

UNITRADE

UNITRADE INDUSTRIES BERHAD
(Registration No.: 202101013724 (1414023-X))



A NEW CHAPTER **BEGINS**

ANNUAL REPORT 2022



COVER RATIONALE



This report represents Unitrade Industries Berhad's maiden Annual Report. With the listing on the ACE Market of Bursa Malaysia Securities Berhad, Unitrade embarks on a new chapter to propel the Group to greater heights with the expansion of our products and services, as one of the largest building materials wholesalers and distributors in Malaysia.

The expanding circles presented on the cover design depicts Unitrade's growth bolstered by our comprehensive suite of building materials. The circular abstract motion symbolises a pipe, which is one of Unitrade's key products.

TABLE OF CONTENTS

02	Corporate Profile
03	Corporate Information
04	Corporate Structure
05	Financial Highlights
07	Directors' Profile
11	Key Senior Management's Profile
13	Chairman's Statement
15	Management Discussion and Analysis
20	Sustainability Statement
41	Corporate Governance Overview Statement
51	Additional Compliance Information
53	Audit Committee Report
55	Statement of Risk Management and Internal Control
58	Financial Statements
126	Analysis of Shareholdings
128	List of Properties
130	Notice of Annual General Meeting
•	Proxy Form



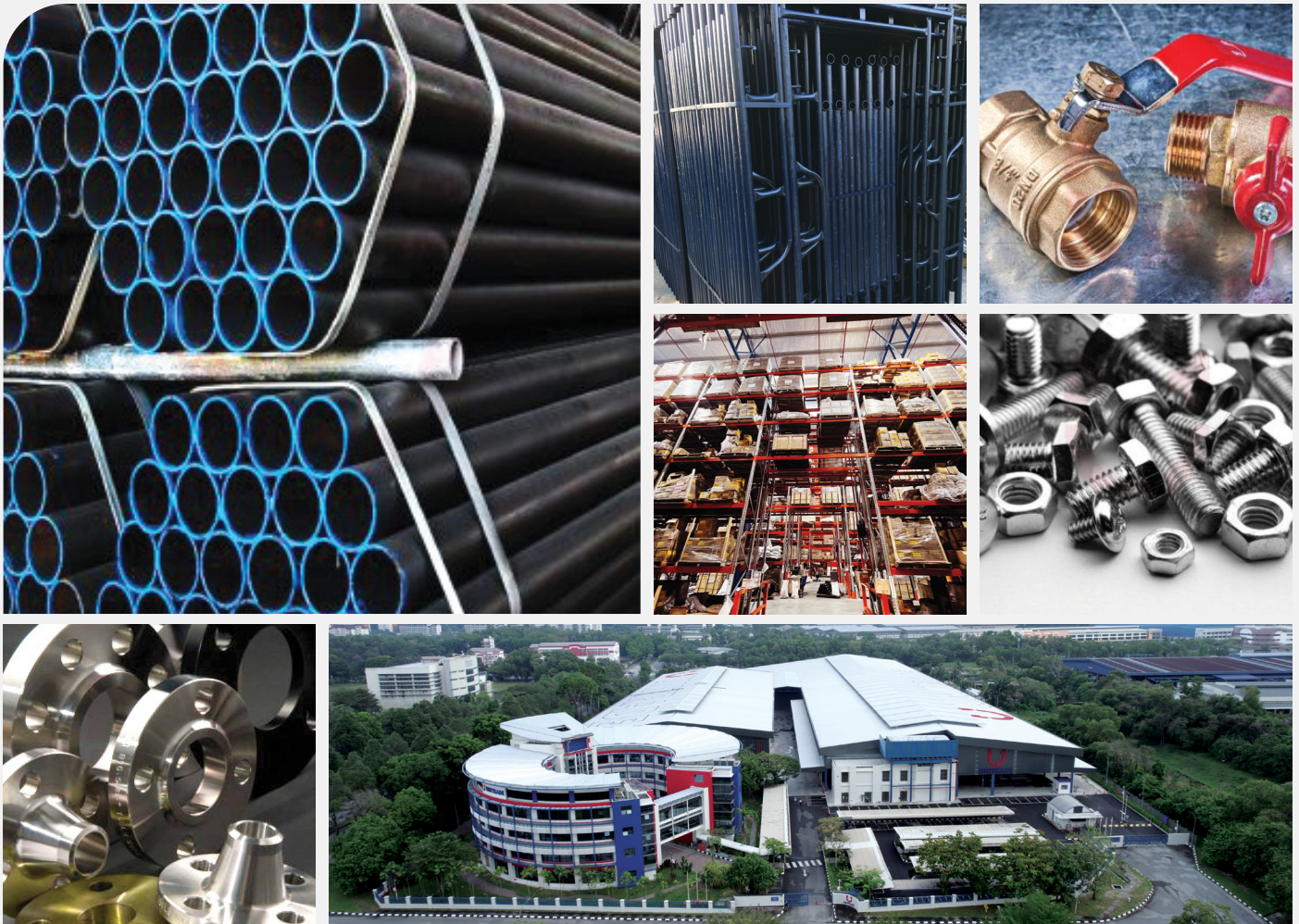
This report is available at
www.unitrade.com.my/reports-presentations



