow projection;</li> <li>assessed the reasonableness of the Group's key assumptions used in the cash flows projection such as growth rate, discount rates and profit margin;</li> <li>reviewed management's sensitivity analysis on the key assumptions used in the cash flow projection;</li> <li>performed arithmetic check on the goodwill calculation;</li> <li>discussed with the management of the probability of impairment losses on goodwill due to volatile business environment; and</li> <li>reviewed the financial statements to ensure adequate and appropriate disclosures have been made.</li> </ol>

## Independent Auditors' Report (cont'd)

### Report on the Audit of the Financial Statements (continued)

#### Key Audit Matters (continued)

Key audit matters	How the matter was addressed in the audit
<p><b>2) Impairment of trade and other receivables</b>  <i>Refer to Note 3.9 - Significant Accounting Policies, Note 4.6 - Significant Accounting Judgements, Estimates and Assumptions, Note 12 - Trade Receivables and Note 13 - Other Receivables</i></p> <p>As at 30 September 2023, the Group has recorded trade receivables, net of impairment, amounting to RM33.3 million which represented 11% of the Group's total assets. the Group has also significant other receivables amounted to RM71.1 million, which represented 23% of the Group's total assets.</p> <p>MFRS 9 required the impairment of trade receivable to be assessed using the expected credit losses ("ECL") model.</p> <p>ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows expected to receive, discounted at an approximation of the original effective interest rate.</p> <p>We considered this as key audit matter due to the significance of the trade and other receivables to the Group's financial statements as it involves significant management judgement and estimation.</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> <li>i) obtained and reviewed the receivables ageing report to ensure adequate impairment made for long outstanding receivables;</li> <li>ii) enquired the management on the determination of long outstanding receivables;</li> <li>iii) understood the process of assessing trade and other receivables ECL from the management;</li> <li>iv) evaluated the ECL calculation performed by the management to ensure its accuracy and completeness;</li> <li>v) recomputed the ECL calculation and compared against ECL assessment performed by the management;</li> <li>vi) Discussed with the Group's management on the recoverability of the receivables;</li> <li>vii) performed subsequent collections check for trade and other receivables;</li> <li>viii) Obtained confirmation of transactions and balances from selected receivables;</li> <li>ix) Identified any loss events subsequent to the end of reporting year for indications of increase in credit risk; and</li> </ul>



## Independent Auditors' Report (cont'd)

### Report on the Audit of the Financial Statements (continued)

#### Key Audit Matters (continued)

Key audit matters	How the matter was addressed in the audit
<p><b>2) Impairment of trade and other receivables</b> (continued)</p>	<p>Our audit procedures include (continued):</p> <p>x) Evaluated the adequacy and appropriateness of the disclosures made in the financial statements.</p>
<p><b>3) Impairment assessment on investment properties under construction</b> <i>Refer to Note 3.3 - Significant Accounting Policies, Note 4.2 - Significant Accounting Judgements, Estimates and Assumptions and Note 8 - Investment Properties.</i></p> <p>The Group holds properties classified as investment properties under construction which are disclosed in Note 8 to the financial statements.</p> <p>During the financial period, the Group has investment properties under construction amounting to RM99.2 million which represented 32% of the Group's total assets.</p> <p>The Group is required to perform an impairment test on the investment properties under construction where there is an indication of impairment, by comparing the carrying amount with its recoverable amount.</p> <p>When estimating the fair value of the investment properties, the objective is to estimate the price that would be received from the sale of investment properties in an orderly transaction between market participants under the current market condition.</p> <p>We considered this as key audit matter due to the significance of the investment properties under construction to the Group's financial statements as it involves significant management judgement and estimation.</p>	<p>Our audit procedures include:</p> <p>i) obtained and reviewed the sales and purchase agreement;</p> <p>ii) enquired the management if there is any of the conditions stated in the sales and purchase agreement breached;</p> <p>iii) checked the payment made to ensure it is in line with the timeline and conditions stated in the sales and purchase agreement;</p> <p>iv) obtained statement of account from the developer to confirm the amount paid;</p> <p>v) performed asset sighting to ensure the existence of the investment properties under construction;</p> <p>vi) enquired and assessed the impairment assessment done by management;</p> <p>vii) reperformed impairment assessment and compared against impairment assessment performed by the management; and</p>

## Independent Auditors' Report (cont'd)

### Report on the Audit of the Financial Statements (continued)

#### Key Audit Matters (continued)

Key audit matters	How the matter was addressed in the audit
<p><b>3) Impairment assessment on investment properties under construction</b> (continued)</p>	<p>Our audit procedures include (continued):</p> <p>viii) reviewed the financial statements to ensure adequate and appropriate disclosures have been made.</p>
<p><b>4) Liquidity position of the Group and the Company</b>  <i>Refer to Note 2.6 Fundamental Accounting Concept, Note 32.3 - Liquidity and Cash Flow Risks.</i></p> <p>During the financial period ended 30 September 2023, the Group and the Company incurred a net loss of RM12,294,607 and RM81,866,712 respectively.</p> <p>The Company incurred a negative cash flow from operating activities of RM8,495,340 during the financial period ended 30 September 2023.</p> <p>In assessing the liquidity position of the Group, the management has considered the repayment obligations for borrowings, other liabilities which includes the balance purchase price of the investment properties under construction and other overheads which are due in the next 12 months by taking into consideration the following:</p> <p>a) availability of cash flows over the next 12 months; and</p> <p>b) ability of the Group to generate sufficient cash flows from its operations.</p> <p>We considered this as key audit matter due to the significant management judgement and estimation and key assumptions applied to future cash flow projections.</p>	<p>Our audit procedures include:</p> <p>i) obtained and reviewed the cash flow projections;</p> <p>ii) reviewed and assessed the reasonableness of the Group's key assumptions used in the cash flows projection and its' sensitivity analysis;</p> <p>iii) performed arithmetic check on the cash flow forecast calculation; and</p> <p>iv) reviewed the financial statements to ensure adequate and appropriate disclosures have been made.</p>

## Independent Auditors' Report (cont'd)

### **Report on the Audit of the Financial Statements (continued)**

#### **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.

## Independent Auditors' Report (cont'd)

### Report on the Audit of the Financial Statements (continued)

#### 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:

- (i) 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.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (v) 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.

## Independent Auditors' Report (cont'd)

### **Report on the Audit of the Financial Statements (continued)**

#### **Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

# Independent Auditors' Report (cont'd)

## Report on the Audit of the Financial Statements (continued)

### Other Matters

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.

### **CAS MALAYSIA PLT**

[No. 201606003206 (LLP0009918-LCA) & (AF 1476)]  
Chartered Accountants

### **KONG JUNE HON**

[No. 03258/05/2024(J)]  
Chartered Accountant

Date: 31 January 2024

Puchong

# STATEMENTS OF FINANCIAL POSITION

As At 31 March 2023

	Note	Group		Company	
		30.09.2023 RM	31.03.2022 RM	30.09.2023 RM	31.03.2022 RM
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	12,521,741	13,448,438	10,404,356	7,358,653
Intangible assets	6	90,286,357	90,286,357	-	-
Right-of-use assets	7	1,180,058	2,664,065	-	259,314
Investment properties	8	99,197,150	71,435,000	-	-
Investment in subsidiary companies	9	-	-	94,789,536	94,789,436
Other investments	10	5,000,000	5,000,000	5,000,000	5,000,000
		<u>208,185,306</u>	<u>182,833,860</u>	<u>110,193,892</u>	<u>107,407,403</u>
<b>CURRENT ASSETS</b>					
Inventories	11	178,176	9,013,116	-	-
Trade receivables	12	33,292,426	81,305,670	-	-
Other receivables	13	71,654,249	41,583,259	7,934,224	117,696
Amount owing from subsidiary companies	14	-	-	98,143,743	186,035,253
Tax recoverable		98,000	1,964,431	-	-
Cash and bank balances	15	2,539,169	2,397,893	2,341,554	425,792
		<u>107,762,020</u>	<u>136,264,369</u>	<u>108,419,521</u>	<u>186,578,741</u>
<b>TOTAL ASSETS</b>		<u>315,947,326</u>	<u>319,098,229</u>	<u>218,613,413</u>	<u>293,986,144</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Statements of Financial Position (cont'd)

	Note	Group		Company	
		30.09.2023 RM	31.03.2022 RM	30.09.2023 RM	31.03.2022 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	16	427,561,384	425,311,850	427,561,384	425,311,850
Reserves	17	(139,555,027)	(125,469,420)	(214,490,815)	(132,624,103)
<b>Total equity attributable to owners of the Company</b>		<b>288,006,357</b>	<b>299,842,430</b>	<b>213,070,569</b>	<b>292,687,747</b>
Non-controlling interest	9	5,106,214	4,257,544	-	-
<b>TOTAL EQUITY</b>		<b>293,112,571</b>	<b>304,099,974</b>	<b>213,070,569</b>	<b>292,687,747</b>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	7	696,065	1,987,380	-	77,426
Loan and borrowings	18	494,440	1,938,793	83,293	191,216
		<b>1,190,505</b>	<b>3,926,173</b>	<b>83,293</b>	<b>268,642</b>
<b>CURRENT LIABILITIES</b>					
Trade payables	19	6,779,137	4,790,139	-	-
Other payables	20	13,145,878	947,617	5,058,409	764,668
Amount owing to a director	21	264,792	3,422,103	251,151	-
Amount owing to subsidiary companies	14	-	-	77,087	-
Lease liabilities	7	721,145	1,022,421	-	197,917
Loan and borrowings	18	329,789	619,510	72,904	67,170
Provision for taxation		403,509	270,292	-	-
		<b>21,644,250</b>	<b>11,072,082</b>	<b>5,459,551</b>	<b>1,029,755</b>
<b>TOTAL LIABILITIES</b>		<b>22,834,755</b>	<b>14,998,255</b>	<b>5,542,844</b>	<b>1,298,397</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>315,947,326</b>	<b>319,098,229</b>	<b>218,613,413</b>	<b>293,986,144</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 March 2023

	Note	Group		Company	
		01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
Revenue	22	77,715,195	222,742,000	-	-
Cost of sales		(66,510,340)	(216,867,902)	-	-
<b>GROSS PROFIT</b>		11,204,855	5,874,098	-	-
Other operating income		50,552	80,833,740	19,835	187,576
- Reversal of impairment losses on:					
Trade receivables	23	63,967	-	-	-
Other receivables	23	927,322	-	-	-
Amount due from subsidiary companies	23	-	-	15,089,964	-
Administrative expenses		(11,485,653)	(24,540,444)	(4,955,303)	(12,699,604)
Sales and distribution costs		-	(646,628)	-	-
Other operating expenses		(5,330,196)	(183,007,971)	(859,466)	(6,421,245)
- Impairment losses on:					
Trade receivables	25	(6,378,563)	(19,277,249)	-	-
Other receivables	25	-	(4,899,842)	-	-
Investment in subsidiary companies	25	-	-	-	(35,299,996)
Amount due from subsidiary companies	25	-	-	(90,862,974)	(86,008,354)
<b>LOSS FROM OPERATIONS</b>		(10,947,716)	(145,664,296)	(81,567,944)	(140,241,623)
Finance cost	24	(600,761)	(5,161,199)	(298,768)	(50,291)
<b>LOSS BEFORE TAXATION</b>	25	(11,548,477)	(150,825,495)	(81,866,712)	(140,291,914)
Taxation	26	(746,130)	(1,020,183)	-	-
<b>LOSS AFTER TAXATION</b>		(12,294,607)	(151,845,678)	(81,866,712)	(140,291,914)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Statements of Profit or Loss and Other Comprehensive Income (cont'd)

	Group		Company	
	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
<b>OTHER COMPREHENSIVE (EXPENSE)/INCOME</b>				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Foreign currency translation	(1,426,505)	12,516,292	-	-
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL PERIOD/YEAR</b>	<u>(13,721,112)</u>	<u>(139,329,386)</u>	<u>(81,866,712)</u>	<u>(140,291,914)</u>
<b>(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:</b>				
Owners of the Company	(13,143,277)	(151,529,421)	(81,866,712)	(140,291,914)
Non-controlling interest	848,670	(316,257)	-	-
	<u>(12,294,607)</u>	<u>(151,845,678)</u>	<u>(81,866,712)</u>	<u>(140,291,914)</u>
<b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	(14,569,782)	(138,587,984)	(81,866,712)	(140,291,914)
Non-controlling interest	848,670	(741,402)	-	-
	<u>(13,721,112)</u>	<u>(139,329,386)</u>	<u>(81,866,712)</u>	<u>(140,291,914)</u>
Basic loss per share attributable to owners of the Company (sen)	27	(2.13)	(34.42)	
Diluted loss per share attributable to owners of the Company (sen)	27	<u>(2.13)</u>	<u>(34.42)</u>	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2023

Group	Note	Attributable to owners of the Company							Total RM	
		Share capital RM	Share option reserve RM	Merger (deficit)/ reserve RM	Warrants reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM		Non-controlling interest RM
<b>Balance as at 1 April 2022</b>		425,311,850	-	(13,365,112)	38,918,815	3,443,037	(154,466,160)	299,842,430	4,257,544	304,099,974
<b>Transaction with owners:</b>										
- Share option granted under SIS	16	-	99,534	-	-	-	-	99,534	-	99,534
- Exercise of SIS	16	2,249,534	(99,534)	-	-	-	-	2,150,000	-	2,150,000
- Disposal of subsidiaries	9	-	-	13,565,112	-	(2,016,532)	(11,064,405)	484,175	-	484,175
<b>Total transactions with owners</b>		2,249,534	-	13,565,112	-	(2,016,532)	(11,064,405)	2,733,709	-	2,733,709
Loss for the financial period		-	-	-	-	-	(13,143,277)	(13,143,277)	848,670	(12,294,607)
<b>Other comprehensive expense:</b>										
Foreign currency translation reserve		-	-	-	-	(1,426,505)	-	(1,426,505)	-	(1,426,505)
<b>Total comprehensive (expenses)/income for the financial period</b>		-	-	-	-	(1,426,505)	(13,143,277)	(14,569,782)	848,670	(13,721,112)
<b>Balance as at 30 September 2023</b>		427,561,384	-	200,000	38,918,815	-	(178,673,842)	288,006,357	5,106,214	293,112,571

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Statements of Changes in Equity (cont'd)

		Attributable to owners of the Company								
		Non-distributable								
Group	Note	Share capital RM	Share option reserve RM	Merger deficit RM	Revaluation reserve RM	Foreign currency translation reserve RM	Retained earnings / (Accumulated losses) RM	Total RM	Non-controlling interest RM	Total RM
<b>Balance as at 1 April 2021</b>		259,106,001	-	(12,805,422)	-	15,596,224	(1,839,213)	260,057,590	12,401,280	272,458,870
<b>Transaction with owners:</b>										
- Share option granted under SIS	16	-	5,774,979	-	-	-	-	5,774,979	-	5,774,979
- Exercise of SIS	16	14,609,586	(2,109,587)	-	-	-	-	12,499,999	-	12,499,999
- SIS withdrawn	16	-	(3,665,392)	-	-	-	3,665,392	-	-	-
- Issuance of rights issue with free Warrants B	16	63,070,430	-	-	38,930,265	-	-	102,000,695	-	102,000,695
- Exercise of Warrants B	16	36,450	-	-	(11,450)	-	-	25,000	-	25,000
- Issuance of shares pursuant to shares subscription	16	46,170,791	-	-	-	-	-	46,170,791	-	46,170,791
- Issuance of shares pursuant to acquisition of equity interest in a subsidiary	16	42,789,436	-	-	-	-	-	42,789,436	-	42,789,436
- Share issuance expenses	16	(470,844)	-	-	-	-	-	(470,844)	-	(470,844)
- Disposal of subsidiaries	9	-	-	3,899,194	-	(25,094,624)	(4,762,918)	(25,958,348)	(11,728,821)	(37,687,169)
- Acquisition of a subsidiary	9	-	-	-	-	-	-	-	4,326,487	4,326,487
- Transferred of shares among subsidiaries	9	-	-	(4,458,884)	-	-	-	(4,458,884)	-	(4,458,884)
<b>Total transactions with owners</b>		166,205,849	-	(559,690)	38,918,815	(25,094,624)	(1,097,526)	178,372,824	(7,402,334)	170,970,490
Loss for the financial year		-	-	-	-	-	(151,529,421)	(151,529,421)	(316,257)	(151,845,678)
<b>Other comprehensive (expense) / income:</b>										
Foreign currency translation reserve		-	-	-	-	12,941,437	-	12,941,437	(425,145)	12,516,292
<b>Total comprehensive income / (expense) for the financial year</b>		-	-	-	-	12,941,437	(151,529,421)	(138,587,984)	(741,402)	(139,329,386)
<b>Balance as at 31 March 2022</b>		425,311,850	-	(13,365,112)	38,918,815	3,443,037	(154,466,160)	299,842,430	4,257,544	304,099,974

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Statements of Changes in Equity (cont'd)

Company	Attributable to owners of the Company					Total RM
	Share capital RM	Share option reserve RM	Warrants reserve RM	Accumulated losses RM		
<b>Balance as at 1 April 2022</b>	425,311,850	-	38,918,815	(171,542,918)		292,687,747
<b>Transaction with owners:</b>						
- Share option granted under SIS	-	99,534	-	-		99,534
- Exercise of SIS	2,249,534	(99,534)	-	-		2,150,000
<b>Total transactions with owners</b>	2,249,534	-	-	-		2,249,534
Total comprehensive expenses for the financial period	-	-	-	(81,866,712)		(81,866,712)
<b>Balance as at 30 September 2023</b>	427,561,384	-	38,918,815	(253,409,630)		213,070,569

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Statements of Changes in Equity (cont'd)

Attributable to owners of the Company							
Company	Note	Non-distributable					Total RM
		Share capital RM	Share option reserve RM	Warrants reserve RM	Accumulated losses RM		
<b>Balance as at 1 April 2021</b>		259,106,001	-	-	(34,916,396)	224,189,605	
<b>Transaction with owners:</b>							
- Share option granted under SIS	16	-	5,774,979	-	-	5,774,979	
- Exercise of SIS	16	14,609,586	(2,109,587)	-	-	12,499,999	
- SIS withdrawn	16	-	(3,665,392)	-	3,665,392	-	
- Issuance of rights issue with free Warrants B	16	63,070,430	-	38,930,265	-	102,000,695	
- Exercise of Warrants B	16	36,450	-	(11,450)	-	25,000	
- Issuance of shares pursuant to shares subscription	16	46,170,791	-	-	-	46,170,791	
- Issuance of shares pursuant to acquisition of equity interest in a subsidiary	16	42,789,436	-	-	-	42,789,436	
- Share issuance expenses	16	(470,844)	-	-	-	(470,844)	
<b>Total transactions with owners</b>		166,205,849	-	38,918,815	3,665,392	208,790,056	
Total comprehensive expenses for the financial year		-	-	-	(140,291,914)	(140,291,914)	
<b>Balance as at 31 March 2022</b>		425,311,850	-	38,918,815	(171,542,918)	292,687,747	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 March 2023