To access our
Annual Report, please
download the QR
code reader to your
smartphone by scanning
the QR code.



Corporate Profile



Unitrade Industries Berhad, through its subsidiaries ("Unitrade" or "the Group"), is one of the largest homegrown wholesalers and distributors of building materials in Malaysia. The Group is mainly engaged in the activities of wholesale and distribution of building materials where it offers an extensive range of building materials for various building and construction activities, primarily in mechanical and electrical ("M&E") works and civil works. In addition, Unitrade is also involved in the manufacturing and sales of pre-insulated pipes and rental of temporary structural support equipment for building construction activities.

Since its establishment in 1979, Unitrade now carries a comprehensive catalogue of more than 6,000 stock-keeping units ("SKUs") of pipes, valves, fittings, and accessories for M&E works, as well as steel products and other building materials for civil works. Operating from a centralised warehouse in Shah Alam, Selangor, the Group serves in excess of 1,000 active customers nationwide including M&E contractors, building contractors, traders, manufacturers, and retailers. Its products are used throughout the lifecycle of buildings and infrastructure, from new building and infrastructure construction to building refurbishments, retrofitting, repair and maintenance.

Unitrade was successfully listed on the ACE Market of the Bursa Malaysia Securities Berhad on 14 June 2022. At listing market capitalisation, it was the largest listing on the ACE Market since the latter's formation in 2009.



OUR MISSION

We strive to be the leading supplier and distributor of construction materials, specifically pipes, fittings and valves.



OUR CORE VALUES

1

Integrity

2

Reliability

3

Infinite Possibilities

BOARD OF DIRECTORS

Dato' Abdul Majit bin Ahmad Khan
Senior Independent
Non-Executive Chairman

Sim Keng Chor
Executive Vice Chairman

Nomis Sim Siang Leng
Managing Director

Simson Sim Xian Zhi
Executive Director

**Dato' Lok Bah Bah @
Loh Yeow Boo**
Senior Independent
Non-Executive Director

Cynthia Toh Mei Lee
Independent Non-Executive Director

Ong Soo Chan
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Lok Bah Bah @ Loh Yeow Boo
(Chairman)
Senior Independent Non-Executive Director

Cynthia Toh Mei Lee
Independent Non-Executive Director

Ong Soo Chan
Independent Non-Executive Director

REMUNERATION COMMITTEE

Ong Soo Chan (Chairwoman)
Independent Non-Executive Director

Dato' Lok Bah Bah @ Loh Yeow Boo
Senior Independent Non-Executive Director

Cynthia Toh Mei Lee
Independent Non-Executive Director

NOMINATION COMMITTEE

Dato' Lok Bah Bah @ Loh Yeow Boo
(Chairman)
Senior Independent Non-Executive Director

Cynthia Toh Mei Lee
Independent Non-Executive Director

Ong Soo Chan
Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Cynthia Toh Mei Lee (Chairwoman)
Independent Non-Executive Director

Ong Soo Chan
Independent Non-Executive Director

Nomis Sim Siang Leng
Managing Director

REGISTERED OFFICE

**Boardroom Corporate Services
Sdn. Bhd.**
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor
Tel no. : 03-7890 4800
Fax no. : 03-7890 4650

HEAD OFFICE

2, Jalan Astaka U8/87
Seksyen U8, Bukit Jelutong
40150 Shah Alam
Selangor
Tel no. : 03-7843 2828
Fax no. : 03-7845 6366

CORPORATE WEBSITE

www.unitrade.com.my

INVESTOR RELATIONS

E-mail : IR@unitrade.com.my

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
(SSM PC No. 202008001023)

Tan Ai Ning (MAICSA 7015852)
(SSM PC No. 202008000067)

AUDITORS

KPMG PLT
Level 10, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor
Tel no. : 03-7721 3388
Fax no. : 03-7721 3399

SPONSOR

M & A Securities Sdn. Bhd.
Level 11, 45 & 47, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel no. : 03-2284 2911
Fax no. : 03-2284 2718

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Al-Rajhi Banking & Investment Corporation
(M) Berhad
AmBank (M) Berhad/AmBank Islamic
Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
HSBC Bank (M) Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

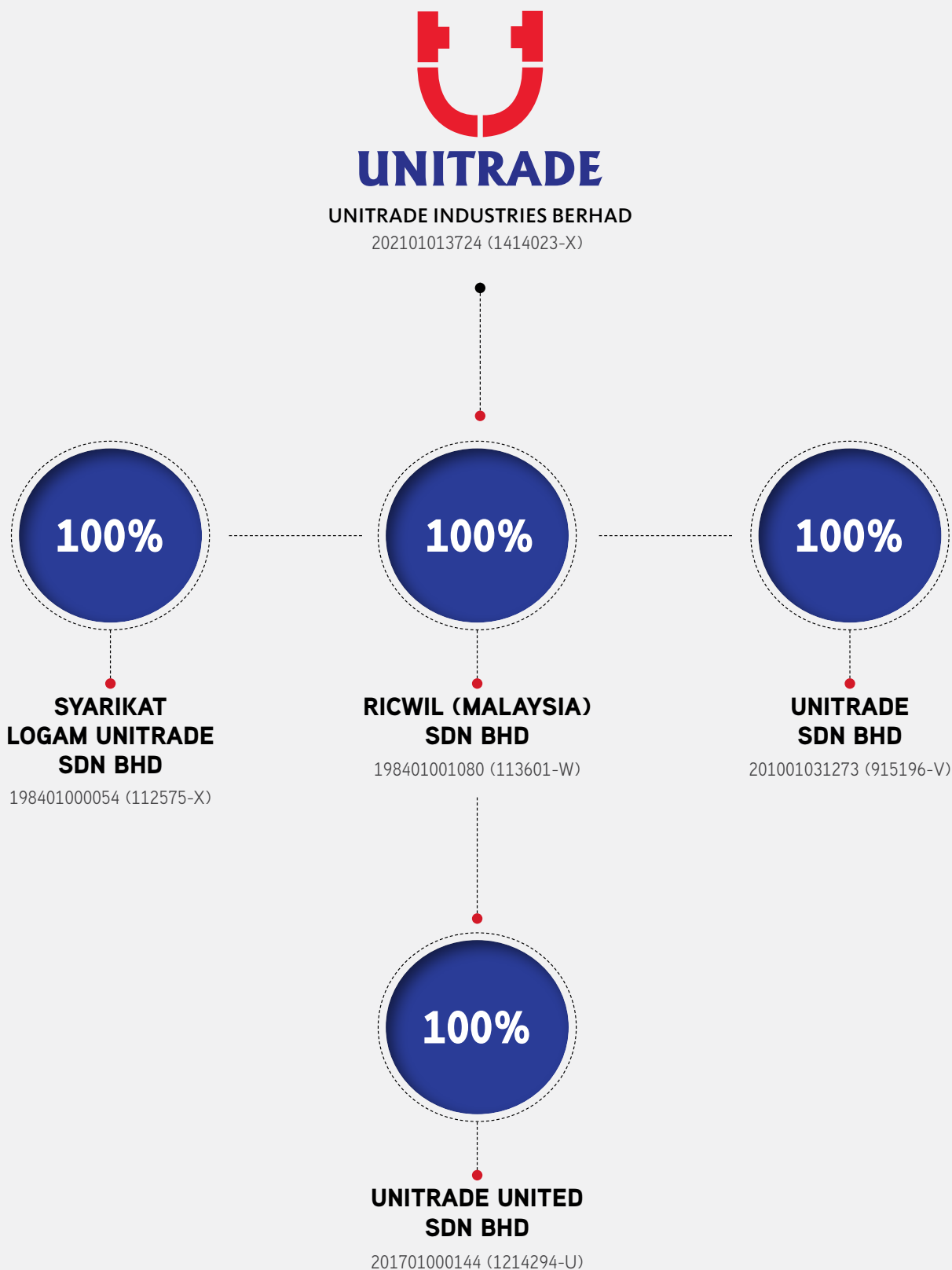
SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor
Tel no. : 03-7890 4700
Fax no. : 03-7890 4670