	Note	Group		Company	
		01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Loss before taxation		(11,548,477)	(150,825,495)	(81,866,712)	(140,291,914)
Adjustments for:					
Allowance for impairment losses of:					
- Amount owing from subsidiary subsidiary companies	14	-	-	90,862,974	86,008,354
- Investment in subsidiary companies	9	-	-	-	35,299,996
- Other receivables	13	-	4,899,842	-	-
- Trade receivables	12	6,378,563	19,277,249	-	-
- Property, plant and equipment	5	337,710	-	337,710	-
Amortisation of intangible assets	6	-	750,858	-	-
Depreciation of property, plant and equipment	5	1,661,608	2,176,742	332,539	206,172
Amortisation of right-of-use assets	7	1,477,831	770,983	189,217	214,439
Loss on disposal of quoted shares	25	-	3,993,682	-	3,993,682
Gain on lease termination	23	(16,736)	-	(7,329)	-
SIS option expenses	25	99,534	5,774,979	30,358	4,899,329
Written off property, plant and equipment	25	-	2,750,812	-	-
Written off intangible assets	25	-	10,533,341	-	-
Loss on fair value adjustment of investment properties	8	-	77,366,568	-	-
Loss on disposal of property, plant and equipment	25	1,215,550	-	-	-
Slow moving and obsolete inventories written down	11	-	15,469,228	-	-
Interest expense	24	600,761	5,161,199	298,768	50,291
Loss/(Gains) on disposal of subsidiary companies	9	468,545	(77,228,461)	-	-
Reversal of impairment loss on trade receivables	12	(63,967)	-	-	-
Reversal of impairment loss on subsidiary companies	14	-	-	(15,089,964)	-
Reversal of impairment loss on other receivables	13	(927,322)	-	-	-
Interest income	23	(9,400)	(38,243)	(923)	(38,243)
Dividend income	23	(11,574)	(149,333)	(11,574)	(149,333)
Operating loss before working capital changes		(337,374)	(79,316,049)	(4,924,936)	(9,807,227)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Statements of Cash Flows (cont'd)

	Note	Group		Company	
		01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES (continued)</b>					
Decrease/(increase) in inventories		8,834,940	(3,999,805)	-	-
Decrease/(increase) in receivables		9,994,787	(72,465,349)	(7,816,528)	1,992,052
(Decrease)/increase in amount owing to a director		(3,157,311)	(611,881)	251,151	-
Increase in payables		15,079,651	34,118,125	4,031,241	491,407
Cash generated from/(used in) operations		30,414,693	(122,274,959)	(8,459,072)	(7,323,768)
Interest paid		(338,261)	(5,161,199)	(36,268)	(50,291)
Income tax receive/(paid)		1,253,520	(5,177,741)	-	-
<b>Net cash generated from/(used in) operating activities</b>		<b>31,329,952</b>	<b>(132,613,899)</b>	<b>(8,495,340)</b>	<b>(7,374,059)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of other investment	10	-	(5,000,000)	-	(5,000,000)
Acquisition of property, plant and equipment	5	(3,721,752)	(2,430,009)	(3,715,952)	(26,046)
Acquisition of investment properties	8	(27,762,150)	(71,435,000)	-	-
Acquisition of investment in subsidiary company	9	-	(48,017,704)	(100)	(95,089,438)
Advances to subsidiary companies		-	-	12,264,763	(104,078,948)
Proceeds from disposal of property, plant and equipment		1,433,581	-	-	-
Proceeds from disposal of other investments		-	595,086	-	595,086
Net cash (outflow)/inflow from disposal of subsidiary companies	9	(5,576)	21,271,803	-	-
Interest received	23	9,400	38,243	923	38,243
Dividend received	23	11,574	149,333	11,574	149,333
<b>Net cash (used in)/generated from investing activities</b>		<b>(30,034,923)</b>	<b>(104,828,248)</b>	<b>8,561,208</b>	<b>(203,411,770)</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



## Statements of Cash Flows (cont'd)

	Note	Group		Company	
		01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Drawdown of hire purchase		-	2,468,040	-	-
Proceeds from issuance of share subscription	16	-	46,170,791	-	46,170,791
Proceeds from issuance of SIS	16	2,150,000	12,499,999	2,150,000	12,499,999
Proceeds from issuance of rights issue with free warrants	16	-	102,000,695	-	102,000,695
Proceeds from issuance of shares pursuant to acquisition of equity interest in a subsidiary	16	-	-	-	42,789,436
Proceeds from conversion of warrant	16	-	25,000	-	25,000
Share issuance expenses	16	-	(470,844)	-	(470,844)
Repayment of lease liabilities	7	(1,569,679)	(779,783)	(197,917)	(212,733)
Repayment of hire purchase		(1,734,074)	(466,790)	(102,189)	(63,347)
<b>Net cash (used in)/generated from financing activities</b>		<b>(1,153,753)</b>	<b>161,447,108</b>	<b>1,849,894</b>	<b>202,738,997</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>141,276</b>	<b>(75,995,039)</b>	<b>1,915,762</b>	<b>(8,046,832)</b>
Effect of foreign exchange rate changes		-	(3,322,024)	-	-
Cash and cash equivalents as at beginning of the financial period/year		<u>2,397,893</u>	<u>81,714,956</u>	<u>425,792</u>	<u>8,472,624</u>
<b>Cash and cash equivalents as at end of the financial period/year</b>		<b><u>2,539,169</u></b>	<b><u>2,397,893</u></b>	<b><u>2,341,554</u></b>	<b><u>425,792</u></b>
<b>Cash and cash equivalents comprise of:</b>					
Cash and bank balances	15	<u>2,539,169</u>	<u>2,397,893</u>	<u>2,341,554</u>	<u>425,792</u>
		<b><u>2,539,169</u></b>	<b><u>2,397,893</u></b>	<b><u>2,341,554</u></b>	<b><u>425,792</u></b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Statements of Cash Flows (cont'd)

Reconciliation of movement of liabilities to cash flow arising from financing activities

### Group

**30.09.2023**

	At 1 April 2022 RM	Net changes from financing cash flow RM	Drawdown of hire purchase RM	Other Changes RM	At 30 September 2023 RM
Hire purchase	2,558,303	(1,734,074)	-	-	824,229
Lease liabilities	3,009,801	(1,569,679)	-	(22,912)	1,417,210
	<u>5,568,104</u>	<u>(3,303,753)</u>	<u>-</u>	<u>(22,912)</u>	<u>2,241,439</u>

**31.03.2022**

	At 1 April 2021 RM	Net changes from financing cash flow RM	Drawdown of hire purchase RM	Other Changes RM	At 31 March 2022 RM
Hire purchase	4,891,751	(466,790)	2,468,040	(4,334,698)	2,558,303
Lease liabilities	3,143,190	(779,783)	-	646,394	3,009,801
	<u>8,034,941</u>	<u>(1,246,573)</u>	<u>2,468,040</u>	<u>(3,688,304)</u>	<u>5,568,104</u>

### Company

**30.09.2023**

	At 1 April 2022 RM	Net changes from financing cash flow RM	Other Changes RM	At 30 September 2023 RM
Hire purchase	258,386	(102,189)		156,197
Lease liabilities	275,343	(197,917)	(77,426)	-
	<u>533,729</u>	<u>(300,106)</u>	<u>(77,426)</u>	<u>156,197</u>

**31.03.2022**

	At 1 April 2021 RM	Net changes from financing cash flow RM	Other Changes RM	At 31 March 2022 RM
Hire purchase	321,733	(63,347)	-	258,386
Lease liabilities	488,076	(212,733)	-	275,343
	<u>809,809</u>	<u>(276,080)</u>	<u>-</u>	<u>533,729</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

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

The Company's registered office is located at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The principal place of business of the Company is located at 1 & 3, Jalan Alfa Impian 2, Taman Perindustrian Alfa Impian, 43300 Balakong, Selangor.

The Group and the Company had on 27 February 2023 announced the changed in its financial year end from 31 March to 30 September. Therefore, the financial period covered in these financial statements is for a period of eighteen (18) months from 1 April 2022 to 30 September 2023. Thereafter, the financial year of the Group and of the Company shall revert to twelve (12) months ending 30 September, for each subsequent year. The comparatives are for the financial year from 1 April 2021 to 31 March 2022.

The consolidated financial statements of the Company as at and for the financial period ended 30 September 2023 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements of the Company as at and for the financial period ended 30 September 2023 do not include other entities.

The Company is principally engaged in investment holding.

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the Company in each subsidiaries are as disclosed in Note 9 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 January 2024.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### 2.1 Statement of compliance

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

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year.

## Notes to the Financial Statements (cont'd)

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

#### 2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company have adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 April 2022:

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 3	Business Combinations - <i>Reference to the Conceptual Framework</i>
Amendments to MFRS 9	Financial Instruments - <i>Interest Rate Benchmark Reform - Phase 2</i>
Amendments to MFRS 116	Property, Plant and Equipment - <i>Property, Plant and Equipment - Proceeds before Intended Use</i>
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets - <i>Onerous Contracts - Cost of Fulfilling a Contract</i>
Amendments to MFRS 141	Agriculture
Amendments to Annual Improvements to MFRS Standards 2018-2020	

The adoption of the above and amended MFRSs, interpretations and annual improvements did not have any significant effect on the financial statements of the Group and of the Company.

#### 2.3 Standards issued but not yet effective

The Group and the Company has not adopted the following Standards, Amendments and Annual Improvements that have been issued but are not yet effective by the Malaysian Accounting Standards Board ("MASB").

##### Effective for financial periods beginning on or after 1 January 2023

Amendments to MFRS 101	Presentation of Financial Statements - <i>Disclosure of Accounting Policies</i>
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - <i>Definition of Accounting Policies</i>
Amendments to MFRS 112	Income Taxes - <i>Deferred Tax related to Assets and Liabilities arising from Single Transaction and International Tax Reform - Pillar Two Model Rules</i>
MFRS 17	Insurance Contracts

## Notes to the Financial Statements (cont'd)

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

#### 2.3 Standards issued but not yet effective (continued)

##### Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 7	Financial Instruments: Disclosures - <i>Supplier Financing Arrangements</i>
Amendments to MFRS 16	Leases - <i>Lease liability in a Sales and Leaseback</i>
Amendments to MFRS 101	Presentation of Financial Statements - <i>Non-current Liabilities with Covenants and Classification of Liabilities as Current and Non-Current</i>
Amendments to MFRS 107	Statement of Cash Flows - <i>Supplier Financing Arrangements</i>

##### Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - <i>Lack of Exchangeability</i>
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##### Effective date to be determined by Malaysian Accounting Standards Board

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statement and Investment in Associates and Joint Ventures - <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
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The Group and the Company will adopt the above mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The Directors do not expect any material impact to the financial statements of the upon adoption above pronouncements.

#### 2.4 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the financial statements.

## Notes to the Financial Statements (cont'd)

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

#### 2.5 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information are presented in RM, unless otherwise stated.

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency. All financial information are presented in RM, unless otherwise stated.

#### 2.6 Fundamental accounting concept

The financial statements of the Group and the Company have been prepared on the assumption that the Group and the Company will continue as a going concern. The application of the going concern basis is based on the assumption that the Group and the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

During the financial period ended 30 September 2023, the Group and the Company incurred a net loss of RM12,294,607 (31.03.2022: RM151,845,678) and RM81,866,712 (31.03.2022: RM140,291,914) respectively. The Company incurred a negative cash flow from operating activities of RM8,495,340 during the financial period ended 30 September 2023. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

The ability of the Group and the Company to operate as going concern is dependent on successful outcome and implementation of the current business plans to generate sufficient cash in the future to fulfil their obligations as and when they fall due. The financial statements of the Group and the Company do not include any adjustment relating to the amount and classification of assets and liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

In the event that these are not forthcoming, the Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the financial statements of the Group and the Company may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concern.

The directors of the Group and the Company are of the opinion that the preparation of the financial statements of the Group and the Company on a going concern basis remains appropriate as they believe, and accordingly, realise their assets and discharge their liabilities in the normal course of business.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2023.

The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies to like transactions and events in similar circumstances.

##### 3.1.1 Subsidiaries and business combination

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, has exposure to or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of profit or loss and OCI reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Basis of consolidation (continued)

##### 3.1.1 Subsidiaries and business combination (continued)

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

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

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value on the date of acquisition and any resulting gain or loss is recognised in profit or loss or OCI.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5.



## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Basis of consolidation (continued)

##### 3.1.1 Subsidiaries and business combination (continued)

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interest in the former subsidiary;
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income ("OCI") to profit or loss or retained earnings, if required in accordance with other's.

All of the above will be accounted for from the date when control is lost.

##### 3.1.2 Non-controlling interests

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated statements of profit or loss and OCI and within equity in the consolidated statement of financial position, but separate from parent shareholders' equity. Total comprehensive income is allocated against the interest of NCI, even if this results in a deficit balance. Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Basis of consolidation (continued)

##### 3.1.3 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.

#### 3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price, any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling and removing the items and restoring the site on which they are located. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial period/year in which they are incurred.

Depreciation on the property, plant and equipment are calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Leasehold land	Over the remaining year of lease term of 40 to 99 years
Buildings	20 years
Plant and machinery	3 - 10 years
Tools and equipment	3 - 5 years
Motor vehicles	5 years
Office equipment	3 - 10 years
Renovation	5 - 10 years
Computer software	2.5 - 5 years
Furniture and fittings	10 years
Signboard	5 years

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.2 Property, plant and equipment (continued)

Capital work-in-progress consists of building under construction for intended yet as factory and office. The amount is stated at cost. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

Depreciation of an asset begins when it is ready for its intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3.5 on impairment of non-financial assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss.

#### 3.3 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or 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 and subsequently at fair value, representing open market value determined annually by independent valuers or assessed by the Directors. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific assets. If this information is not available, the Group will use alternative valuation method such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recognised in profit or loss for the period in which they arise.

Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost and not depreciation until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.3 Investment properties (continued)

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 in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

#### 3.4 Intangible assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets that have been capitalised are amortised on a straight line basis over the period of their expected benefit when the intangible assets are available for use.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangible are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.4 Intangible assets (continued)

##### 3.4.1 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

#### 3.5 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For goodwill and property, plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial period/year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. 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 non-financial assets or CGUs.

In assessing value in use, the estimated future cash flows expected to be generated by the assets 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 assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 Impairment of non-financial assets (continued)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only when there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of that asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

#### 3.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials comprises the cost of purchase plus the cost of bringing the inventories to their present location and condition. Costs of inventories are determined on a first-in-first-out basis and weighted average cost formula. Cost of finished goods and work-in-progress includes raw materials, direct labour and appropriate proportion of production overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### 3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in management of their short term funding requirements.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.8 Financial assets

##### (i) Classification

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

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

##### (ii) Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group's and the Company's business model for managing financial assets refer 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.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.8 Financial assets (continued)

##### (iii) Subsequent measurement

For the purpose of subsequent measurement under MFRS 9, financial assets are classified as follows:

##### 3.8.1 Financial assets at amortised cost

Financial assets shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("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 includes trade receivables, other receivables, amount owing from subsidiary companies and cash and bank balances.

##### 3.8.2 Financial assets at FVOCI

###### *Debt instruments*

Debt instruments are measured at FVOCI if both of the following conditions are met:

- (a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.8 Financial assets (continued)

##### (iii) Subsequent measurement (continued)

#### 3.8.2 Financial assets at FVOCI (continued)

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company did not hold any debt instruments at FVOCI at the current and previous financial period/year end.

##### *Equity instruments*

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocable elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group and the Company did not hold any equity instruments at FVOCI at the current and previous financial period/year end.

#### 3.8.3 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.8 Financial assets (continued)

##### (iii) Subsequent measurement (continued)

##### 3.8.3 Financial assets at FVTPL (continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

- (a) the economic characteristics and risks are not closely related to the host;
- (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (c) hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group's and the Company's financial assets at FVTPL include investment in unquoted shares at the current and previous financial period/year end.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.8 Financial assets (continued)

##### (iv) 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 (such as removed from the statements of financial position) when:

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

On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

#### 3.9 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and lease receivables. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate.

The Group and the Company measure loss allowance at an amount equal to lifetime ECL, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECL. For trade receivables, contract assets and lease receivables, loss allowance are measured based on lifetime ECL at each reporting date. The Group estimates the ECL on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9 Impairment of financial assets (continued)

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while the 12-month ECL are the portion of the ECL that result from default events that are possible within the 12 months after the reporting date.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort.

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities carried 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 that financial asset have occurred.

(a) Simplified approach for trade receivables

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9 Impairment of financial assets (continued)

##### (a) Simplified approach for trade receivables (continued)

###### Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward looking information such as:

- internal credit rating/assessment;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor (where available);
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off to profit or loss when there is no reasonable expectation of recovering the contractual cash flows.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.9 Impairment of financial assets (continued)

(a) Simplified approach for trade receivables (continued)

Grouping of instruments for ECL measured on collective basis

##### **Collective assessment**

To measure ECL, trade receivables are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. The Group and the Company consider the expected loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

##### **Individual assessment**

Trade receivables which are in default or credit-impaired are assessed individually.

Note 12 sets out the measurement details of ECL.

(b) General 3-stages approach for other receivables and amount due from subsidiary companies

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Note 13 sets out the measurement details of ECL.

#### 3.10 Equity and reserves

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

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. This reserve is non-distributable and will be transferred to share capital upon the exercise of warrants. The warrants reserve in relation to unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.11 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The categories of financial liabilities at an initial recognition are as follows:

##### 3.11.1 Financial liabilities at FVTPL

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's and the Company's key management personnel; or
- (c) if a contract contains one or more embedded derivative and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as FVTPL are subsequently measured at fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as FVTPL upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

The Group and the Company do not have financial liabilities at FVTPL at the current and previous financial period/year end.

##### 3.11.2 Amortised cost

Other financial liabilities not categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.11 Financial liabilities (continued)

##### 3.11.3 Financial guarantee contracts

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

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- (a) the amount of the loss allowance; and
- (b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

##### **Derecognition**

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### 3.12 Leases

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease based on whether the contract conveys to the user the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and servicing elements, the consideration is allocated to each of the lease and non-lease components and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. For a contract that is, or contains, a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.



## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 Leases (continued)

##### (a) Group and Company as a lessee

###### **Right-Of-Use Assets**

The Group and the Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated amortisation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset comprises of the amount of lease liabilities adjusted for the lease payments that are paid at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received. If the Group and the Company are reasonably certain that the ownership of the underlying asset will be transferred to them by the end of the lease term, the right-of-use asset are amortized from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset are depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the end of the lease term.

Amortisation on the right-of-use assets are calculated using straight-line basis over the earlier of the estimated useful lives of the right-of-use assets of the end of the lease term. The lease terms of right-of-use assets are as follows:

Buildings	0.5 - 4 years
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###### **Lease Liabilities**

The Group and the Company recognise lease liability, which is measured at the present value of the lease payments to be made over the lease term, at the commencement date. The lease payments include fixed payments including in-substance fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, less lease incentives receivable. The lease payments also include the exercise price of purchase option if the Group and the Company are reasonably certain to exercise, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The lease payments are discounted using incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. The carrying amount of lease liabilities is remeasured in order to reflect any reassessment or lease modifications.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.12 Leases (continued)

##### **Short-term leases and leases of low-value assets**

The Group and the Company elected to apply exemption to those short term leases in which the lease term is 12 months or less from the commencement date and without purchase option. Besides, exemption is also applied for the lease of low value assets. The lease payments incurred on the exempted leases are recognised as expenses on a straight-line basis over the lease term.

##### **Lease term**

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any period 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.

Under some of the leases, the Group and the Company are offered with the option to extend the lease term for additional three to fifteen years. The Group and the Company apply judgement in considering all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option, to evaluate whether it is reasonably certain that the option will be exercised. 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 not to terminate.