STOCK EXCHANGE LISTING

**ACE Market of Bursa Malaysia Securities
Berhad**
Stock Name : UNITRAD
Stock Code : 0247
Listed on 14 June 2022

Corporate Structure



Financial Highlights

Financial Year Ended 31 March

(RM million)	FY2022	FY2021 ⁽¹⁾	FY2020 ⁽¹⁾	FY2019 ⁽¹⁾
Financial Results				
Revenue	1,290.2	1,025.0	1,077.6	1,048.7
Gross Profit	113.0	88.7	80.9	79.8
Profit Before Tax	58.4	40.1	29.0	27.9
Profit After Tax and Non-Controlling Interests (PATNCI)	43.2	28.8	19.1	18.9
Financial Position				
Shareholders' Funds	230.4	218.4	197.5	179.8
Total Assets	879.4	812.3	715.2	571.9
Net Current Assets	149.4	152.2	145.3	134.6
Total Borrowings	528.8	489.7	456.6	318.2
Cash and Cash Equivalents	95.7	88.4	37.7	66.6
Financial Ratio				
Basic Earnings per Share (RM)	1.80 ⁽²⁾	5.23 ⁽³⁾	3.81	4.21
Gross Profit Margin (%)	8.8	8.7	7.5	7.6
Net Profit Margin (%)	3.4	2.8	1.9	2.0
Net Gearing Ratio (times)	1.9	1.8	2.1	1.4

Notes:

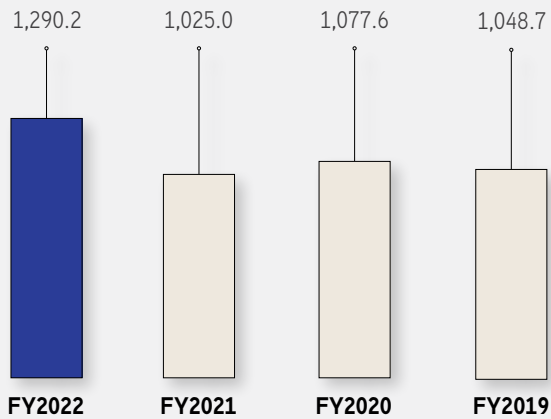
⁽¹⁾ Unitrade Industries Berhad was incorporated on 13 April 2021. We completed the acquisitions of Syarikat Logam Unitrade Sdn Bhd, Ricwil (Malaysia) Sdn Bhd and Unitrade United Sdn Bhd on 25 March 2022, and acquisition of Unitrade Sdn Bhd on 26 March 2022. As such, the historical financial information of our Group for FYE 2019 to 2021 is presented based on the combined audited financial statements of Syarikat Logam Unitrade Sdn Bhd, Ricwil (Malaysia) Sdn Bhd and its subsidiary, Unitrade United Sdn Bhd and Unitrade Sdn Bhd.

⁽²⁾ Based on the weighted average number of 23,973,000 ordinary shares as at 31 March 2022 after the completion of the restructuring exercise but before the public issue and issuance of 312,500,000 ordinary shares.

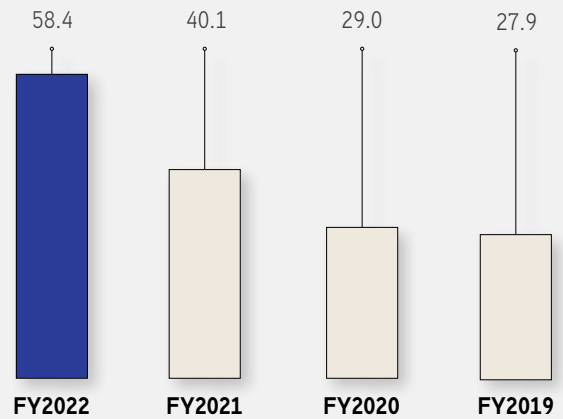
⁽³⁾ Based on the weighted average number of 5,500,000 ordinary shares as at 31 March 2021 taking into account the invested equity of Syarikat Logam Unitrade Sdn Bhd, Ricwil (Malaysia) Sdn Bhd and its subsidiary, Unitrade United Sdn Bhd and Unitrade Sdn Bhd at the end of FY2021.

Financial Highlights (Cont'd)

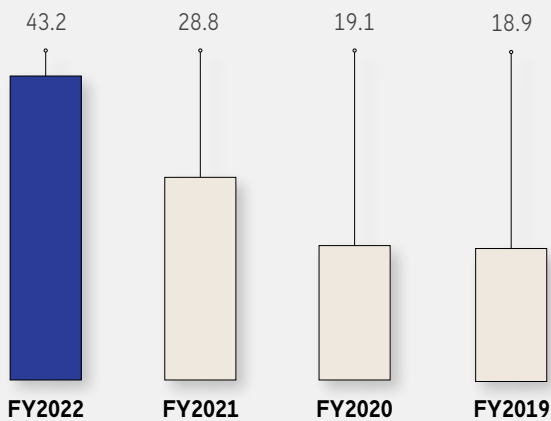
REVENUE (RM million)



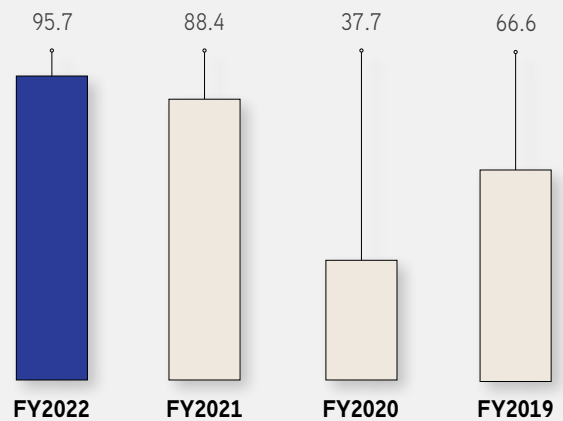
PROFIT BEFORE TAX (RM million)