#### 3.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Profit, interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 Borrowings (continued)

Borrowing costs incurred to finance the construction of property, plant and equipment and investment properties are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

#### 3.14 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 by the Group and the Company.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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

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

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.15 Income tax

##### 3.15.1 Income tax expenses

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group and the Company operate and generate taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### 3.15.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.15 Income tax (continued)

##### 3.15.2 Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.15 Income tax (continued)

##### 3.15.2 Deferred tax (continued)

The Group and the Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### 3.16 Provisions

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

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

#### 3.17 Contingencies

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the Statements of Financial Position and is disclosed as a contingent liability, unless the probability of 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 liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current and previous financial period/year end.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an assets, it is recognised as deferred income in the statements of financial position and transferred to profit or loss over the expected useful life of the related asset. Where the grant relates to an expense item, it is recognised in profit or loss, under the heading of "other income", on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

#### 3.19 Revenue recognition and other income

The Group and the Company recognise revenue from contracts with customers for goods or services based on the five-step model as set out in MFRS 15:-

- (i) Identify contracts with a customer.
- (ii) Identify performance obligations in the contract.
- (iii) Determine the transaction price.
- (iv) Allocate the transaction price to the performance obligation in the contract.
- (v) Recognise revenue when the Group and the Company satisfy a performance obligation.

The Group and the Company satisfy a performance obligation and recognises revenue over time if the Group's and the Company's performance:-

- (i) Do not create an asset with an alternative use to the Group and the Company have an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provided benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based on asset for the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at fair value of consideration received or receivable. The following describe the performance obligation in contracts with customers:-

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.19 Revenue recognition and other income (continued)

##### 3.19.1 Sale of goods

Revenue from sales of goods is recognised at the point in time when the customer obtains control of goods, which is generally at the time of delivery. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

##### 3.19.2 Rendering of project management consultancy services

The Group offers its customers project management consultancy services. Revenue is allocated to the services obligations and recognised over the period of performance of services to customers. When consideration is collected from customers in advance of services being performed, a contract liability is recognised. The contract liability would be recognised as revenue when the related services is rendered.

##### 3.19.3 Interest income

Interest income is recognised as it accrues, taking into account the principal outstanding and the effective rate over period of maturity.

#### 3.20 Employee benefits

##### 3.20.1 Short term employee benefits

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

##### 3.20.2 Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial year/period. The contributions are charged as an expense in the financial year in which the employees render their services. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").



## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.21 Share-based payments

##### 3.21.1 Equity-settled share-based payment

The cost of equity-settled share-based payment is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's and the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group and the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

The fair value of the employee share options is measured using the Trinomial Option Pricing Model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non market performance conditions attached to the transactions are not taken into account in determining fair value.

Equity-settled share-based payments with parties other than employees are measured at the fair value of the goods and services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted at the date the Group and the Company obtains the goods or the counterparty renders the service.

For cash-settled share-based payment, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in the fair value recognised in profit or loss for the financial year.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.22 Related parties

A party is related to an entity if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
  - controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  - has an interest in the entity that gives it significant influence over the entity; or
  - has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v);
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity; or
- (viii) the party which is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity.

#### 3.23 Foreign currency transactions and operations

##### 3.23.1 Functional and presentation currency

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the Group and the Company operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.23 Foreign currency transactions and operations (continued)

##### 3.23.2 Translation of foreign currency transactions

Transactions in currencies other than the Group's and the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. 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 and losses are recognised directly in equity.

##### 3.23.3 Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in OCI. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests.

## Notes to the Financial Statements (cont'd)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.24 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are disclosed in the notes of the segment information, including the factors used to identify the reportable segments and the measurement basis of segment information.

#### 3.25 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from exercise of Warrants and Employee Share Options into ordinary shares.

## Notes to the Financial Statements (cont'd)

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

#### 4.1 Depreciation of property, plant and equipment and right-of-use assets

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within a range of 2.5 to 99 years and right-of-use assets to be within a range of 0.5 to 4 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amount of the Group's and the Company's property, plant and equipment and right-of-use assets at the reporting date are disclosed in Note 5 and Note 7 to the financial statements.

#### 4.2 Impairment assessment of investment properties under construction

At each reporting date, the Group assesses whether any indication of impairment exists. This requires an estimation of the recoverable amount of the cash generating units ("CGU").

The Group performed impairment review by comparing the carrying amount of the investment properties with the price that would be received from the sale of the comparable properties in the localities. The comparison is made under the assumption of an orderly transaction between market participants in the current market conditions. Based on the impairment review, there is no impairment as the recoverable amount exceeds the total carrying amount.

The carrying amounts of investment properties are disclosed in Note 8 to the financial statements.

## Notes to the Financial Statements (cont'd)

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

#### 4.3 Determining the lease term of contracts with renewal options – the Group and the Company as lessee

The Group and the Company determine the lease term as 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.

The Group and the Company have several lease contracts that include extension option. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew 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 or not to exercise the option to renew.

The Group and the Company included the renewal period as part of the lease term for leases of building with shorter non-cancellable period. The Group and the Company typically exercise its option to renew for these leases because there will be a significant negative effect on profit if a replacement building for rent is not readily available.

#### 4.4 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).

#### 4.5 Write-down of obsolete or slow moving inventories

The Group writes down their obsolete or slow moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. The economic uncertainties resulting from COVID-19 pandemic may continue to impact the saleability of inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 11.

## Notes to the Financial Statements (cont'd)

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

#### 4.6 Provision for expected credit losses ("ECL") of trade and other receivables

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

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) 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 ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in the Note 12.

#### 4.7 Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

#### 4.8 Impairment of goodwill

The Group performs an annual assessment of the carrying value of its goodwill against the recoverable amount of the cash-generating units ("CGUs") to which the goodwill have been allocated. The measurement of the recoverable amount of CGUs are determined based on the value-in-use method, incorporating the present value of estimated future cash flows expected to arise from the respective CGU's ongoing operations. Management judgement is used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used. The estimation of pre-tax cash flows is sensitive to the periods for which the forecasts are available and to assumptions regarding the long-term sustainable cash flows, and reflect management's view of future performance.

## Notes to the Financial Statements (cont'd)

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

#### 4.9 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

#### 4.10 Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group and the Company are disclosed in Note 26.

#### 4.11 Share-based payments

The Group and the Company grants share options to directors who have met the specified conditions. The share options granted are measured at fair value at grant date using a binomial option pricing model. The key assumptions or inputs used in the binomial option pricing model include: (a) the current price, (b) the exercise price, (c) the risk-free rate, (d) the volatility of the share price (e) the dividend yield and (f) the time period to maturity, and with an adjustment for an early exercise of option based on the Group's and the Company's past experience with earlier exercises. As the volatility of the share price is estimated based on past price movements, the actual volatility may not coincide with the estimates made. Similarly, the actual early exercise of options granted may not coincide with the estimates made. These differences may affect the fair value measurement of the options granted but they are not adjusted retrospectively because the equity component of the options granted is not remeasured to fair value subsequent to their initial recognition.

The carrying amount of share option reserve and assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 16.



Notes to the Financial Statements  
(cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land RM	Plant and machinery RM	Tools and equipment RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computer software RM	Furniture and fittings RM	Signboard RM	Total RM
<b>30.09.2023</b>										
<b>At cost</b>										
Balance as at beginning of the financial period	6,800,000	3,575	17,908	7,866,265	617,441	199,200	678,558	-	40,974	16,223,921
Additions	3,700,000	-	-	-	10,814	-	4,320	6,618	-	3,721,752
Disposal	-	(2,197)	(17,908)	(4,265,873)	(550,929)	-	(661,738)	-	(40,974)	(5,539,619)
Reclassification	-	(1,378)	-	-	1,378	-	-	-	-	-
Balance as at end of the financial period	10,500,000	-	-	3,600,392	78,704	199,200	21,140	6,618	-	14,406,054
<b>Less: Accumulated depreciation</b>										
Balance as at beginning of the financial period	108,754	2,194	15,653	1,563,071	475,265	33,667	544,286	-	32,593	2,775,483
Charge for the financial period	121,717	-	1,979	1,308,228	85,301	29,880	107,434	995	6,074	1,661,608
Disposal	-	(2,194)	(17,632)	(1,659,665)	(536,457)	-	(635,873)	-	(38,667)	(2,890,488)
Balance as at end of the financial period	230,471	-	-	1,211,634	24,109	63,547	15,847	995	-	1,546,603
<b>Less: Accumulated impairment loss</b>										
Balance as at beginning of the financial period	-	-	-	-	-	-	-	-	-	-
Addition during the financial period	337,710	-	-	-	-	-	-	-	-	337,710
Balance as at end of the financial period	337,710	-	-	-	-	-	-	-	-	337,710
<b>Net carrying amount</b>										
Balance as at end of the financial period	9,931,819	-	-	2,388,758	54,595	135,653	5,293	5,623	-	12,521,741

Notes to the Financial Statements  
(cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Leasehold land RM	Buildings RM	Plant and machinery RM	Tools and equipment RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computer software RM	Signboard RM	work-in-progress RM	Total RM
<b>31.03.2022</b>											
<b>At cost</b>											
Balance as at beginning of the financial year	17,182,417	23,519,487	13,365,706	1,384,159	5,215,049	326,941	9,350,951	-	-	18,146,781	88,491,491
Acquisition of a subsidiary (Note 9 (b))	-	-	2,197	17,909	451,240	550,928	-	658,139	-	-	1,721,387
Additions	-	-	289,675	-	3,080,120	56,083	-	20,419	40,974	233,712	3,680,009
Disposal of subsidiaries (Note 9 (e))	(10,862,463)	(24,593,020)	(12,624,317)	-	(328,814)	-	-	-	-	(19,219,535)	(67,628,149)
Written off	-	(13,308)	(1,602,309)	(1,387,451)	(57,188)	(325,272)	(9,411,342)	-	-	-	(13,311,563)
Exchange differences	480,046	1,083,841	572,623	3,291	20,551	8,761	259,591	-	-	839,042	3,270,746
Balance as at end of the financial year	6,800,000	-	3,573	17,908	7,866,265	617,441	199,200	678,558	40,974	-	16,223,921
<b>Less: Accumulated depreciation</b>											
Balance as at beginning of the financial year	1,239	483,672	4,600,352	1,384,159	457,330	89,778	4,069,698	-	-	237,479	11,323,707
Acquisition of a subsidiary (Note 9 (b))	-	-	2,153	13,563	341,719	405,003	-	472,352	28,280	-	1,263,070
Charge for the financial year	108,754	-	11,600	2,090	1,059,496	80,071	734,079	71,934	4,313	-	2,176,742
Disposal of subsidiaries (Note 9 (e))	(1,296)	(496,985)	(788,990)	-	(56,011)	(8,201)	-	-	-	(248,459)	(1,599,942)
Written off	-	(8,651)	(3,959,912)	(1,387,450)	(249,712)	(69,868)	(4,885,158)	-	-	-	(10,560,751)
Exchange differences	57	21,964	32,586	3,291	10,249	(21,518)	115,048	-	-	10,980	172,657
Balance as at end of the financial year	108,754	-	2,194	15,653	1,563,071	475,265	33,667	544,286	32,593	-	2,775,483
<b>Net carrying amount</b>											
Balance as at end of the financial year	6,691,246	-	1,381	2,255	6,303,194	142,176	165,533	134,272	8,381	-	13,448,438

Notes to the Financial Statements  
(cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Computer software RM	Leasehold land RM	Motor vehicles RM	Office equipment RM	Renovation RM	Furniture and fittings RM	Total RM
<b>30.09.2023</b>							
<b>At cost</b>							
Balance as at beginning of the financial period	16,820	6,800,000	520,271	67,789	199,200	-	7,604,080
Additions	4,320	3,700,000	-	5,014	-	6,618	3,715,952
Balance as at end of the financial period	21,140	10,500,000	520,271	72,803	199,200	6,618	11,320,032
<b>Less: Accumulated depreciation</b>							
Balance as at beginning of the financial period	3,163	108,754	87,881	11,961	33,668	-	245,427
Charge for the financial period	12,684	121,717	156,081	11,182	29,880	995	332,539
Balance as at end of the financial period	15,847	230,471	243,962	23,143	63,548	995	577,966
<b>Less: Accumulated impairment loss</b>							
Balance as at beginning of the financial period	-	-	-	-	-	-	-
Addition during the financial period	-	337,710	-	-	-	-	337,710
Balance as at end of the financial period	-	337,710	-	-	-	-	337,710
<b>Net carrying amount</b>							
Balance as at end of the financial period	5,293	9,931,819	276,309	49,660	135,652	5,623	10,404,356

Notes to the Financial Statements  
(cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Computer software RM	Leasehold land RM	Motor vehicles RM	Office equipment RM	Renovation RM	Total RM
<b>31.03.2022</b>						
<b>At cost</b>						
Balance as at beginning of the financial year	-	6,800,000	520,271	58,563	199,200	7,578,034
Additions	16,820	-	-	9,226	-	26,046
Balance as at end of the financial year	16,820	6,800,000	520,271	67,789	199,200	7,604,080
<b>Less: Accumulated depreciation</b>						
Balance as at beginning of the financial year	-	-	19,865	5,642	13,748	39,255
Charge for the financial year	3,163	108,754	68,016	6,319	19,920	206,172
Balance as at end of the financial year	3,163	108,754	87,881	11,961	33,668	245,427
<b>Net carrying amount</b>						
Balance as at end of the financial year	13,657	6,691,246	432,390	55,828	165,532	7,358,653

Notes to the Financial Statements  
(cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) The carrying amount of the property, plant and equipment under hire purchase are as follows:

	Group		Company	
	30.09.2023	31.03.2022	30.09.2023	31.03.2022
	RM	RM	RM	RM
Motor vehicles	2,388,758	5,981,043	276,309	432,390
	<u>2,388,758</u>	<u>5,981,043</u>	<u>276,309</u>	<u>432,390</u>

(b) During the financial period/year, the purchase of property, plant and equipment was financed as follows:

	Group		Company	
	30.09.2023	31.03.2022	30.09.2023	31.03.2022
	RM	RM	RM	RM
Purchase of property, plant and equipment	3,721,752	3,680,009	3,715,952	26,046
Less: Amount financed through hire purchase liabilities	-	(1,250,000)	-	-
Cash disbursement for purchase of property, plant and equipment	<u>3,721,752</u>	<u>2,430,009</u>	<u>3,715,952</u>	<u>26,046</u>

## Notes to the Financial Statements (cont'd)

<b>6. INTANGIBLE ASSETS</b>			
<b>Group</b>		<b>Goodwill RM</b>	<b>Total RM</b>
<b>30.09.2023</b>			
<b>At cost</b>			
Balance as at beginning and end of the financial period		90,286,357	90,286,357
<b>Less: Accumulated impairment losses</b>			
Balance as at beginning and end of the financial period		-	-
<b>Net carrying amount</b>			
Balance as at beginning and end of the financial period		90,286,357	90,286,357

Notes to the Financial Statements  
(cont'd)

## 6. INTANGIBLE ASSETS (continued)

Group	Goodwill RM	Development costs RM	Intellectual property rights RM	Total RM
<b>31.03.2022</b>				
<b>At cost</b>				
Balance as at beginning of the financial year	-	1,500,000	14,513,283	16,013,283
Written off	-	(1,500,000)	(14,924,955)	(16,424,955)
Exchange differences	-	-	411,672	411,672
Acquisition of a subsidiary (Note 9 (b))	90,286,357	-	-	90,286,357
Balance as at end of the financial year	90,286,357	-	-	90,286,357
<b>Less: Accumulated amortisation</b>				
Balance as at beginning of the financial year	-	1,499,999	3,540,335	5,040,334
Amortisation for the financial year	-	-	750,858	750,858
Written off	-	(1,499,999)	(4,391,615)	(5,891,614)
Exchange differences	-	-	100,422	100,422
Balance as at end of the financial year	-	-	-	-
<b>Net carrying amount</b>				
Balance as at end of the financial year	90,286,357	-	-	90,286,357

## Notes to the Financial Statements (cont'd)

### 6. INTANGIBLE ASSETS (continued)

#### Goodwill

The Group considers each subsidiary company as a single CGU and the carrying amount of goodwill is allocated to the respective subsidiary companies.

The recoverable amount of goodwill has been determined based on value-in-use ("VIU") calculations using the profit and cash flow projections approved by the management covering a five (5) years period. The management has assessed the impairment of goodwill based on five (5) years projected cash flow with the following assumptions:

	<b>Group CGU 1</b>	
	<b>Goodwill</b>	
	<b>30.09.2023</b>	<b>31.03.2022</b>
	%	%
Gross profit margin	14	18
Growth rate	3	4
Discount rate	<u>6.70</u>	<u>10.88</u>

Gross profit margin  
Growth rate  
Discount rate

The Group believes that any reasonable possible change in the above key assumptions applied are not likely to materially cause the recoverable amounts to be lower than their carrying amounts.

The management carried out an annual review of the recoverable amounts of its goodwill at each financial year. No impairment loss provided in current financial period.

#### Sensitivity to changes in assumptions

The Group believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.