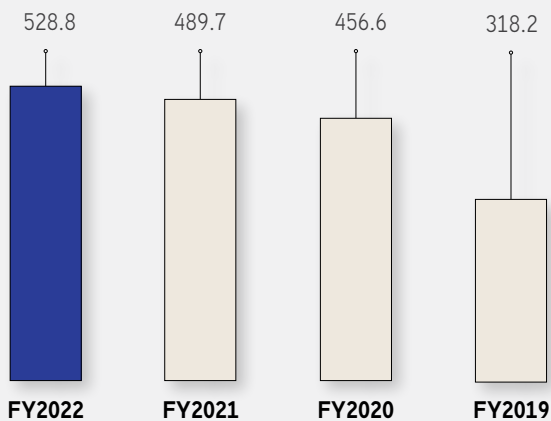
PROFIT AFTER TAX AND NON-CONTROLLING INTERESTS (PATNCI) (RM million)



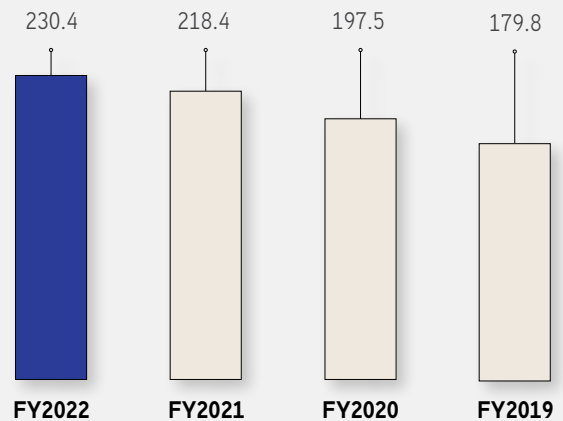
CASH AND CASH EQUIVALENTS (RM million)

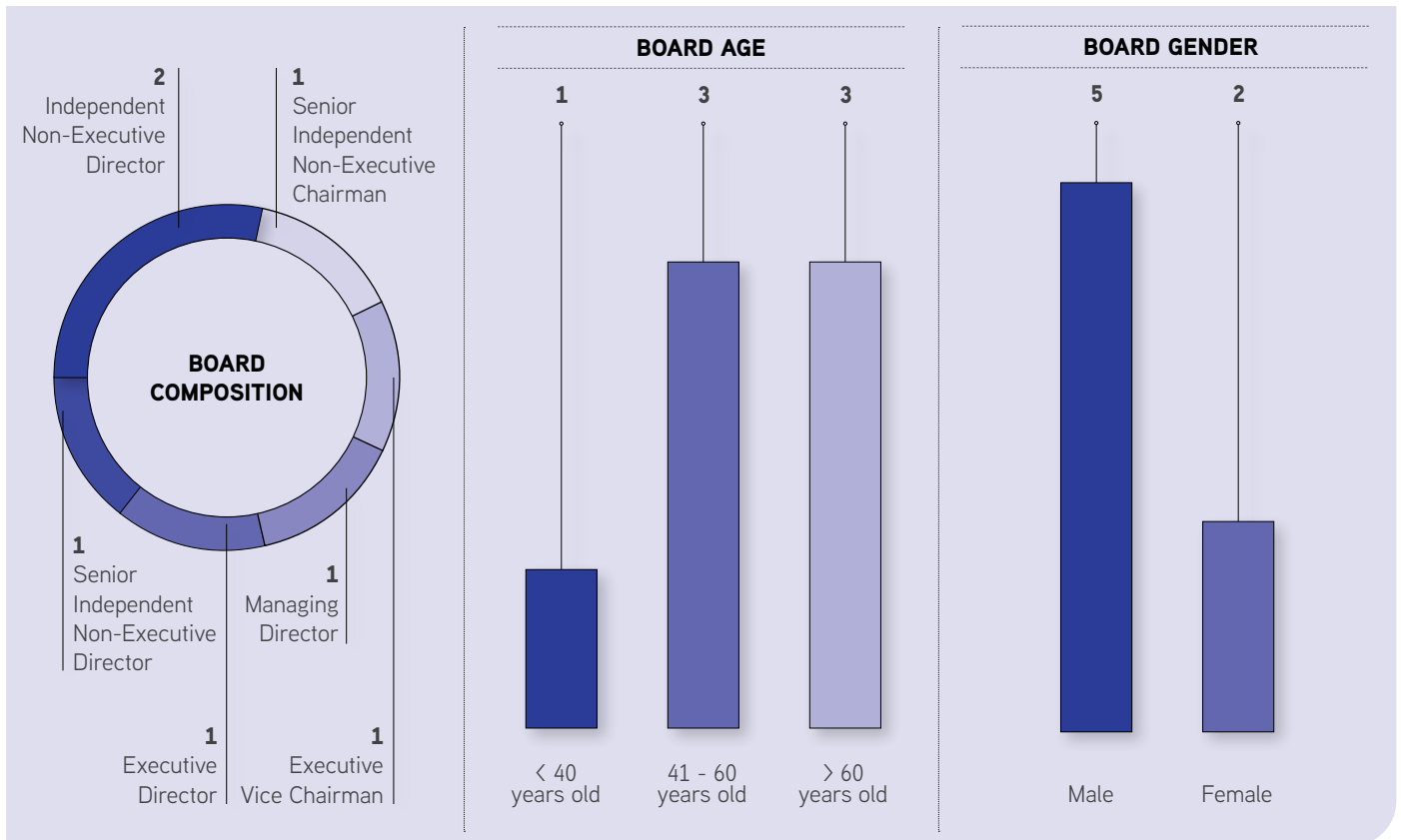


TOTAL BORROWINGS (RM million)



SHAREHOLDERS' FUNDS (RM million)





DATO' ABDUL MAJIT BIN AHMAD KHAN

Senior Independent Non-Executive Chairman

Age 76 | Male | Malaysian

Dato' Abdul Majit bin Ahmad Khan was appointed to the Board of Unitrade Industries Berhad ("Unitrade" or "the Group") as a Senior Independent Non-Executive Chairman on 15 September 2021.

Dato' Abdul Majit holds a Bachelor of Economics (Honours) from University of Malaya. He had served with the government for 34 years in various capacities in the Prime Minister's Department and Ministry of Foreign Affairs of Malaysia to strengthen Malaysia's bi-lateral relations. As a diplomat, Dato' Abdul Majit gained wide exposure having served in various countries, namely Laos, Vietnam, USA, Nigeria as well as the People's Republic of China.

Dato' Abdul Majit also held the positions of Under Secretary of South East Asia and South Pacific Division, Under Secretary of West Asia and the Organisation in Islamic Cooperation ("OIC"), in addition to being the Director General of the ASEAN Division of the Foreign Ministry. In these capacities, he participated in several Prime Ministerial and Ministerial visits to the respective countries, including to ASEAN and OIC meetings and

summits. Furthermore, he had served as the Chairman of Malaysian Investment Development Authority ("MIDA") between April 2019 and April 2021.

Presently, Dato' Abdul Majit is the President of the Malaysia-China Friendship Association, the Honorary President of the Malaysia China Chamber of Commerce, as well as an Adjunct Professor at the Institute of China Studies in University of Malaya. He is also the co-founder of the Cheng He International Peace Foundation.

Dato' Abdul Majit serves as a Director on the board of Zecon Berhad, MGB Berhad, DutaLand Berhad and Hong Leong Asset Management Berhad.

Dato' Abdul Majit does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Directors' Profile
(Cont'd)**SIM KENG CHOR**

Executive Vice Chairman

Age 75 | Male | Malaysian

Mr Sim Keng Chor was appointed to the Board of Unitrade as an Executive Vice Chairman on 1 September 2021.

Mr Sim is the founder of Unitrade. In 1979, with his entrepreneurial spirit and aspiring vision, he established Syarikat Unitrade to undertake the trading of pipes, valves, fittings and accessories. Since then, he has been instrumental in spearheading the growth and strategic development of the Group. Under his leadership, Unitrade has grown to become one of the largest homegrown wholesalers and distributor of building materials in Malaysia.

Equipped with over 43 years of experience in the business, Mr Sim holds vast knowledge and in-depth understanding of trends and demand in the industry. At present, he continues to play a major role in charting Unitrade's strategic business direction and expansion.