## Notes to the Financial Statements (cont'd)

### 7. LEASES

#### The Group as lessee

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

	Buildings RM	Total RM
<b>30.09.2023</b>		
<b>At cost</b>		
Balance as at beginning of the financial period	3,481,531	3,481,531
Additions	417,826	417,826
Derecognition	<u>(1,436,627)</u>	<u>(1,436,627)</u>
Balance as at end of the financial period	<u>2,462,730</u>	<u>2,462,730</u>
<b>Less: Accumulated amortisation</b>		
Balance as at beginning of the financial period	817,466	817,466
Charge for the financial period	1,477,831	1,477,831
Derecognition	<u>(1,012,625)</u>	<u>(1,012,625)</u>
Balance as at end of the financial period	<u>1,282,672</u>	<u>1,282,672</u>
<b>Net carrying amount</b>		
Balance as at end of the financial period	<u>1,180,058</u>	<u>1,180,058</u>
<b>31.03.2022</b>		
<b>At cost</b>		
Balance as at beginning of the financial year	4,700,147	4,700,147
Acquisition of a subsidiary (Note 9 (b))	291,933	291,933
Additions	2,774,970	2,774,970
Derecognition	(189,451)	(189,451)
Exchange differences	(496,808)	(496,808)
Disposal of subsidiaries (Note 9 (e))	<u>(3,599,260)</u>	<u>(3,599,260)</u>
Balance as at end of the financial year	<u>3,481,531</u>	<u>3,481,531</u>
<b>Less: Accumulated amortisation</b>		
Balance as at beginning of the financial year	1,766,600	1,766,600
Acquisition of a subsidiary (Note 9 (b))	105,608	105,608
Charge for the financial year	770,983	770,983
Derecognition	(189,451)	(189,451)
Exchange differences	(578,322)	(578,322)
Disposal of subsidiaries (Note 9 (e))	<u>(1,057,952)</u>	<u>(1,057,952)</u>
Balance as at end of the financial year	<u>817,466</u>	<u>817,466</u>
<b>Net carrying amount</b>		
Balance as at end of the financial year	<u>2,664,065</u>	<u>2,664,065</u>

## Notes to the Financial Statements (cont'd)

### 7. LEASES (continued)

#### The Group as lessee (continued)

#### (ii) Lease liabilities

	<b>Group</b>	
	<b>30.09.2023</b>	<b>31.03.2022</b>
	<b>RM</b>	<b>RM</b>
<b>At cost</b>		
Balance as at beginning of the financial period/year	3,009,801	3,143,190
Acquisition of a subsidiary (Note 9 (b))	-	188,865
Additions	417,826	3,112,645
Interest expense (Note 24)	198,636	127,066
Less:		
Repayment	(1,768,315)	(906,849)
Disposal of subsidiaries (Note 9 (e))	-	(2,743,101)
Derecognition	(440,738)	-
Exchange differences	-	87,985
Balance as at end of the financial period/year	<b>1,417,210</b>	<b>3,009,801</b>
Analysed as:		
Current liability	721,145	1,022,421
Non-current liability	696,065	1,987,380
	<b>1,417,210</b>	<b>3,009,801</b>
Rates of interest charged per annum:		
	<b>Group</b>	
	<b>30.09.2023</b>	<b>31.03.2022</b>
	<b>%</b>	<b>%</b>
Lease liabilities owing to non-financial institutions	<b>5.40</b>	<b>5.40 - 8.79</b>

Notes to the Financial Statements  
(cont'd)

## 7. LEASES (continued)

## The Company as lessee

## (i) Right-of-use assets

	Buildings RM	Total RM
<b>30.09.2023</b>		
<b>At cost</b>		
Balance as at beginning of the financial period	604,079	604,079
Derecognition	<u>(604,079)</u>	<u>(604,079)</u>
Balance as at end of the financial period	<u>-</u>	<u>-</u>
<b>Less: Accumulated amortisation</b>		
Balance as at beginning of the financial period	344,765	344,765
Charge for the financial period	189,217	189,217
Derecognition	<u>(533,982)</u>	<u>(533,982)</u>
Balance as at end of the financial period	<u>-</u>	<u>-</u>
<b>Net carrying amount</b>		
Balance as at end of the financial period	<u>-</u>	<u>-</u>
<b>31.03.2022</b>		
<b>At cost</b>		
Balance as at end of the financial year	<u>604,079</u>	<u>604,079</u>
<b>Less: Accumulated amortisation</b>		
Balance as at beginning of the financial year	130,326	130,326
Charge for the financial year	<u>214,439</u>	<u>214,439</u>
Balance as at end of the financial year	<u>344,765</u>	<u>344,765</u>
<b>Net carrying amount</b>		
Balance as at end of the financial year	<u>259,314</u>	<u>259,314</u>

## Notes to the Financial Statements (cont'd)

### 7. LEASES (continued)

#### The Company as lessee (continued)

#### (ii) Lease liabilities

	Company	
	30.09.2023	31.03.2022
	RM	RM
<b>At cost</b>		
Balance as at beginning of the financial period/year	275,343	488,076
Interest expense (Note 24)	19,783	34,467
Less:		
Repayment	(217,700)	(247,200)
Derecognition	(77,426)	-
Balance as at end of the financial period/year	<u>-</u>	<u>275,343</u>
Analysed as:		
Current liability	-	197,917
Non-current liability	-	77,426
	<u>-</u>	<u>275,343</u>
Rates of interest charged per annum:		
	30.09.2023	31.03.2022
	%	%
Lease liabilities owing to non-financial institutions	<u>-</u>	<u>8.79</u>

Notes to the Financial Statements  
(cont'd)

## 7. LEASES (continued)

## The Group and the Company as lessee (continued)

## (ii) Lease liabilities (continued)

Lease liabilities

	Group		Company	
	30.09.2023 RM	31.03.2022 RM	30.09.2023 RM	31.03.2022 RM
Minimum lease payment				
- Not later than one year	780,000	1,168,400	-	217,700
- Later than one year and not later than five years	715,000	2,117,500	-	80,000
	<u>1,495,000</u>	<u>3,285,900</u>	<u>-</u>	<u>297,700</u>
Future finance charges on lease liabilities	(77,790)	(276,099)	-	(22,357)
Present value of lease liabilities	<u>1,417,210</u>	<u>3,009,801</u>	<u>-</u>	<u>275,343</u>

Present value of lease liabilities are analysed as follows:

	Group		Company	
	30.09.2023 RM	31.03.2022 RM	30.09.2023 RM	31.03.2022 RM
Current liabilities				
- Not later than one year	721,145	1,022,421	-	197,917
Non-current liabilities				
- Later than one year and not later than five years	696,065	1,987,380	-	77,426
	<u>1,417,210</u>	<u>3,009,801</u>	<u>-</u>	<u>275,343</u>

(a) The following are the amounts recognised in profit or loss:

	Group		Company	
	30.09.2023 RM	31.03.2022 RM	30.09.2023 RM	31.03.2022 RM
<b>Included in administrative expenses</b>				
Short-term leases (Rental of premise)	10,700	30,547	10,700	30,547
<b>Included in other operating expenses</b>				
Amortisation of right-of-use asset	1,477,831	770,983	189,217	214,439
<b>Included in finance costs</b>				
Interest on lease liabilities	198,636	127,066	19,783	34,467
	<u>1,687,167</u>	<u>928,596</u>	<u>219,700</u>	<u>279,453</u>

## Notes to the Financial Statements (cont'd)

### 7. LEASES (continued)

#### The Group and the Company as lessee (continued)

##### (ii) Lease liabilities (continued)

- (b) At the end of the financial period, the Group had total cash outflow for leases of RM1,768,315 (31.03.2022: RM906,849) and the Company had total cash outflow for leases of RM217,700 (31.03.2022: RM247,200).
- (c) At the end of the financial period, the Group and the Company had total cash outflow for short-term leases of RM10,700 (31.03.2022: RM30,547).
- (d) The Group has certain leases of equipments with lease term of 12 months or less. The Group applies the "short-term lease" exemptions for these leases.
- (e) The Group lease buildings for a subsidiary's operation site. The leases for subsidiary's operation site and sub-lease activity generally contains an initial non-cancellable period of 2 years (31.03.2022: 1 to 2 years) with option to renew for subsequent ranging from 1 to 2 years (31.03.2022: 1 to 2 years). Subsequent renewals are negotiated with the lessor.

Notes to the Financial Statements  
(cont'd)

## 8. INVESTMENT PROPERTIES

	At Cost		At valuation	
	Residential commercial condominium under construction RM	Residential condominium RM	Commercial buildings RM	Total RM
<b>30.09.2023</b>				
<b>At cost, unless otherwise stated</b>				
Balance as at beginning of the financial period	71,435,000	-	-	71,435,000
Additions	27,762,150	-	-	27,762,150
Balance as at end of the financial period	99,197,150	-	-	99,197,150
<b>31.03.2022</b>				
<b>At cost, unless otherwise stated</b>				
Balance as at beginning of the financial year	-	-	185,138,243	185,138,243
Loss on fair value adjustment of investment properties	-	-	(77,366,568)	(77,366,568)
Acquisition of a subsidiary (Note 9 (b))	-	682,018	-	682,018
Additions	71,435,000	-	-	71,435,000
Disposal	-	(682,018)	-	(682,018)
Disposal of subsidiaries (Note 9 (e))	-	-	(107,172,087)	(107,172,087)
Exchange differences	-	-	(599,588)	(599,588)
Balance as at end of the financial year	71,435,000	-	-	71,435,000

- (a) Included in residential commercial condominium is 126 parcel of units of condominium at Block A, Antara @ Genting Highland, Pahang. The properties is own by one of its subsidiary, Kantara Sdn. Bhd..

## Notes to the Financial Statements (cont'd)

### 8. INVESTMENT PROPERTIES (continued)

The Group's investment properties and fair value hierarchy as at 30 September 2023 is as follows:

	30.09.2023			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
Investment properties	-	-	99,197,150	99,197,150
	-	-	99,197,150	99,197,150
	31.03.2022			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
Investment properties	-	-	71,435,000	71,435,000
	-	-	71,435,000	71,435,000

#### Policy on transfer between levels

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

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

#### Level 2 fair value

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

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for the differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The Group do not have Level 1 fair value investment properties. There is also no transfer between level 1 and level 2 during the financial period and in prior year.



## Notes to the Financial Statements (cont'd)

### 9. INVESTMENT IN SUBSIDIARY COMPANIES

Company	30.09.2023 RM	31.03.2022 RM
<b>Unquoted shares, at cost</b>		
<u>In Malaysia</u>		
Balance as at beginning of the financial period/year	95,089,443	5
Addition	100	95,089,438
Balance as at end of the financial period/year	95,089,543	95,089,443
<u>Outside Malaysia</u>		
Balance as at beginning and end of the financial period/year	34,999,996	34,999,996
	130,089,539	130,089,439
<b>Less: Accumulated impairment losses</b>		
Balance as at beginning of the financial period/year	35,300,003	7
Impairment losses recognised during the financial period/year	-	35,299,996
Balance as at end of the financial period/year	35,300,003	35,300,003
<b>Net carrying amount</b>		
Balance as at end of the financial period/year	94,789,536	94,789,436

The details of subsidiary companies are as follows:-

Name of subsidiaries	Country of incorporation / Principal place of business	Effective equity interest		Principal activities
		30.09.2023	31.03.2022	
<b>Direct holding</b>				
Kanger Ventures Sdn. Bhd. ("Kanger Ventures")	Malaysia	100%	100%	Trading of bamboo products for interior and exterior applications, research and development of bamboo products, trading of construction products, construction works, property development and project management.
Kanger Glove Manufacturing Sdn. Bhd. ("Kanger Glove")	Malaysia	100%	100%	Glove manufacturing.
Kanger Medical International Sdn. Bhd. ("Kanger Medical International")	Malaysia	100%	100%	Trading of medical and healthcare equipment, pharmaceutical medicinal, products and services and manage all business in healthcare related products and services including E-commerce.

## Notes to the Financial Statements (cont'd)

### 9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

The details of subsidiary companies are as follows:- (continued)

Name of subsidiaries	Country of incorporation / Principal place of business	Effective equity interest		Principal activities
		30.09.2023	31.03.2022	
<b>Direct holding</b>				
KIB Global Resources Sdn. Bhd. ("KIB Global Resources")	Malaysia	100%	100%	Wholesale of construction materials and management of real estate on a fee or contract basis and wholesale of a variety of goods without any particular specialization not elsewhere classified.
Sung Master Holdings Sdn. Bhd. ("Sung Master Holdings")	Malaysia	51%	51%	Trading of building material.
Kantara Sdn. Bhd. # ("Kantara")	Malaysia	100%	-	Management of real estate on a fee or contract basis and wholesale of construction materials.
Kanger Investment (HK) Ltd. *^+ ("HK Kanger")	Hong Kong	-	100%	Investment holding/Dormant
Kanger Trading (HK) Co. Ltd. *^+ ("HK Trading")	Hong Kong	-	100%	Dormant
<b>Indirect holding:</b>				
Subsidiary company of Kanger Medical International:				
Commonmask Sdn. Bhd. ("Commonmask")	Malaysia	100%	100%	Trading in medical disposable items.

The details of subsidiary companies are as follows:- (continued)

\* Subsidiary companies not audited by CAS Malaysia PLT, Chartered Accountants.

^ Disposed during the financial period.

+ For the purpose of consolidation, the management accounts of the foreign subsidiaries for the financial period ended 30 September 2022 have been used, as the subsidiaries are dormant.

# Newly incorporated during the financial period.

## Notes to the Financial Statements (cont'd)

### 9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

#### (a) Non-controlling interests

The non-controlling interests at the end of the reporting period comprise the followings: -

	Effective equity interest		Group	
	30.09.2023	31.03.2022	30.09.2023	31.03.2022
	%	%	RM	RM
Sung Master Holdings	49	49	5,106,214	4,257,544

The summarised financial information of the subsidiary company that have non-controlling interests which are material to the Group before intra-group elimination are as follows:

	30.09.2023	31.03.2022
	RM	RM
NCI percentage of ownership and voting interest (%)	49	49
Total comprehensive income allocated to NCI	848,670	(741,402)
<u>Summarised statements of financial position</u>		
Non-current assets	1,180,058	2,680,588
Current assets	21,962,542	20,996,572
Non-current liabilities	(696,066)	(1,909,954)
Current liabilities	(12,025,688)	(13,078,340)
Net assets	10,420,846	8,688,866
<u>Summarised statements of profit or loss and other comprehensive income</u>		
Revenue	68,917,366	23,056,439
Profit for the financial period/year	1,731,981	183,721
Total comprehensive income for the financial period/year	1,731,981	183,721
<u>Summarised statements of cash flows</u>		
Cash flows (used in)/generated from operating activities	(447,704)	12,844,071
Cash flows generated from investing activities	67,057	13,871,424
Cash flows used in financing activities	(1,371,763)	(26,144,535)
Net (decrease)/increase in cash and cash equivalents	(1,752,410)	570,960

## Notes to the Financial Statements (cont'd)

### 9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

#### (b) Acquisition of subsidiaries

##### Previous financial year

#### (A) Acquisition 51% of Sung Master Holdings

On 30 September 2021, the Company acquired 51% controlling interest in the equity shares of Sung Master Holdings. Sung Master Holdings operates in the construction industry with trading of building materials as its main business.

Fair value of consideration transferred:

	<b>RM</b>
(a) Cash consideration	52,000,000
(b) 713,157,273 ordinary shares of the Company (Note 16)	42,789,436
	<u>94,789,436</u>

The fair value of the 713,157,273 ordinary shares issued as part of the consideration paid for Sung Master Holdings was determined on the basis of the closing market price of the Company's ordinary shares of RM0.06 per share on the acquisition date.

Notes to the Financial Statements  
(cont'd)

## 9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

## (b) Acquisition of subsidiaries (continued)

Previous financial year (continued)

## (A) Acquisition 51% of Sung Master Holdings (continued)

## (i) Fair value of the identifiable assets acquired and liabilities recognised:

	RM
<b>Assets</b>	
Plant and equipment (Note 5)	458,317
Right-of-use assets (Note 7)	186,325
Investment property (Note 8)	682,018
Trade and other receivables	8,790,955
Inventories	7,623,859
Cash and short term deposits	3,982,298
<b>Total assets</b>	<u>21,723,772</u>
<b>Liabilities</b>	
Trade and other payables	5,816,714
Lease liabilities (Note 7)	188,865
Amount owing to a director	4,033,984
Tax payables	2,854,643
<b>Total liabilities</b>	<u>12,894,206</u>
<b>Total identifiable net assets acquired</b>	<u>8,829,566</u>
Goodwill arising on acquisition (Note 6)	90,286,357
Share capital and pre-acquisition retained earnings	8,829,566
	99,115,923
Less: Non-controlling interest at net asset	<u>(4,326,487)</u>
Fair value of consideration transferred	<u>94,789,436</u>

## (ii) Effect of acquisition on cash flow:

	RM
Fair value of consideration transferred	94,789,436
Less: Non-cash consideration	<u>(42,789,436)</u>
Consideration paid in cash	52,000,000
Less: Cash and cash equivalents of a subsidiary acquired	<u>(3,982,298)</u>
Net cash outflows on acquisition	<u>48,017,702</u>

## Notes to the Financial Statements (cont'd)

### 9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

#### (b) Acquisition of subsidiaries (continued)

##### (A) Acquisition 51% of Sung Master Holdings (continued)

###### Goodwill

Goodwill comprises the value of expected synergies arising from the acquisition and non-identifiable intangible assets which are not separately recognised.

Non-identifiable intangible assets comprise a customer list and substantial non-contractual customer relationships with its overseas buyers. Due to the contractual terms imposed on acquisition, the customer list is not separable. Whilst, substantial non-contractual customer relationships with its overseas buyers was not identifiable at the acquisition date because it was neither separable from the business as a whole nor could it be controlled through legal or other contractual rights. Therefore, these assets did not meet the recognition criteria as an intangible asset under MFRS 138. Hence, these intangible assets were subsumed in the amount determined for goodwill. None of the goodwill recognised is expected to be deductible for income tax purposes.

###### Acquisition-related costs

Acquisition-related costs of the business combination amounted to RM73,499, of which RM73,499 relating to share issue was charged directly to equity.

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows:

	<b>RM</b>
Revenue	9,156,741
Loss for the financial year	<u>(71,757)</u>

If the acquisition had occurred on 1 July 2021, the consolidated results for the financial year ended 31 March 2022 would have been as follows:

	<b>RM</b>
Revenue	11,758,784
Profit for the financial year	<u>93,698</u>

## Notes to the Financial Statements (cont'd)

### 9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

#### (b) Acquisition of subsidiaries (continued)

##### (B) Acquisition 100% of KIB Global Resources

On 04 November 2021, the Company acquired 100% controlling interest in the equity shares of KIB Global Resources. KIB Global Resources operates in trading of bamboo products for interior and exterior applications, research and development of bamboo products, trading of construction products and construction works, property development and project management.

Fair value of consideration transferred:

	RM
(a) Cash consideration	2
	<u>2</u>

#### (c) Incorporation of subsidiaries

##### Current financial period

##### (A) Incorporation of a wholly-owned subsidiary, Kantara

On 25 July 2022, the Company incorporated a wholly-owned subsidiary, Kantara by way of issuance of 100 ordinary shares of RM1.00 each, representing 100% equity interest in Kantara for a total purchase consideration of RM100.00.

##### Previous financial year

##### (A) Incorporation of a wholly-owned subsidiary, Commonmask

On 05 November 2021, Kanger Medical International incorporated a wholly-owned subsidiary, Commonmask by way of issuance of 2 ordinary shares of RM1.00 each, representing 100% equity interest in KIB Global Resources for a total purchase consideration of RM2.00.

#### (d) Transferred of shares among subsidiaries

##### Previous financial year

(A) On 07 January 2022, Kanger Investment (HK) Ltd. ("HK Kanger") has transferred 100% equity interest in Kanger Trading (HK) Co. Ltd. ("HK Trading") to Kanger International Berhad.

## Notes to the Financial Statements (cont'd)

### 9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

#### (e) Disposal of subsidiaries

##### Current financial period

##### (A) Disposal 100% of HK Kanger

On 29 September 2022, the Company disposed off 53,427,500 ordinary shares representing 100% equity interest in HK Kanger for a total consideration of USD1 (equivalent to RM4).

##### (B) Disposal 100% of HK Trading

On 29 September 2022, the Company disposed off 10,000,000 ordinary shares representing 100% equity interest in HK Trading for a total consideration of USD1 (equivalent to RM4).

##### Summary of the effects of disposal:

	<b>Kanger Investment (HK) Ltd. RM</b>	<b>Kanger Trading (HK) Co. Ltd. RM</b>	<b>Total RM</b>
<b>Recognised:</b>			
Cash consideration received	4	4	8
Fair value of consideration received	4	4	8
<b>Derecognised:</b>			
<b>Assets</b>			
Other receivables	12,560,193	-	12,560,193
Cash and bank balances	5,501	83	5,584
<b>Total assets</b>	12,565,694	83	12,565,777
<b>Liabilities</b>			
Other payables	(35,854)	(44,838)	(80,692)
Amount owing to related companies	(10,000,000)	-	(10,000,000)
<b>Total liabilities</b>	(10,035,854)	(44,838)	(10,080,692)
Exchange translation reserve	(4,377,459)	2,360,927	(2,016,532)
	(4,377,459)	2,360,927	(2,016,532)
Fair value of identifiable net (liabilities)/assets at disposal date	(1,847,619)	2,316,172	468,553
<b>Gain/(Loss) on disposal of subsidiaries</b>	<b>1,847,623</b>	<b>(2,316,168)</b>	<b>(468,545)</b>



## Notes to the Financial Statements (cont'd)

### 9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

#### (e) Disposal of subsidiaries (continued)

##### Current financial period (continued)

##### Effects of disposal on cash flows:

	Kanger Investment (HK) Ltd. RM	Kanger Trading (HK) Co. Ltd. RM	Total RM
Fair value of consideration received	4	4	8
Consideration received in cash	4	4	8
Less: Cash and cash equivalents of subsidiary disposed	(5,501)	(83)	(5,584)
Net cash outflow from disposal	<u>(5,497)</u>	<u>(79)</u>	<u>(5,576)</u>

##### Previous financial year

#### (A) Disposal 100% of Shenzhen Kanger Holding Co. Ltd. ("Shenzhen Kanger")

On 16 December 2021, the Company disposed off 35,900,000 ordinary shares representing 100% equity interest in Shenzhen Kanger Holding Co. Ltd. ("Shenzhen Kanger") for a total consideration of RMB3,000,000 (equivalent to RM1,993,500).

#### (B) Disposal 100% of Ganzhou Kanger Industrial Co. Ltd. ("Ganzhou Kanger")

On 28 March 2022, the Company disposed off 174,075,019 ordinary shares representing 100% equity interest in Ganzhou Kanger Industrial Co. Ltd. ("Ganzhou Kanger") for a total consideration of RMB30,220,610 (equivalent to RM20,000,000).

## Notes to the Financial Statements (cont'd)

### 9. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

#### (e) Disposal of subsidiaries (continued)

##### Previous financial year (continued)

##### Summary of the effects of disposal:

	<b>Shenzhen Kanger Holding Co. Ltd. RM</b>	<b>Ganzhou Kanger Industrial Co. Ltd. RM</b>	<b>Total RM</b>
<b>Recognised:</b>			
Cash consideration received	1,993,500	20,000,000	21,993,500
Fair value of consideration received	1,993,500	20,000,000	21,993,500
<b>Derecognised:</b>			
<b>Assets</b>			
Property, plant and equipment (Note 5)	65,988,354	39,853	66,028,207
Investment properties (Note 8)	-	107,172,087	107,172,087
Right-of-use assets (Note 7)	2,541,308	-	2,541,308
Amount owing by a related company	-	1,993,500	1,993,500
Other receivables	-	234,357	234,357
Cash and bank balances	333,508	388,189	721,697
<b>Total assets</b>	<b>68,863,170</b>	<b>109,827,986</b>	<b>178,691,156</b>
<b>Liabilities</b>			
Bank borrowings	(21,111,344)	(42,333,582)	(63,444,926)
Lease liabilities (Note 7)	(2,743,101)	-	(2,743,101)
Trade payables	(34,956,368)	-	(34,956,368)
Other payables	(19,969,934)	(48,226,792)	(68,196,726)
Amount owing to related companies	(27,214,164)	(449,262)	(27,663,426)
Tax (payable)/recoverable	(98,794)	669	(98,125)
<b>Total liabilities</b>	<b>(106,093,705)</b>	<b>(91,008,967)</b>	<b>(197,102,672)</b>
Exchange translation reserve	(3,687,990)	(21,406,634)	(25,094,624)
Non-controlling interest	(11,728,821)	-	(11,728,821)
	(15,416,811)	(21,406,634)	(36,823,445)
Fair value of identifiable net liabilities at disposal date	(52,647,346)	(2,587,615)	(55,234,961)
<b>Gain on disposal of subsidiaries</b>	<b>54,640,846</b>	<b>22,587,615</b>	<b>77,228,461</b>
<b>Effects of disposal on cash flows:</b>			
	<b>Shenzhen Kanger Holding Co. Ltd. RM</b>	<b>Ganzhou Kanger Industrial Co. Ltd. RM</b>	<b>Total RM</b>
Fair value of consideration received	1,993,500	20,000,000	21,993,500
Consideration received in cash	1,993,500	20,000,000	21,993,500
Less: Cash and cash equivalents of subsidiary disposed	(333,508)	(388,189)	(721,697)
<b>Net cash inflows from disposal</b>	<b>1,659,992</b>	<b>19,611,811</b>	<b>21,271,803</b>

## Notes to the Financial Statements (cont'd)

### 10. OTHER INVESTMENTS

	Group / Company	
	30.09.2023	31.03.2022
	RM	RM
<b>Financial assets at fair value through profit or loss ("FVTPL")</b>		
- Unquoted shares in Malaysia	5,000,000	5,000,000

The movement of the investment securities are as follows:

	Group / Company	
	30.09.2023	31.03.2022
	RM	RM
Balance as at beginning of the financial period/year	5,000,000	4,588,767
Additions	-	5,000,000
Disposal	-	(4,588,767)
Balance as at end of the financial period/year	<u>5,000,000</u>	<u>5,000,000</u>

### 11. INVENTORIES

	Group	
	30.09.2023	31.03.2022
	RM	RM
<b>At cost</b>		
Finished goods	178,176	9,013,116
<b>Recognised in profit or loss</b>		
Inventories recognised as cost of sales	60,392,750	216,867,902
Slow moving and obsolete inventories written down	-	15,469,228

## Notes to the Financial Statements (cont'd)

### 12. TRADE RECEIVABLES

	Group	
	30.09.2023	31.03.2022
	RM	RM
Trade receivables, gross		
- Third parties	50,885,976	107,029,085
Less: Allowance for impairment losses	<u>(17,593,550)</u>	<u>(25,723,415)</u>
Trade receivables, net	<u>33,292,426</u>	<u>81,305,670</u>

#### Movement in the allowance for impairment losses

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in 'other operating expenses' in the profit or loss. Unless the Group is satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

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

The movement in the allowance for impairment losses of trade receivables during the financial period/year are as follows:

#### Group

	Lifetime ECL RM	Credit impaired RM	Total RM
<b>30.09.2023</b>			
Balance as at beginning of the financial period	14,497	25,708,918	25,723,415
Allowance for impairment losses	5,351	6,373,212	6,378,563
Reversal of impairment losses*	(14,497)	(49,470)	(63,967)
Disposal of subsidiaries	-	(14,444,461)	(14,444,461)
Balance as at end of the financial period	<u>5,351</u>	<u>17,588,199</u>	<u>17,593,550</u>
<b>31.03.2022</b>			
Balance as at beginning of the financial year	-	15,044,880	15,044,880
Allowance for impairment losses	14,497	19,262,752	19,277,249
Disposal of subsidiaries	-	(8,598,714)	(8,598,714)
Balance as at end of the financial year	<u>14,497</u>	<u>25,708,918</u>	<u>25,723,415</u>

Based on the Group's historical collection experience, the amounts of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net trade receivables.

\* During the current financial period, the Group managed to collect from some of the trade receivables which have been impaired in previous financial year. As a result, the allowance for impairment losses on trade receivables had been reversed during the financial period.

## Notes to the Financial Statements (cont'd)

### 12. TRADE RECEIVABLES (continued)

The ageing of the receivables and provision for impairment losses provided for above are as follows:

#### Group

	Gross carrying amount RM	Allowance for impairment loss		Net balance RM
		ECL (Collectively assessed) RM	ECL (Individually assessed) RM	
<b>30.09.2023</b>				
Neither past due nor impaired	4,880,713	-	-	4,880,713
Past due 1 - 30 days	2,367,876	-	-	2,367,876
Past due 31 - 60 days	2,048	-	-	2,048
Past due 61 - 90 days	-	-	-	-
Past due more than 90 days	27,889,638	(5,351)	(1,842,498)	26,041,789
	<u>35,140,275</u>	<u>(5,351)</u>	<u>(1,842,498)</u>	<u>33,292,426</u>
<b>Credit Impaired</b>				
Past due more than 90 days	15,745,701	-	(15,745,701)	-
	<u>50,885,976</u>	<u>(5,351)</u>	<u>(17,588,199)</u>	<u>33,292,426</u>
<b>31.03.2022</b>				
Neither past due nor impaired	76,586,982	(6,961)	-	76,580,021
Past due 1 - 30 days	2,271,612	(5,557)	-	2,266,055
Past due 31 - 60 days	2,410,712	(1,621)	-	2,409,091
Past due 61 - 90 days	35,751	(358)	-	35,393
Past due more than 90 days	14,425	-	-	14,425
	<u>81,319,482</u>	<u>(14,497)</u>	<u>-</u>	<u>81,304,985</u>
<b>Credit Impaired</b>				
Past due 1 - 30 days	4,822,823	-	(4,822,823)	-
Past due more than 90 days	20,886,780	-	(20,886,095)	685
	<u>107,029,085</u>	<u>(14,497)</u>	<u>(25,708,918)</u>	<u>81,305,670</u>

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group does not hold any collateral as security.

The Group's normal trade credit term range from 7 to 90 days (31.03.2022: 7 to 90 days). Other credit terms are assessed and approved on a case by case basis.

## Notes to the Financial Statements (cont'd)

### 13. OTHER RECEIVABLES

	Note	Group		Company	
		30.09.2023 RM	31.03.2022 RM	30.09.2023 RM	31.03.2022 RM
Other receivables		294,998	10,042,019	-	-
Deposits	(i), (ii), (iii)	16,272,826	36,316,951	7,906,630	68,670
Prepayments		86,425	124,131	27,594	49,026
Advances to suppliers	(iv)	55,000,000	-	-	-
		<u>71,654,249</u>	<u>46,483,101</u>	<u>7,934,224</u>	<u>117,696</u>
Less: Accumulated impairment losses		-	(4,899,842)	-	-
		<u>71,654,249</u>	<u>41,583,259</u>	<u>7,934,224</u>	<u>117,696</u>

The movement in the allowance for impairment losses of other receivables during the financial period/year are as follows:

	Note	Group		Company	
		30.09.2023 RM	31.03.2022 RM	30.09.2023 RM	31.03.2022 RM
Balance as at beginning of the financial period/year		4,899,842	32,236,425	-	403,678
Allowance for impairment losses		-	4,899,842	-	-
Reversal of allowance for impairment losses	(v)	(927,322)	-	-	-
Written off		(3,972,520)	(32,236,425)	-	(403,678)
Balance as at end of the financial period/year		<u>-</u>	<u>4,899,842</u>	<u>-</u>	<u>-</u>

- (i) Included in deposits of the Group are downpayment totalling RM6,246,196 (31.03.2022: RM24,676,696) paid to the developer by one of its subsidiary, Kanger Ventures Sdn. Bhd. to purchase 184 parcel of units Block B of Antara @ Genting Highland. The Group has cancelled the purchase and the balance was fully refunded subsequent to the financial period.
- (ii) Included in deposits of the Group are RM7,900,000 (31.03.2022: Nil) paid for the proposed acquisition of the remaining 49% equity shares in Sung Master Holdings Sdn. Bhd, as disclosed in Note 34(b) to the financial statements.
- (iii) Included in deposits of the Group are RM1,977,000 (31.03.2022: Nil) paid to the developer for acquisition of 15 parcels units of Block A of Antara @ Genting Highland. The Company has subsequently entered into a Sale and Purchase Agreement ("SPA") with the developer to purchase the properties on 7 November 2023 as disclosed in Note 34(a) to the financial statements.
- (iv) Being advance paid to the developer by one of the subsidiary, Kanger Ventures Sdn. Bhd. for securing supply of construction materials. Due to delay in delivery, cancellation of order and refund request agreement has been entered between Kanger Ventures Sdn. Bhd. and its supplier on 3 January 2023. The advances was fully refunded in the subsequent financial year.
- (v) During the current financial period, the Group managed to collect from some of the other receivables which have been impaired in previous financial year. As a result, the allowance for impairment losses on other receivables had been reversed during the financial period.

## Notes to the Financial Statements (cont'd)

### 14. AMOUNT OWING FROM/(TO) SUBSIDIARY COMPANIES

	Company	
	30.09.2023 RM	31.03.2022 RM
Amount owing from subsidiary companies	257,737,390	269,855,890
Less: Allowance for impairment losses	(159,593,647)	(83,820,637)
	<u>98,143,743</u>	<u>186,035,253</u>
Amount owing to subsidiary companies	<u>(77,087)</u>	<u>-</u>

The amount owing from/(to) subsidiary companies represented non-trade transactions which are unsecured, interest free and repayable on demand.

The movement in the allowance for impairment losses of amount owing from subsidiary companies during the financial period/year are as follows:

	Company	
	30.09.2023 RM	31.03.2022 RM
Balance as at beginning and end of the financial period/year	83,820,637	3,847,553
Impairment losses recognised during the financial period/year	90,862,974	86,008,354
Less:		
Reversal of impairment losses*	(15,089,964)	-
Disposal of subsidiaries	-	(6,035,270)
Balance as at beginning and end of the financial period/year	<u>159,593,647</u>	<u>83,820,637</u>

\* During the current financial period, the Company managed to collect from some of its subsidiary companies which have been impaired in previous financial year. As a result, the allowance for impairment losses on amount owing from subsidiary companies had been reversed during the financial period.

### 15. CASH AND BANK BALANCES

	Group		Company	
	30.09.2023 RM	31.03.2022 RM	30.09.2023 RM	31.03.2022 RM
Ringgit Malaysia	2,539,169	2,392,821	2,341,554	425,792
US Dollar	-	5,072	-	-
	<u>2,539,169</u>	<u>2,397,893</u>	<u>2,341,554</u>	<u>425,792</u>

## Notes to the Financial Statements (cont'd)

### 16. SHARE CAPITAL

	Group/Company		30.09.2023 RM	31.03.2022 RM
	30.09.2023 Number of shares	31.03.2022 Number of shares		
<b>Issued and fully paid:</b>				
Balance at the beginning of the financial period/year	597,931,208	2,565,043,933	425,311,850	259,106,001
Conversion of Warrants B	-	500,000	-	36,450
Shares subscription	-	769,513,179	-	46,170,791
Pursuant to acquisition of equity interest in a subsidiary (Note 9 (b))	-	713,157,273	-	42,789,436
Pursuant to exercise of SIS	51,936,794	231,086,249	2,249,534	14,609,586
Rights issue with free Warrants B	-	1,700,011,579	-	63,070,430
Share issuance expenses	-	-	-	(470,844)
Share consolidation	-	(5,381,381,005)	-	-
Balance at the end of the financial period/year	<u>649,868,002</u>	<u>597,931,208</u>	<u>427,561,384</u>	<u>425,311,850</u>

During the financial period, the Company increased its share capital from RM425,311,850 to RM427,561,384 through the following:

- (a) issuance of 51,936,794 new ordinary shares within exercise price ranges from RM0.0346 to RM0.0630 per ordinary share for a total cash consideration of RM2,150,000 and fair value of RM99,534 pursuant to the Company's Shares Issuance Scheme ("SIS"); and

The new ordinary shares issued during the financial period ranked pari passu in all respect of the distribution of dividends and repayment of capital with the existing ordinary shares.



## Notes to the Financial Statements (cont'd)

### 16. SHARE CAPITAL (continued)

During the previous financial year, the Company increased its share capital from RM259,106,001 to RM425,311,850 through the following:

- (a) issuance of 231,086,249 new ordinary shares within exercise price ranges from RM0.05409 to RM0.05410 per ordinary share for a total cash consideration of RM12,499,999 and fair value of RM2,109,587 pursuant to the Company's Shares Issuance Scheme ("SIS");
- (b) issuance of 1,700,011,579 new ordinary shares for a total cash consideration of RM102,000,695 and fair value of RM38,930,265 pursuant to the Company's renounceable rights issue of 1,700,011,579 new ordinary shares in the Company ("Rights Shares") on the basis of 1 Rights Shares for every 1 existing ordinary share held together with 1,700,011,579 free detachable warrants ("Warrants B") on the basis of 1 warrant for every 1 Rights Shares subscribed by the entitled shareholders;
- (c) issuance of 769,513,179 new ordinary shares for a total cash consideration of RM46,170,791 pursuant to the Company's Shares Subscription;
- (d) issuance of 713,157,273 new ordinary shares for a total cash consideration of RM42,789,436 as part of the purchase consideration for 51% equity stake in Sung Master Holdings Sdn. Bhd.;
- (e) issuance of 500,000 new ordinary shares for a total cash consideration of RM25,000 and fair value of RM11,450 pursuant to the conversion of Warrants B at an exercise price of RM0.05 per share;
- (f) an amount of RM470,844 was utilised out of the share capital for share issuance expenses; and
- (g) the Company has completed the share consolidation exercise by consolidating ten (10) ordinary shares in the Company into one (1) ordinary share and Warrants B.

The new ordinary shares issued during the financial period ranked pari passu in all respect of the distribution of dividends and repayment of capital with the existing ordinary shares.

## Notes to the Financial Statements (cont'd)

### 16. SHARE CAPITAL (continued)

#### (i) Warrants B

The Warrants B which are free were issued, registered and in the form of definitive warrant certificates and is constituted by the Deed Poll. The exercise price of the Warrant B has been fixed at RM0.05 each.

Each Warrant B entitles the Warrant holders to subscribe for one (1) new ordinary share of the Company at any time during the exercise period at the exercise price of RM0.05 each (subject to adjustments in accordance with the provisions of the Deed Poll).

The period commencing on, and including the first date of issue of the Warrants B and ending at the close of business at 5.00pm in Malaysia on the date which is five (5) years from the date of issue of the Warrants if such date is not a market day, then it shall be the market day immediately preceding the said non market day, but excluding those days during the period on which the Record of Depositors and/or the Warrants Register is or are closed.

On 09 February 2022, 1,529,560,423 Warrants B were consolidated arising from the adjustments to the exercise price and number of outstanding Warrants B pursuant to the share consolidation exercise ("Share Consolidation").

On 10 February 2022, the Company has completed the share consolidation exercise by consolidating ten (10) ordinary shares in the Company into one (1) ordinary share and warrants B of the Company.

The new exercise price of the Warrant B has been fixed at RM0.50 each.

The remaining unexercised 169,951,156 Warrants B expired on 22 September 2026 and ceased to be valid upon the expiry date.

There was no movements in the Warrants B 2021/2026 during the financial period.

#### (ii) Share Issuance Scheme (SIS)

The Company's SIS is governed by the by-laws approved by the shareholders at the Extraordinary General Meeting held on 24 December 2019 and was effected on 27 December 2019. Under the SIS, the Company has implemented a SIS of up to 30% of the total number of issued shares of the Company, excluding treasury shares, at any period of time, comprising a Share Option Scheme ("SOS") and a Share Grant Scheme ("SGS"). The SIS is in force for a maximum period of ten (10) years from the effective date and is administered by the Share Issuance Scheme Committee ("SISC").

## Notes to the Financial Statements (cont'd)

### 16. SHARE CAPITAL (continued)

#### (ii) Share Issuance Scheme (SIS) (continued)

The salient features of the SIS are as follows:

- (a) any director of the Group shall be eligible if as at the date of offer, the director:
  - (i) must attain the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (ii) the allocation of SOS or SGS by the Company to him in his capacity as a director of the Company under the SIS has been approved by the shareholders of the Company at a general meeting to be convened unless such approval is no longer required under the Constitution, the Bursa Malaysia Listing Requirements ("Listing Requirements") and any other prevailing guidelines issued by the authorities; and
  - (iii) must fulfil any other eligibility criteria as may be set by the SIS Committee at any time and from time to time at its absolute discretion.
- (b) any employee of the Group shall be eligible if as at the date of offer, the employee:
  - (i) must attain the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (ii) must have entered into a full-time or fixed-term contract with, and is on the payroll of, the Group, and whose service has been confirmed and have not served a notice of resignation or received a notice of termination by the relevant company within the Group;
  - (iii) if he is an interested parties or a person connected with any of the interested parties, the allocation of SOS or SGS by the Company to him under the SIS has been approved by the shareholders of the Company at a general meeting to be convened unless such approval is no longer required under the Constitution, the Listing Requirements and any other prevailing guidelines issued by the authorities;
  - (iv) must have been in employment of the Group for a period of at least six (6) months prior to the award date; and
  - (v) must fulfil any other eligibility criteria as may be set by the SIS Committee at any time and from time to time at its absolute discretion.
- (c) the maximum number of new shares to be issued pursuant to the exercise of the SIS options which may be granted under the SIS Shares shall not exceed thirty percent (30%) of the total number of issued shares of the Company, excluding treasury shares, at any period of time, comprising a SOS and a SGS at any point of time throughout the duration of the SIS;
- (d) the options granted may be exercised any time upon the satisfaction of vesting conditions of each offer; and
- (e) the SIS shall be in force for a period of ten (10) years and the last day to exercise SIS options is on 26 December 2029.

## Notes to the Financial Statements (cont'd)

### 16. SHARE CAPITAL (continued)

#### (ii) Share Issuance Scheme (SIS) (continued)

The following table illustrates the share options granted and exercised during the financial period:

Grant date	Exercise price RM	Number of options over ordinary shares				As at 30.09.2023
		As at 01.04.2022	Granted	Exercised	Withdrawn	
28.4.2022	0.06300	-	2,380,952	(2,380,952)	-	-
18.5.2022	0.05450	-	2,752,293	(2,752,293)	-	-
30.9.2022	0.04010	-	8,728,179	(8,728,179)	-	-
7.10.2022	0.04660	-	6,437,768	(6,437,768)	-	-
14.10.2022	0.03620	-	2,762,431	(2,762,431)	-	-
31.10.2022	0.03460	-	5,780,347	(5,780,347)	-	-
30.11.2022	0.03650	-	10,958,904	(10,958,904)	-	-
15.12.2022	0.04120	-	12,135,920	(12,135,920)	-	-
		-	51,936,794	(51,936,794)	-	-

The fair value of share options granted during the financial period was estimated by using the Trinomial option pricing model, taking into account the term and conditions upon which the options were granted. The risk-free rate is based on Malaysian Government Securities ("MGSs").

Notes to the Financial Statements  
(cont'd)

## 16. SHARE CAPITAL (continued)

## (ii) Share Issuance Scheme (SIS) (continued)

The following table lists the inputs to the option pricing model for share options granted during the current financial period:

	28.4.2022	18.5.2022	30.9.2022	7.10.2022	14.10.2022	31.10.2022	30.11.2022	15.12.2022
	Grant date							
Weighted average share price (RM)	0.0701	0.0545	0.0398	0.0431	0.0372	0.0346	0.0383	0.0421
Option life (years)	7	7	7	7	7	7	7	7
Risk-free rate (%)	4.419	4.490	4.465	4.384	4.464	4.367	4.118	3.994
Expected dividends (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	100.915	90.442	89.125	117.218	128.054	149.638	166.426	166.299

## Notes to the Financial Statements (cont'd)

### 17. RESERVES

		Group		Company	
		30.09.2023 RM	31.03.2022 RM	30.09.2023 RM	31.03.2022 RM
<b>Non-distributable:</b>					
Merger reserve/(deficit)	(a)	200,000	(13,365,112)	-	-
Foreign currency translation reserve	(b)	-	3,443,037	-	-
Warrants reserve	(c)	38,918,815	38,918,815	38,918,815	38,918,815
<b>Distributable:</b>					
Accumulated losses		<u>(178,673,842)</u>	<u>(154,466,160)</u>	<u>(253,409,630)</u>	<u>(171,542,918)</u>
		<u>(139,555,027)</u>	<u>(125,469,420)</u>	<u>(214,490,815)</u>	<u>(132,624,103)</u>

**(a) Merger deficit**

This represents the difference between the cost of acquisition and the nominal value of the shares acquired together with the share premium.

**(b) Foreign currency translation reserve**

The 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.

**(c) Warrants reserve**

The warrant reserve represents the reserve arising from the renounceable rights issue with free detachable free warrants which is determined based on the estimated fair value of the warrants immediately upon the listing and quotation thereof.

Notes to the Financial Statements  
(cont'd)

## 18. LOAN AND BORROWINGS

	Group		Company	
	30.09.2023	31.03.2022	30.09.2023	31.03.2022
	RM	RM	RM	RM
<b>Current liabilities</b>				
<b>Secured</b>				
Hire purchase liabilities	329,789	619,510	72,904	67,170
	<u>329,789</u>	<u>619,510</u>	<u>72,904</u>	<u>67,170</u>
<b>Non-current liabilities</b>				
<b>Secured</b>				
Hire purchase liabilities	494,440	1,938,793	83,293	191,216
	<u>494,440</u>	<u>1,938,793</u>	<u>83,293</u>	<u>191,216</u>
<b>Total loan and borrowings</b>				
<b>Secured</b>				
Hire purchase liabilities	824,229	2,558,303	156,197	258,386
	<u>824,229</u>	<u>2,558,303</u>	<u>156,197</u>	<u>258,386</u>
Rates of interest charged per annum:				
	Group		Company	
	30.09.2023	31.03.2022	30.09.2023	31.03.2022
	%	%	%	%
Hire purchase liabilities	2.80	2.80	2.80	2.80
	<u>2.80</u>	<u>2.80</u>	<u>2.80</u>	<u>2.80</u>

## Notes to the Financial Statements (cont'd)

### 18. LOAN AND BORROWINGS (continued)

(a) Hire purchase liabilities

	Group		Company	
	30.09.2023	31.03.2022	30.09.2023	31.03.2022
	RM	RM	RM	RM
Minimum lease payment				
- Not later than one year	364,116	739,632	79,116	79,116
- Later than one year and not not later than five years	513,209	2,085,459	85,709	204,383
	<u>877,325</u>	<u>2,825,091</u>	<u>164,825</u>	<u>283,499</u>
Future finance charges on hire purchase liabilities	<u>(53,096)</u>	<u>(266,788)</u>	<u>(8,628)</u>	<u>(25,113)</u>
Present value of hire purchase liabilities	<u>824,229</u>	<u>2,558,303</u>	<u>156,197</u>	<u>258,386</u>

Present value of hire purchase is analysed as follows:

Current liabilities				
- Not later than one year	<u>329,789</u>	<u>619,510</u>	<u>72,904</u>	<u>67,170</u>
Non-current liabilities				
- Later than one year and not later than five years	<u>494,440</u>	<u>1,938,793</u>	<u>83,293</u>	<u>191,216</u>
	<u>824,229</u>	<u>2,558,303</u>	<u>156,197</u>	<u>258,386</u>



## Notes to the Financial Statements (cont'd)

### 19. TRADE PAYABLES

	<b>Group</b>	
	<b>30.09.2023</b>	<b>31.03.2022</b>
	<b>RM</b>	<b>RM</b>
Trade payables:		
- third parties	<u>6,779,137</u>	<u>4,790,139</u>

The trade payables are non-interest bearing and the normal trade credit terms received by the Group and the Company is 30 to 90 days (31.03.2022: 30 to 90 days).

### 20. OTHER PAYABLES

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2023</b>	<b>31.03.2022</b>	<b>30.09.2023</b>	<b>31.03.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other payables	12,437,824	688,543	4,454,129	607,141
Accruals	708,054	259,037	604,280	157,527
Deposit received	-	37	-	-
	<u>13,145,878</u>	<u>947,617</u>	<u>5,058,409</u>	<u>764,668</u>

### 21. AMOUNT OWING TO A DIRECTOR

The amount owing to a director is non-trade in nature, unsecured, interest-free and repayable on demand.

### 22. REVENUE

	<b>Group</b>	
	<b>01.04.2022</b>	<b>01.04.2021</b>
	<b>to</b>	<b>to</b>
	<b>30.09.2023</b>	<b>31.03.2022</b>
	<b>RM</b>	<b>RM</b>
Revenue comprises the following:-		
Revenue from contract with customers	<u>77,715,195</u>	<u>222,742,000</u>

Notes to the Financial Statements  
(cont'd)**22. REVENUE** (continued)**22.1 Disaggregation of revenue from contract with customers**

The Group's revenue is disaggregated by principal geographical areas, major product and services line and timing of revenue recognition. This is consistent with the revenue information as disclosed in Note 31 Segment Information.

	<b>Group</b>	
	<b>01.04.2022</b>	<b>01.04.2021</b>
	<b>to</b>	<b>to</b>
	<b>30.09.2023</b>	<b>31.03.2022</b>
	<b>RM</b>	<b>RM</b>
<b>Principal geographical area</b>		
- Malaysia	76,694,618	222,742,000
- China	1,020,577	-
	<u>77,715,195</u>	<u>222,742,000</u>
<b>Major products and services line</b>		
- Sale of goods	77,715,195	164,373,676
- Project management consultancy services	-	58,368,324
	<u>77,715,195</u>	<u>222,742,000</u>
<b>Timing and recognition:</b>		
- At a point in time	<u>77,715,195</u>	<u>222,742,000</u>

**22.2 Revenue from remaining performance obligations**

The Group does not have performance obligations that are unsatisfied for contract as at reporting date

## Notes to the Financial Statements (cont'd)

### 23. OTHER OPERATING INCOME

	Group		Company	
	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
Interest income	9,400	38,243	923	38,243
Dividend income	11,574	149,333	11,574	149,333
Reversal of impairment loss on				
- trade receivables (Note 12)	63,967	-	-	-
- other receivables (Note 13)	927,322	-	-	-
- subsidiary companies (Note 14)	-	-	15,089,964	-
Grants received	-	483,543	-	-
Gain on disposal of subsidiaries (Note 9 (e))	-	77,228,461	9	-
Gain on lease termination	16,736	-	7,329	-
Other income	12,842	2,934,160	-	-
	<u>1,041,841</u>	<u>80,833,740</u>	<u>15,109,799</u>	<u>187,576</u>

### 24. FINANCE COST

	Group		Company	
	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
Term loans interest	-	4,729,724	-	-
Hire purchase interest	139,625	155,859	16,485	15,769
Lease liabilities interest (Note 7)	198,636	127,066	19,783	34,467
Third party loan interest	262,500	-	262,500	-
Others	-	148,550	-	55
	<u>600,761</u>	<u>5,161,199</u>	<u>298,768</u>	<u>50,291</u>

## Notes to the Financial Statements (cont'd)

### 25. LOSS BEFORE TAXATION

	Group		Company	
	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
Loss before taxation is arrived at after charging/(crediting):				
Allowance for impairment losses of:				
- Amount owing from subsidiary companies (Note 14)	-	-	90,862,974	86,008,354
- Investment in subsidiary companies (Note 9)	-	-	-	35,299,996
- Other receivables (Note 13)	-	4,899,842	-	-
- Trade receivables (Note 12)	6,378,563	19,277,249	-	-
Amortisation of intangible assets (Note 6)	-	750,858	-	-
Amortisation of right-of-use assets (Note 7)	1,477,831	770,983	189,217	214,439
Auditors' remuneration:				
- Statutory audit	243,500	223,540	140,000	129,000
- Statutory audit - for foreign subsidiaries	245,886	128,848	245,886	128,848
- (over)/underprovision in respect of prior year	(9,400)	-	600	-
- Other services	28,000	43,690	28,000	43,690
- Other services - under provision in respect of prior year	3,000	-	3,000	-
Depreciation of property, plant and equipment (Note 5)	1,661,608	2,176,742	332,539	206,172
Employee benefits expenses (Note 28)	4,692,201	3,038,497	1,461,593	1,165,072
Directors' remuneration (Note 29)	1,399,116	1,330,546	1,042,440	1,004,360
Other key management personnel compensation (Note 29)	-	96,000	-	-
SIS option expenses - staff (Note 28)	99,534	5,774,979	30,358	4,899,329
Impairment losses on property, plant and equipment (Note 5)	337,710	-	337,710	-
Loss on disposal of quoted share	-	3,993,682	-	3,993,682
Loss on disposal of property, plant and equipment	1,215,550	-	-	-
Rental of premises (Note 7)	10,700	30,547	10,700	30,547
Reversal of impairment losses				
- Amount due from subsidiaries (Note 14)	-	-	(15,089,964)	-
- Trade receivables (Note 12)	(63,967)	-	-	-
- Other receivables (Note 13)	(927,322)	-	-	-
Written off of:				
- Property, plant and equipment (Note 5)	-	2,750,812	-	-
- Intangible assets (Note 6)	-	10,533,341	-	-
Loss on fair value adjustment of investment properties (Note 8)	-	77,366,568	-	-

## Notes to the Financial Statements (cont'd)

### 25. LOSS BEFORE TAXATION (continued)

	Group		Company	
	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
Loss before taxation is arrived at after charging/(crediting) (continued):				
Slow moving and obsolete inventories written down (Note 11)	-	15,469,228	-	-
Loss/(gain) on disposal of subsidiary companies (Note 9 (e))	468,545	(77,228,461)	(9)	-
Gain on lease termination (Note 23)	<u>(16,736)</u>	<u>-</u>	<u>(7,329)</u>	<u>-</u>

### 26. TAXATION

	Group	
	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
<b>Income tax:</b>		
- current period's/year's provision	1,138,063	914,883
- (over)/underprovision in respect of prior year	<u>(391,933)</u>	<u>105,300</u>
Tax expenses for the current financial period/year	<u>746,130</u>	<u>1,020,183</u>

Domestic current income tax is calculated at the statutory tax rate of 24% (31.03.2022: 24%) of the estimated assessable profit for the period/year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

## Notes to the Financial Statements (cont'd)

### 26. TAXATION (continued)

The reconciliation of income tax expense applicable to the loss before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>01.04.2022 to 30.09.2023 RM</b>	<b>01.04.2021 to 31.03.2022 RM</b>	<b>01.04.2022 to 30.09.2023 RM</b>	<b>01.04.2021 to 31.03.2022 RM</b>
Loss before taxation	(11,548,477)	(150,825,495)	(81,866,712)	(140,291,914)
Tax at the statutory tax rate of 24% (31.03.2022: 24%)	(2,771,634)	(36,198,119)	(19,648,011)	(33,670,059)
<b>Adjustments for the following tax effects:</b>				
Non-deductible expenses	52,493,997	35,691,737	23,183,188	33,670,059
Non-taxable income	(49,176,710)	(18,548,265)	(3,626,352)	-
Effect of different tax rates in other countries	-	18,888,658	-	-
Deferred tax assets not recognised	592,410	1,080,872	91,175	-
(Over)/under provision of taxation in the previous financial period	(391,933)	105,300	-	-
Tax expenses for the current financial year/period	<u>746,130</u>	<u>1,020,183</u>	<u>-</u>	<u>-</u>

## Notes to the Financial Statements (cont'd)

### 26. TAXATION (continued)

#### Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	30.09.2023 RM	31.03.2022 RM	30.09.2023 RM	31.03.2022 RM
Unabsorbed capital allowance	870	-	-	-
Unutilised tax losses	4,482,746	-	-	-
Other temporary difference	2,489,346	4,504,589	406,089	26,190
	<u>6,972,962</u>	<u>4,504,589</u>	<u>406,089</u>	<u>26,190</u>
Deferred tax asset not recognised at 24% (31.03.2022: 24%)	<u>1,673,511</u>	<u>1,081,101</u>	<u>97,461</u>	<u>6,286</u>

The unutilised tax losses can be carried forward for a maximum period of seven (7) consecutive years of assessment ("YA") effective from year 2019 and it can only be utilised against income from the same business source. Pursuant to Section 8 of the Finance Act 2021, the unutilised tax losses is allowed to be carried forward for a period of maximum of ten (10) consecutive years of assessment. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The availability of unutilised tax losses for offsetting against future taxable profits of the respective companies within the Group and the Company are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group		Company	
	30.09.2023 RM	31.03.2022 RM	30.09.2023 RM	31.03.2022 RM
<b>Utilisation period</b>				
Indefinite	2,490,216	4,504,589	406,089	26,190
Expired by YA 2033	4,482,746	-	-	-
	<u>6,972,962</u>	<u>4,504,589</u>	<u>406,089</u>	<u>26,190</u>

## Notes to the Financial Statements (cont'd)

### 27. EARNINGS PER SHARE

#### (a) Basic loss per share

The basic loss per ordinary share as at 30 September 2023 is arrived at by dividing the Group's loss attributable to owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	Group	
	01.04.2022 to 30.09.2023	01.04.2021 to 31.03.2022
Loss attributable to owners of the Company (RM)	<u>(13,143,277)</u>	<u>(151,529,421)</u>
Weighted average number of ordinary shares on issue (units)	617,559,406	440,289,000
Basic loss per share (sen)	<u>(2.13)</u>	<u>(34.42)</u>

#### (b) Diluted loss per ordinary share

Diluted loss per share is calculated by dividing the loss for the period/year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period/year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from exercise of Warrants and SIS into ordinary shares. The Warrants and SIS are deemed to have been converted into ordinary shares at the date of the issue of the Warrants.

		Group	
		01.04.2022 to 30.09.2023	01.04.2021 to 31.03.2022
Loss attributable to owners of the Company (RM)		<u>(13,143,277)</u>	<u>(151,529,421)</u>
Weighted average number of ordinary shares on issue (units)		617,559,406	440,289,000
Effects of exercise of Warrants (units)	16(i)	<u>169,951,156</u>	<u>169,951,156</u>
		<u>787,510,562</u>	<u>610,240,156</u>
		Group	
		01.04.2022 to 30.09.2023	01.04.2021 to 31.03.2022
Fully diluted loss per share (sen)		<u>(2.13) *</u>	<u>(34.42) *</u>

\* The diluted loss per share for the current financial period/year is equal to the basic loss per share as the conversion of potential ordinary shares would decrease loss per share. Thus, the potential effect of the conversion of warrants would be anti-dilutive.



Notes to the Financial Statements  
(cont'd)

## 28. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
<b>Staff costs (excluding directors):</b>				
Salaries, bonuses, incentives, overtime, commissions, allowances and others	4,260,791	2,847,418	1,389,997	1,127,790
Pension costs: defined				
- Employees' Provident Fund ("EPF") contribution	389,138	171,915	63,527	32,878
- Social Security Organisation ("SOCSO") contribution	34,469	17,473	7,242	3,952
- Employment Insurance System ("EIS") contribution	7,803	1,691	827	452
SIS option expenses	99,534	5,774,979	30,358	4,899,329
	<u>4,791,735</u>	<u>8,813,476</u>	<u>1,491,951</u>	<u>6,064,401</u>

Employees benefit expenses excluding the aggregate amount of emoluments received and receivable by the directors of the Group and of the Company during the financial period/year.

## Notes to the Financial Statements (cont'd)

### 29. RELATED PARTY DISCLOSURES

(a) The key management personnel compensation are as follows:

	Group		Company	
	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
<b>Directors of the Group and the Company</b>				
<u>Executive directors:</u>				
Salaries and other benefits	1,060,500	1,020,448	756,000	745,103
Defined contribution plans				
- Employees' Provident Fund ("EPF") contribution	133,320	123,410	82,800	73,800
- Social Security Organisation ("SOCSO") contribution	2,192	1,934	1,472	829
- Employment Insurance System ("EIS") contribution	1,104	221	168	95
	<u>1,197,116</u>	<u>1,146,013</u>	<u>840,440</u>	<u>819,827</u>
<u>Non-executive directors:</u>				
Fees	182,000	165,333	182,000	165,333
Other benefits	20,000	19,200	20,000	19,200
	<u>202,000</u>	<u>184,533</u>	<u>202,000</u>	<u>184,533</u>
	<u>1,399,116</u>	<u>1,330,546</u>	<u>1,042,440</u>	<u>1,004,360</u>
	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
<b>Other key management personnel</b>				
Salaries and other benefits	-	96,000	-	-

The directors of the Group and of the Company are of the opinion that the related party transactions have been entered into the normal course of business on an arm's length basis and have established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

## Notes to the Financial Statements (cont'd)

### 30. CAPITAL COMMITMENTS

	<b>Group</b>	
	<b>30.09.2023</b>	<b>31.03.2022</b>
	<b>RM</b>	<b>RM</b>
Approved and contracted for: -		
- Investment properties	<u>43,672,850</u>	<u>71,435,000</u>

### 31. SEGMENT INFORMATION

#### General information

The information reported to the Group's chief operating decision maker to make decision about resources to be allocated and for assessing their performance is based on the nature of the industry (business segments) and operational location (geographical segments) of the Group.

#### Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transaction between reportable segments are measured on the basis that is similar to those external customers.

Segments statements of profit or loss and other comprehensive income are profit earned or loss incurred by each segments without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment statements of profit or loss and other comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

Notes to the Financial Statements  
(cont'd)**31. SEGMENT INFORMATION** (continued)**Measurement of Reportable Segments** (continued)**(a) Geographical Segments**

Revenue information based on geographical location of customers is as follows:

	<b>Group Revenue</b>	
	<b>01.04.2022 to 30.09.2023 RM</b>	<b>01.04.2021 to 31.03.2022 RM</b>
<b>Based on location of customer</b>		
Malaysia	77,715,195	216,469,615
People's Republic of China	-	6,272,385
	<u>77,715,195</u>	<u>222,742,000</u>

**(b) Business Segments**

The reportable business segment of the Group comprise the following:

Investment holding	Investment holding.
Manufacturing, trading and project management services	Manufacturing and trading of bamboo flooring and healthcare products and project management consultancy services.

Other non-reportable segments comprise operations of subsidiary companies which are inactive and dormant.

Notes to the Financial Statements  
(cont'd)

## 31. SEGMENT INFORMATION (continued)

## (b) Business Segments (continued)

Group	Investment Holding		Manufacturing, Trading and Project Management Services		Elimination		Consolidated	
	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM	01.04.2022 to 30.09.2023 RM	01.04.2021 to 31.03.2022 RM
<b>Revenue</b>								
External revenue	-	-	77,715,195	222,742,000	-	-	77,715,195	222,742,000
Inter-segment revenue	-	-	142,695	753,450	(142,695)	(753,450)	-	-
Total revenue	-	-	77,857,890	223,495,450	(142,695)	(753,450)	77,715,195	222,742,000
Results:								
Segment results	(158,778,121)	(361,107,224)	62,227,782	(344,211,101)	73,971,773	417,599,557	(22,578,566)	(287,718,768)
Dividend income	(11,574)	(149,333)	-	-	-	-	(11,574)	(149,333)
Interest income	(923)	(38,243)	(8,477)	(12,309)	-	-	(9,400)	(50,552)
Finance costs	298,768	50,291	301,993	5,110,908	-	-	600,761	5,161,199
Amortisation of intangible assets	-	-	-	750,858	-	-	-	750,858
Depreciation of property, plant and equipment	332,539	206,172	1,329,069	1,970,570	-	-	1,661,608	2,176,742
Amortisation of right-of-use assets	189,217	214,439	1,288,614	556,544	-	-	1,477,831	770,983
Allowance for impairment loss								
- intercompany	90,862,974	86,008,354	-	2,418,547	(90,862,974)	(92,398,580)	-	(3,971,679)
- investment in subsidiary	-	35,299,996	-	2	-	(37,385,665)	-	(2,085,667)
- trade receivables	-	-	6,378,563	19,277,249	-	-	6,378,563	19,277,249
- other receivables	-	-	-	4,899,842	-	-	-	4,899,842
Written off								
- property, plant and equipment	-	-	-	2,750,812	-	-	-	2,750,812
- intangible assets	-	-	-	10,533,341	-	-	-	10,533,341
Reversal of impairment loss on:								
- subsidiary companies	(15,089,964)	-	(63,967)	-	15,089,964	-	-	-
- trade receivables	-	-	(927,322)	-	-	-	(63,967)	-
- other receivables	-	-	-	-	-	-	(927,322)	-
Slow moving and obsolete inventories written down	-	-	-	15,469,228	-	-	-	15,469,228
Impairment losses on property, plant and equipment	337,710	-	-	-	-	-	337,710	-

Notes to the Financial Statements  
(cont'd)

## 31. SEGMENT INFORMATION (continued)

## (b) Business Segments (continued)

Group	Investment Holding		Manufacturing, Trading and Project Management Services		Elimination		Consolidated	
	01.04.2022	01.04.2021	01.04.2022	01.04.2021	01.04.2022	01.04.2021	01.04.2022	01.04.2021
	to	to	to	to	to	to	to	to
	RM	RM	RM	RM	RM	RM	RM	RM
Results (continued):								
(Gain)/Loss on disposal of subsidiary companies	(9)	-	-	-	468,554	-	468,545	-
Gain on lease termination	(7,329)	-	(9,407)	-	-	-	(16,736)	-
Unrealised foreign exchange gain	-	-	(81,480)	-	-	-	(81,480)	-
Loss on fair value adjustment of investment properties	-	-	-	77,366,568	-	-	-	77,366,568
Loss on disposal of property, plant and equipment	-	-	1,215,550	-	-	-	1,215,550	-
Loss on disposal of quoted shares	-	3,993,682	-	-	-	-	-	3,993,682
(Loss)/profit before taxation	(81,866,712)	(235,521,866)	71,650,918	(203,118,941)	(1,332,683)	287,815,312	(11,548,477)	(150,825,495)
Taxation	-	-	(746,130)	(1,020,183)	-	-	(746,130)	(1,020,183)
Loss after taxation	(81,866,712)	(235,521,866)	70,904,788	(204,139,124)	(1,332,683)	287,815,312	(12,294,607)	(151,845,678)
Segment assets	214,897,461	305,365,213	153,751,756	337,494,518	(84,603,619)	(401,671,727)	284,045,598	241,188,004
Addition of non-current assets:								
Property, plant and equipment	3,715,952	26,046	5,800	3,674,209	-	-	3,721,752	3,700,255
Right-of-use Assets	-	-	417,826	2,774,970	-	-	417,826	2,774,970
Investment properties	-	-	27,762,150	71,435,000	-	-	27,762,150	71,435,000
<b>Total assets</b>	<b>218,613,413</b>	<b>305,391,259</b>	<b>181,937,532</b>	<b>415,378,697</b>	<b>(84,603,619)</b>	<b>(401,671,727)</b>	<b>315,947,326</b>	<b>319,098,229</b>
Segment liabilities	5,542,844	85,351,290	227,699,401	424,326,261	(210,407,490)	(494,679,296)	22,834,755	14,998,255
<b>Total liabilities</b>	<b>5,542,844</b>	<b>85,351,290</b>	<b>227,699,401</b>	<b>424,326,261</b>	<b>(210,407,490)</b>	<b>(494,679,296)</b>	<b>22,834,755</b>	<b>14,998,255</b>

## Notes to the Financial Statements (cont'd)

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its risks.

The Group and the Company are exposed to financial risk 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, equity price risk and market price risk.

The board of directors and management reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer, Head of Finance and other heads of business units. The audit committee provides an independent oversight to the effectiveness of the risk management process.

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

#### 32.1 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk mainly arises from its receivables. Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. For bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institution.

##### 32.1.1 Collective approach

To measure the expected credit losses under the collective approach, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and number of days past due. The expected loss rates are developed based on the historical credit loss rates. The historical loss rates are further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group has identified (i) internal credit rating and (ii) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

## Notes to the Financial Statements (cont'd)

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 32.1 Credit risk (continued)

##### 32.1.2 Individual debtor assessment

The Group applies individual debtor assessment for debtors with different risk characteristics, where the credit risk information of these debtors is obtained and monitored individually. The Group assesses the lifetime ECL when takes into consideration as follows:

- PD - Probability of default  
The likelihood that the borrower cannot pay during the contractual period
- LGD - Loss given default  
Percentage of contractual cash flows that will not be collected if default happens
- EAD - Exposure at default  
Outstanding amount that is exposed to default risk

The Group has taken into account the probability-weighted recoverable amount determined via the evaluation of a range of possible outcomes. In deriving the PD and LGD, the Group considers historical data of each debtor by category and adjusts for forward-looking macroeconomic data. The Group has identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

##### (a) Trade receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis through the review of receivables ageing. The Group has significant exposure to several customers and as such a concentration of credit risks. At the reporting date, 85% (31.03.2022: 85%) of the Group's trade receivables were due from four (4) (31.03.2022: one (1)) major customer.

The maximum exposure to credit risk is disclosed in Note 12, representing the carrying amount of the trade receivables recognised on the statements of financial position.

##### (b) Advances to subsidiary companies

The Company provides unsecured advances to its subsidiary companies and monitors the results of the subsidiary companies regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. As at 30 September 2023, the Company had made sufficient allowance for impairment loss on advances to its subsidiary companies. The Company does not specifically monitor the ageing of the advances to its subsidiaries.



## Notes to the Financial Statements (cont'd)

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 32.1 Credit risk (continued)

##### 32.1.2 Individual debtor assessment (continued)

###### (c) Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The maximum exposure to credit risk is disclosed in Note 13 to the financial statements, representing the carrying amount of the other receivables recognised on the statement of financial position.

#### 32.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

##### 32.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's and the Company's exposure to interest rate risk relates to interest-bearing financial assets and liabilities. Interest-bearing financial assets includes fixed deposits with licensed banks. Interest-bearing liabilities includes term loans and hire purchase liabilities.

The finance lease liabilities at fixed rates expose the Group and the Company to fair value interest rate risk.

The interest rates per annum on the financial liabilities are disclosed in Note 7 and Note 18.

The Group adopts a strategy of mixing fixed and floating rates borrowing to minimise exposure to interest rate risk. The Group and the Company also review their debt portfolio to ensure favourable rates are obtained.

The Group and the Company do not account sensitivity analysis for any fixed rate financial liabilities as a change in interest rates at the end of the reporting period would not affect the profit or loss.

## Notes to the Financial Statements (cont'd)

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 32.2 Market risk (continued)

##### 32.2.2 Foreign currency risk

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia. The currencies giving rise to this risk is primarily United States Dollar ("USD").

Foreign currency exposures in transactional currencies other than functional currencies are kept to an acceptable level. The Group and the Company have not entered into any derivative financial instruments such as forward foreign exchange contracts.

The net unhedged financial assets/(liabilities) of the Group and of the Company at the financial period/year end that are not denominated in Ringgit Malaysia are as follows:

#### Group

	USD RM	Total RM
<b>31.03.2022</b>		
Other receivables	10,023,891	10,023,891
Cash and bank balances	5,068	5,068
Other payables	<u>(11,861)</u>	<u>(11,861)</u>
	<u>10,017,098</u>	<u>10,017,098</u>

The Group does not exposed to any foreign currency risk in the current financial period.

## Notes to the Financial Statements (cont'd)

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 32.2 Market risk (continued)

##### 32.2.2 Foreign currency risk (continued)

###### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's and the Company's pre-tax loss and equity to a reasonably possible change in the USD against the respective functional currencies of the Group and of the Company, with all other variables held constant.

		Group		Company	
		30.09.2023	31.03.2022	30.09.2023	31.03.2022
		RM	RM	RM	RM
USD/RM	-strengthened				
	10%	-	1,001,710	-	-
	-weakened				
	10%	-	(1,001,710)	-	-

#### 32.3 Liquidity and cash flow risks

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by maintaining sufficient cash. In addition, the Group and the Company maintain bank facilities such as working capital lines deemed adequate by the management to ensure they will have sufficient liquidity to meet their liabilities when they fall due.

Notes to the Financial Statements  
(cont'd)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

32.3 Liquidity and cash flow risks (continued)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates). The effective interest rates of these financial liabilities are disclosed in the respective notes to the financial statements.

Group	Carrying amount RM	Contractual interest rate/coupon %	Contractual cash flows RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM		More than 5 years RM
					RM	RM	
<b>30.09.2023</b>							
Trade payables	6,779,137	-	6,779,137	6,779,137	-	-	-
Other payables	13,145,878	-	13,145,878	13,145,878	-	-	-
Amount owing to a director	264,792	-	264,792	264,792	-	-	-
Lease liabilities	1,417,210	5.40	1,495,000	780,000	715,000	-	-
Hire purchase liabilities	824,229	2.80	877,325	364,116	513,209	-	-
	<u>22,431,246</u>		<u>22,562,132</u>	<u>21,333,923</u>	<u>1,228,209</u>		<u>-</u>

Notes to the Financial Statements  
(cont'd)

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

## 32.3 Liquidity and cash flow risks (continued)

	Carrying amount RM	Contractual interest rate/coupon %	Contractual cash flows RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
<b>31.03.2022</b>						
Trade payables	4,790,139	-	4,790,139	4,790,139	-	-
Other payables	947,617	-	947,617	947,617	-	-
Amount owing to a director	3,422,103	-	3,422,103	3,422,103	-	-
Lease liabilities	3,009,801	5.40 - 8.79	3,285,900	1,168,400	2,117,500	-
Hire purchase liabilities	2,558,303	2.80	2,825,091	739,632	2,085,459	-
	<u>14,727,963</u>		<u>15,270,850</u>	<u>11,067,891</u>	<u>4,202,959</u>	<u>-</u>

Notes to the Financial Statements  
(cont'd)

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

## 32.3 Liquidity and cash flow risks (continued)

Company	Carrying amount RM	Contractual interest rate/coupon %	Contractual cash flows RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
<b>30.09.2023</b>						
Other payables	5,058,409	-	5,058,409	5,058,409	-	-
Amount owing to a director	251,151	-	251,151	251,151	-	-
Amount owing to subsidiary company	77,087	-	77,087	77,087	-	-
Hire purchase liabilities	156,197	2.80	164,825	79,116	85,709	-
	<u>5,542,844</u>		<u>5,551,472</u>	<u>5,465,763</u>	<u>85,709</u>	<u>-</u>
<b>31.03.2022</b>						
Other payables	764,668	-	764,668	764,668	-	-
Lease liabilities	275,343	8.79	297,700	217,700	80,000	-
Hire purchase liabilities	258,386	2.80	283,499	79,116	204,383	-
	<u>1,298,397</u>		<u>1,345,867</u>	<u>1,061,484</u>	<u>284,383</u>	<u>-</u>

Notes to the Financial Statements  
(cont'd)

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

## 32.4 Classification of financial instruments

Financial assets	Group		Company	
	30.09.2023	31.03.2022	30.09.2023	31.03.2022
	RM	RM	RM	RM
<b><u>At amortised cost</u></b>				
Trade receivables	33,292,426	81,305,670	-	-
Other receivables	71,567,824	41,459,128	7,906,630	68,670
Amount owing from subsidiary companies	-	-	98,143,743	186,035,253
Cash and bank balances	2,539,169	2,397,893	2,341,554	425,792
	<u>107,399,419</u>	<u>125,162,691</u>	<u>108,391,927</u>	<u>186,529,715</u>
<b><u>At fair value through profit or loss</u></b>				
Investment in unquoted shares	5,000,000	5,000,000	5,000,000	5,000,000
	<u>112,399,419</u>	<u>130,162,691</u>	<u>113,391,927</u>	<u>191,529,715</u>
Financial liabilities	Group		Company	
	30.09.2023	31.03.2022	30.09.2023	31.03.2022
	RM	RM	RM	RM
<b><u>At amortised cost</u></b>				
Trade payables	6,779,137	4,790,139	-	-
Other payables	13,145,878	947,617	5,058,409	764,668
Amount owing to a director	264,792	3,422,103	251,151	-
Amount owing to subsidiary companies	-	-	77,087	-
Lease liabilities	1,417,210	3,009,801	-	275,343
Hire purchase liabilities	824,229	2,558,303	156,197	258,386
	<u>22,431,246</u>	<u>14,727,963</u>	<u>5,542,844</u>	<u>1,298,397</u>

## Notes to the Financial Statements (cont'd)

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 32.5 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments that are carried at fair value and those not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

<b>Financial instruments that are carried at fair value</b>				
<b>Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>30.09.2023</b>				
<b>Financial asset</b>				
Investment in unquoted shares	-	-	5,000,000	5,000,000
	-	-	5,000,000	5,000,000
<b>31.03.2022</b>				
<b>Financial asset</b>				
Investment in unquoted shares	-	-	5,000,000	5,000,000
	-	-	5,000,000	5,000,000
<b>Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value</b>				
<b>Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>30.09.2023</b>				
<b>Financial liabilities</b>				
Amount owing to a director	-	-	264,792	264,792
Hire purchase liabilities	-	-	824,229	824,229
Lease liabilities	-	-	1,417,210	1,417,210
	-	-	2,506,231	2,506,231
<b>31.03.2022</b>				
<b>Financial liabilities</b>				
Amount owing to a director	-	-	3,422,103	3,422,103
Hire purchase liabilities	-	-	2,558,303	2,558,303
Lease liabilities	-	-	3,009,801	3,009,801
	-	-	8,990,207	8,990,207



Notes to the Financial Statements  
(cont'd)

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

## 32.5 Fair value of financial instruments (continued)

<b>Financial instruments that are carried at fair value</b>				
<b>Company</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30.09.2023</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Financial asset</b>				
Investment in unquoted shares	-	-	5,000,000	5,000,000
	-	-	5,000,000	5,000,000
<b>31.03.2022</b>				
<b>Financial asset</b>				
Investment in unquoted shares	-	-	5,000,000	5,000,000
	-	-	5,000,000	5,000,000
<b>Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value</b>				
<b>Company</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>30.09.2023</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Financial assets</b>				
Amount owing from subsidiary companies	-	-	98,143,743	98,143,743
	-	-	98,143,743	98,143,743
<b>Financial liabilities</b>				
Amount owing to a director	-	-	251,151	251,151
Amount owing to subsidiary companies	-	-	77,087	77,087
Hire purchase liabilities	-	-	156,197	156,197
	-	-	484,435	484,435

## Notes to the Financial Statements (cont'd)

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 32.5 Fair value of financial instruments (continued)

Company	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>31.03.2022</b>				
<b>Financial asset</b>				
Amount owing from subsidiary companies	-	-	186,035,253	186,035,253
	-	-	186,035,253	186,035,253
<b>Financial liabilities</b>				
Hire purchase liabilities	-	-	258,386	258,386
Lease liabilities	-	-	275,343	275,343
	-	-	533,729	533,729

#### Policy on transfer between levels

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

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

There has been no transfer between Level 1 and 2 fair values during the financial period and previous financial year.

#### Level 2 fair value

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

#### Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial period (31.03.2022: no transfer in either directions).

## Notes to the Financial Statements (cont'd)

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### 32.6 Fair value of financial instruments (continued)

##### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or liabilities.

##### Amount owing from/(to) subsidiary companies, amount owing to a director, hire purchase liabilities, and lease liabilities

The fair value of these financial instruments which is determine for disclosure purposes, are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The responsibility for managing the above risks is vested with the directors.

### 33. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholder value.

The Group and the Company manage the capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial period ended 30 September 2023.

The Group and the Company monitor capital using a gearing ratio, which is net debts divided by total capital. The Group's and the Company's net debts include total liabilities less provision for taxation and cash and cash equivalents. The Group and the Company are not subject to externally imposed capital requirements.

	Group		Company	
	30.09.2023	31.03.2022	30.09.2023	31.03.2022
	RM	RM	RM	RM
Total liabilities	22,834,755	14,998,255	5,542,844	1,298,397
Less: Provision for taxation	(403,509)	(270,292)	-	-
Less: Cash and cash equivalents	<u>(2,539,169)</u>	<u>(2,397,893)</u>	<u>(2,341,554)</u>	<u>(425,792)</u>
Net debts	<u>19,892,077</u>	<u>12,330,070</u>	<u>3,201,290</u>	<u>872,605</u>
Equity attributable to owners of the Company	<u>288,006,357</u>	<u>299,842,430</u>	<u>213,070,569</u>	<u>292,687,747</u>
Gearing ratio	<u>7%</u>	<u>4%</u>	<u>2%</u>	<u>0% ^</u>

^ The amount is below 1%.

## Notes to the Financial Statements (cont'd)

### 34. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL PERIOD

#### (a) Proposed Acquisition of serviced apartments by KIB Global Resources

On 7 November 2023, the Company's wholly-owned subsidiary, KIB Global Resources, had on 7 November 2023 entered into a Sale and Purchase Agreement ("Agreement") with Aset Kayamas Sdn. Bhd. ("Aset Kayamas" or "Developer") for the proposed acquisition of 15 units of serviced apartments located at Block A, ANTARA, GENTING HIGHLANDS, sited on a piece of freehold land held under title no. GRN 45572, Lot 43031, Mukim Bentong, Daerah Bentong, Negeri Pahang from the Developer for a total purchase consideration of RM19,770,000.00, with details provided herein, subject to the terms and conditions of the Agreement ("Proposed Acquisition").

#### (b) Proposed Acquisition of remaining 49% equity interest in Sung Master

The Company had on 23 November 2023 entered into a shares sale agreement ("SSA") with the Vendor for the acquisition of 980,000 ordinary shares in its subsidiary, Sung Master, representing the remaining 49.0% equity interest in Sung Master from the Vendor for a purchase consideration of RM72,000,110 to be fully satisfied via cash.

Upon completion of the proposed acquisition, the Company will hold 100% equity interest in the Sung Master and accordingly, Sung Master will become a wholly-owned subsidiary of the Company.

#### (c) Proposed Private Placement of up to 20% of the total number of issued shares

On 29 December 2023, the Company has announced its proposal to undertake a private placement of up to 20% of the total number of issued shares of Kanger ("Kanger Share(s)" or "Share(s)") to third party investor(s) to be identified later at an issue price to be determined later ("Proposed Private Placement").

The proposal has been submitted to Bursa Malaysia Securities Berhad on 11 January 2024.

### 35. COMPARATIVE FIGURES

The Group and the Company had on 27 February 2023 announced the change in its financial year end from 31 March to 30 September. Therefore, the financial period covered in these financial statements is for a period of eighteen (18) months from 1 April 2022 to 30 September 2023. Thereafter, the financial year of the Group and of the Company shall revert to twelve (12) months ending 30 September, for each subsequent year. The comparatives are for the financial year from 1 April 2021 to 31 March 2022.

# LIST OF PROPERTIES

As At 30 September 2023

Location	Description/ Existing use	Existing Use	Tenure	(i) Land area (ii) Built-up area (square metres)	Approximate age of building (years)	Carrying amounts at 30 September 2023 RM '000	Date of Acquisition
Sungai Rambai, Batang Berjuntai, Pekan Bestari Jaya, Daerah Kuala Selangor, Negeri Selangor	Leasehold Agriculture land held under Individual Title PM51 Lot3518 Seksyen 2	Vacant Land	99 years ending on 27 January 2094	(i) 4,840	1	969 (land)	24 August 2020
Sungai Rambai, Batang Berjuntai, Pekan Bestari Jaya, Daerah Kuala Selangor, Negeri Selangor	Leasehold Agriculture land held under Individual Title PM52 Lot3517 Seksyen 2	Vacant Land	99 years ending on 9 April 2095	(i) 4,887	1	969 (land)	24 August 2020
Tempat Batu 28 Ijok, Mukim Ijok, Daerah Kuala Selangor, Negeri Selangor	Leasehold Agriculture land held under Individual Title PM79 Lot1765 Batu 28 Ijok	Vacant Land	99 years ending on 8 February 2077	(i) 12,368	1	4,651 (land)	24 August 2020
Tempat Batu 28 Ijok, Mukim Ijok, Daerah Kuala Selangor, Negeri Selangor	Leasehold Agriculture land held under Individual Title PM80 Lot1766 Batu 28 Ijok	Vacant Land	99 years ending on 8 February 2077	(i) 12,419	1	3,681 (land)	12 October 2022

# ANALYSIS OF SHAREHOLDINGS

## As At 18 January 2024

### SHARE CAPITAL

Issued and Fully Paid-up Capital	: 731,581,371
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per ordinary share

### SHAREHOLDING DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
1,082	Less than 100	41,196	0.01
5,030	100 to 1,000	3,171,763	0.43
9,353	1,001 to 10,000	41,722,117	5.70
3,969	10,001 to 100,000	132,510,516	18.11
782	100,001 to less than 5% of issued shares	439,625,779	60.09
2	5% and above of the issued shares	114,510,000	15.66
<b>20,218</b>	<b>TOTAL</b>	<b>731,581,371</b>	<b>100.00</b>

### LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	M & A Nominee (Asing) Sdn. Bhd. - Exempt an for Sanston Financial Group Limited (Account Client)	64,010,000	8.75
2.	Wu Wai Kong	50,500,000	6.90
3.	G Rubber Sdn. Bhd.	32,247,100	4.41
4.	Sia Huan Ting	31,213,369	4.27
5.	Merry Noel Robert	16,000,000	2.19
6.	Choi Khai Chean	13,750,000	1.88
7.	Quah Seik Lee	12,164,790	1.66
8.	Choi Lai Yee	9,000,000	1.23
9.	M & A Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Soh Choh Piau (M&A)	8,127,200	1.11
10.	Kenangan Nominees (Asing) Sdn. Bhd. - Leng XingMin (Account 1)	6,993,009	0.96
11.	HLIB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ng Hock Lian (CCTS)	6,450,000	0.88
12.	Chuan Boon Kang	5,700,000	0.78
13.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Lim Heng Fook	5,007,100	0.68
14.	Hong Guo Quan	4,700,000	0.64
15.	Ong Yeng Tian @ Ong Weng Tian	4,000,000	0.55
16.	Tan Kok Hooi	3,600,000	0.49
17.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teh Poo Seng (M02)	3,491,000	0.48

## Analysis of Shareholdings As At 18 January 2024 (cont'd)

### LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

	Name of Shareholders	No. of Shares Held	Percentage (%)
18.	Kenangan Nominees (Asing) Sdn. Bhd. - HongKong HuanShiQiu Finance Investment Limited	3,403,703	0.47
19.	Kenangan Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Kenneth Hooi Chi-Kin	3,215,000	0.44
20.	Wan Nor Azri bin Wan Mohamad	3,200,000	0.44
21.	Koe Liew Hin	3,000,000	0.41
22.	Kenangan Nominees (Asing) Sdn. Bhd. - Nie Hui	2,942,800	0.40
23.	Chan Tiang Seng	2,800,000	0.38
24.	Tan Sing Yin	2,800,000	0.38
25.	Lee Yen Chaue	2,500,000	0.34
26.	Tan Hong Tee	2,302,200	0.32
27.	Tan Lee Kock	2,090,000	0.29
28.	Foong See Kit	2,068,090	0.28
29.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Supreme Home Appliances Sdn. Bhd.	2,000,000	0.27
30.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Koh Boon Poh (EM1-CF)	2,000,000	0.27
	<b>TOTAL</b>	<b>311,275,361</b>	<b>42.55</b>

### SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	NAME OF SUBSTANTIAL SHAREHOLDERS	NO. OF SHARES HELD			
		DIRECT	%	INDIRECT	%
1.	Mr. Wu Wai Kong	51,174,530	6.995	-	-

### DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

	NAME OF DIRECTORS	NO. OF SHARES HELD			
		DIRECT	%	INDIRECT	%
1.	Dato' Azmil bin Mohd Zabidi	-	-	-	-
2.	Mr. Wu Wai Kong	51,174,530	6.995	178,000*	0.024
3.	Mr. Low Poh Seong	-	-	-	-
4.	Mr. Chong Kwang Fock	-	-	-	-
5.	Madam Lean Boon Bee	-	-	-	-

Notes:

\* Indirect interest by virtue of the shares held by his direct family members.

# ANALYSIS OF WARRANTS HOLDINGS

As At 18 January 2024

No. of Warrants B	:	169,944,456
Exercise Price of Warrants	:	RM0.500
Exercise Period of Warrants	:	23 September 2021 to 22 September 2026
Voting Rights in the Meeting of Warrant Holders	:	One vote per warrant holder on a show of hands
Number of Warrant Holders	:	2,601

## WARRANT HOLDINGS DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
110	Less than 100	4,397	0.00*
350	100 to 1,000	227,969	0.13
940	1,001 to 10,000	5,220,510	3.07
907	10,001 to 100,000	38,035,050	22.38
293	100,001 to less than 5% of issued shares	117,443,250	69.11
1	5% and above of the issued shares	9,019,980	5.31
<b>2,601</b>	<b>TOTAL</b>	<b>169,951,156</b>	<b>100.00</b>

\* Less than 0.01%

## LIST OF 30 LARGEST WARRANT ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)

	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	M & A Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Soh Choh Piau (M&A)	9,019,980	5.31
2.	Kuah Choon Ching	2,500,000	1.47
3.	Tan Hung Chew	2,500,000	1.47
4.	Phun Chin Tung	2,300,000	1.35
5.	Siti Raihan binti Sazali	2,300,000	1.35
6.	Choo Kuan Kiong	2,000,000	1.18
7.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Sun Ping	1,913,330	1.13
8.	Chan Huan Chai	1,800,000	1.06
9.	SKT Supplies Sdn. Bhd.	1,720,000	1.01
10.	Affin Hwang Investment Bank Berhad - IVT (YKL) Lee Khee Yip	1,714,900	1.01
11.	Goh Kim Loong	1,500,000	0.88
12.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yong Swee Hong (E-Trade)	1,500,000	0.88
13.	Tan Ken Ann	1,500,000	0.88
14.	Lim Hock Aun	1,239,500	0.73
15.	Chan Boon Yok	1,200,000	0.71



## Analysis of Shareholdings As At 18 January 2024 (cont'd)

### LIST OF 30 LARGEST WARRANT ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D)

	Name of Shareholders	No. of Shares Held	Percentage (%)
16.	Lim Chee Beng	1,110,000	0.65
17.	Chan Huan Joo	1,061,000	0.63
18.	Lim Keng Chuan	1,050,000	0.62
19.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Leong Siak Wing	1,003,000	0.59
20.	James Wong Leong Duh	1,000,000	0.59
21.	Leong Kok Peng	1,000,000	0.59
22.	Tan Peng Chuen	920,000	0.54
23.	Mohd Zaidi bin Abd Latif	900,000	0.53
24.	SJ Sec Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Huan Joo (SMT)	890,000	0.52
25.	Mohamad Haris bin Abdul Latiff	879,000	0.52
26.	Hing Swee Nge	800,000	0.47
27.	SJC Realty Sdn. Bhd.	800,000	0.47
28.	Tan Hung Chew Sdn. Bhd.	800,000	0.47
29.	Kamarudin bin Minai	794,940	0.47
30.	Tan Bee Chew	770,000	0.45
	<b>TOTAL</b>	<b>48,485,650</b>	<b>28.53</b>

### DIRECTORS' WARRANTS HOLDINGS (BASED ON THE REGISTER OF DIRECTORS' WARRANT HOLDINGS)

	NAME OF DIRECTORS	NO. OF SHARES HELD			
		DIRECT	%	INDIRECT	%
1.	Dato' Azmil bin Mohd Zabidi	-	-	-	-
2.	Mr. Wu Wai Kong	-	-	-	-
3.	Mr. Low Poh Seong	-	-	-	-
4.	Mr. Chong Kwang Fock	-	-	-	-
5.	Madam Lean Boon Bee	-	-	-	-

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Tenth Annual General Meeting (“**10<sup>th</sup> AGM**” or “**Meeting**”) of **KANGER INTERNATIONAL BERHAD** (“**Kanger**” or “**the Company**”) will be held and conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Registered Office of No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) and the AGM will be hosted virtually at <https://rebrand.ly/KangerAGM> operated by InsHub Sdn. Bhd. on **Tuesday, 26 March 2024 at 9.00 a.m.** for the following purposes:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period ended 30 September 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 10)**
2. To approve the payment of Directors’ fees and benefits of up to RM150,000 for the financial year ending 30 September 2024 payable after each month of completed service. **(Ordinary Resolution 1)**
3. To approve the payment of Directors’ fees and benefits of up to RM300,000 for the financial year ending 30 September 2025 payable after each month of completed service. **(Ordinary Resolution 2)**
4. To re-elect Mr. Low Poh Seong who retires pursuant to Clause 134 of the Company’s Constitution. **(Ordinary Resolution 3)**
5. To re-elect the following Directors who retire in accordance with Clause 119 of the Company’s Constitution and who being eligible, have offered themselves for re-election: **(Ordinary Resolution 4)**  
**(Ordinary Resolution 5)**
  - (i) Mr. Chong Kwang Fock; and
  - (ii) Madam Lean Boon Bee. **(Ordinary Resolution 6)**
6. To re-appoint CAS Malaysia PLT as Auditors of the Company for the financial year ending 30 September 2024 and to authorise the Directors to fix their remuneration.

## Notice of Annual General Meeting (cont'd)

### AS SPECIAL BUSINESS

(Ordinary Resolution 7)  
(Please refer to  
Explanatory Note 11)

To consider and if thought fit, pass with or without any modifications, the following resolution:

7. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“CA 2016” or “the Act”)**

“**THAT** subject always to the CA 2016, the Constitution of the Company, the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the CA 2016 to allot and issue shares in the Company, at any time and from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being and that the Directors be and are also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting (“**Mandate**”);

**THAT** approval be and is hereby given for the waiver of the statutory pre-emptive rights of the existing shareholders of the Company to be offered new shares in proportion to their shareholdings ranking equally to the existing issued shares of the Company pursuant to Section 85 of the CA 2016 and Clause 65 of the Constitution of the Company arising from any issuance of new shares pursuant to the Mandate;

**AND THAT** the Board of Directors (“**Board**”) of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company arising from any issuance of new shares pursuant to the Mandate.”

8. To transact any other business of the Company for which due notice shall have been given in accordance with the Act and the Company's Constitution.

By Order of the Board

**JEREMY TAI YUNG WEI (MAICSA 7065447) (SSM PC No. 202308000580)**  
**THONG PUI YEE (MAICSA 7067416) (SSM PC No. 202008000510)**  
**Company Secretaries**

Kuala Lumpur  
Date: 31 January 2024

## Notice of Annual General Meeting (cont'd)

### Notes:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his/her/its proxy to exercise all or any of his/her/its rights to attend, participate (including pose questions to the Board of Director of the Company) and vote in his/her/its stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the Meeting, provided that the member specifies the proportion of his/her/its shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. 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 shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office of the Company situated at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or email to [ir@shareworks.com.my](mailto:ir@shareworks.com.my) not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
6. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 19 March 2024, shall be eligible to attend, participate and vote at the Meeting or appoint proxy(ies)/corporate representative(s)/attorney(s) to attend, participate and vote on his/her/its behalf.
8. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.
9. The members are encouraged to refer the Administrative Guide on registration, participation and voting process for the Meeting.

### Explanatory Note on Ordinary Business

#### 10. **Audited Financial Statements for financial period ended 30 September 2023**

The audited financial statements are laid in accordance with Section 340(1)(a) of the CA 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

## Notice of Annual General Meeting (cont'd)

### Explanatory Note on Special Business

#### 11. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the CA 2016

The Ordinary Resolution 7 is proposed pursuant to Sections 75 and 76 of the CA 2016 for the purpose of obtaining a renewed general mandate (“**Renewed General Mandate**”), which if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company at any time provided that the aggregate number of ordinary shares issued pursuant to the Renewed General Mandate does not exceed ten per centum (10%) of the total number of issued ordinary shares (excluding treasury shares, if any) of the Company for the time being for such purposes as the Directors deem fit and in the best interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve such an issue of shares. This Renewed General Mandate will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next annual general meeting after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is the earlier. This Renewed General Mandate, if granted, will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

The Ordinary Resolution 7, if passed, would be tantamount to shareholders of the Company agreeing to waive their pre-emptive rights in respect of the allotment and issuance of the new ordinary shares pursuant to the Renewed General Mandate, which will result in a dilution to the shareholders’ shareholdings in the Company.

As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the general mandate granted to the Directors at the Nineth Annual General Meeting of the Company held on 29 August 2022 and it will lapse at the conclusion of the 10th AGM of the company.

### **STATEMENT ACCOMPANYING NOTICE OF 10th AGM Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Securities**

No notice in writing has been received by the Company nominating any candidate for election as Director at the 10th AGM of the Company. The Directors who are due for retirement and seeking for re-election pursuant to the Company’s Constitution is as set out in the Notice of 10th AGM and their profiles are set out in the Board of Directors’ Profile of the Annual Report 2024.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 10th AGM, the Board through its Nomination Committee had assessed the retiring Directors, and considered the following:

- (i) The Directors’ performance and contribution;
- (ii) The Directors’ skills, experience and strength in qualities; and
- (iii) The Directors’ ability to act in the best interest of the Company in decision-making.



# 康尔国际控股有限公司

**KANGER INTERNATIONAL BERHAD** [Registration No.: 201201030306 (1014793-D)]  
(Incorporated in Malaysia)

<b>CDS Account No.</b>																				
<b>Number of Shares Held</b>																				

## FORM OF PROXY

I/We .....  
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Company Registration No./ .....)

of .....  
(FULL ADDRESS)

being a member/members of **KANGER INTERNATIONAL BERHAD**, hereby appoint

<b>Name of Proxy</b>	<b>NRIC No. / Passport No.</b>	<b>% of Shareholding to be Represented</b>
<b>Address</b>		
<b>Email Address</b>		<b>Contact No.</b>

and/or failing him/her

<b>Name of Proxy</b>	<b>NRIC No. / Passport No.</b>	<b>% of Shareholding to be Represented</b>
<b>Address</b>		
<b>Email Address</b>		<b>Contact No.</b>

\*or failing him/her, the **CHAIRMAN OF THE MEETING** as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Tenth Annual General Meeting (“AGM”) of the Company to be held and conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at Registered Office of No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) and the AGM will be hosted virtually at <https://rebrand.ly/KangerAGM> operated by InsHub Sdn. Bhd. on **Tuesday, 26 March 2024 at 9.00 a.m.** or at any adjournment thereof.

ORDINARY RESOLUTION		FOR	AGAINST
1.	Payment of Directors’ fees and benefits for the financial year ending 30 September 2024		
2.	Payment of Directors’ fees and benefits for the financial year ending 30 September 2025		
3.	Re-election of Mr. Low Poh Seong		
4.	Re-election of Mr. Chong Kwang Fock		
5.	Re-election of Madam Lean Boon Bee		
6.	Re-appointment of Auditors		
7.	Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016		

\* Delete if not applicable

(Please indicate with an “X” in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy(ies) to vote on any resolution, the proxy(ies) shall vote as he/she/they thinks fit, or at his/her/their discretion, abstain from voting.)

Dated this ..... day of ..... 2024

.....  
Signature(s) of member(s)



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9. The members are encouraged to refer the Administrative Guide on registration, participation and voting process for the Meeting.

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STAMP

The Company Secretaries  
**KANGER INTERNATIONAL BERHAD**  
Registration No. 201201030306 (1014793-D)  
No. 2-1, Jalan Sri Hartamas 8  
Sri Hartamas  
50480 Kuala Lumpur  
Wilayah Persekutuan (KL)

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Fold This Flap For Sealing

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[www.kangerinternational.co](http://www.kangerinternational.co)