Mr Sim Keng Chor is a major shareholder of the Company and his spouse, Ms Teh Beng Khim is a substantial shareholder of the Company. Mr Sim is the brother of Sim Aik Chor and Sim Yung Chi, and father of Nomis Sim Siang Leng and Simson Sim Xian Zhi. He does not have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

**NOMIS SIM SIANG LENG**

Managing Director

Age 46 | Male | Malaysian

Mr Nomis Sim Siang Leng was appointed to the Board of Unitrade as Managing Director on 1 September 2021. He is also a member of the Risk Management Committee of the Group. As Managing Director, he is responsible for overseeing and managing the day-to-day operations as well as driving the growth of our Group.

Mr Nomis Sim holds a Bachelor of Engineering in Mechanical Engineering from Imperial College of Science, Technology and Medicine, University of London, and a Master of Science in Analysis, Design & Management of Information Systems from London School of Economics and Political Science, University of London.

Upon graduation, Mr Nomis Sim was recruited by IBM Malaysia Sdn Bhd in April 2000 as an IT Specialist and was involved in programming software for wafer manufacturing machines.

Mr Nomis Sim's journey with Unitrade started in 2002 when he joined Syarikat Logam Unitrade Sdn Bhd ("SLU") as a Product Development Director. In this capacity, he worked on identifying and sourcing new products to expand the Group's product offerings. Following Unitrade's acquisition of Ricwil, he was appointed as the Chief Executive Officer of Ricwil in December 2007. He gradually took on more responsibilities in strategic planning, as well as overseeing and managing the day-to-day operations in Unitrade across all departments. In 2019, he was redesignated to Chief Executive Officer of SLU, a position he presently holds in addition to being Managing Director of Unitrade.

Mr Nomis Sim Siang Leng is the son of Sim Keng Chor, nephew of Sim Aik Chor and Sim Yung Chi, and brother of Simson Sim Xian Zhi. He does not have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.



SIMSON SIM XIAN ZHI

Executive Director

Age 30 | Male | Malaysian

Mr Simson Sim Xian Zhi was appointed to the Board of Unitrade as Executive Director on 1 September 2021. He is accountable for overseeing the overall operations and business direction of the rental business of our Group.

Mr Simson Sim holds a Bachelor of Business (Accountancy) in Royal Melbourne Institute of Technology, Australia. He joined SLU in 2014 as an Assistant to Mr Sim Keng Chor and was responsible for assisting him on the day-to-day management of the company.

Having acquired experience in business development along with deep industry understanding, Mr Simson Sim was promoted to Business Development Director in April

2018. Prior to that, he was also appointed as a Director of Unitrade United Sdn Bhd in January 2017 upon incorporation of the company on the back of his solid track record in yielding strong operational results.

Mr Simson Sim Xian Zhi is the son of Sim Keng Chor, nephew of Sim Aik Chor and Sim Yung Chi, and brother of Nomis Sim Siang Leng. He does not have any conflict of interest with the Group. He has not been convicted of any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.



**DATO' LOK BAH BAH @
LOH YEOW BOO**

Senior Independent Non-Executive
Director

Age 73 | Male | Malaysian

Dato' Loh Yeow Boo was appointed to the Board of Unitrade as an Independent Non-Executive Director on 15 September 2021 and later on 21 July 2022 redesignated to Senior Independent Non-Executive Director. He is the Chairman of the Audit Committee and the Nomination Committee, and a member of the Remuneration Committee.

Dato' Loh holds a Bachelor of Commerce (Accountancy) from Nanyang University, Singapore. He has been a member of the Malaysian Institute of Accountants since June 1980 and was reclassified as Chartered Accountant in June 2001. He is also a member of Certified Practising Accountant ("CPA") Australia since October 1987, and advanced to the status of Fellow of CPA Australia in December 2005.

Dato' Loh has accumulated profound experience spanning across more than four decades, particularly in the field of finance

and accounting. He began his career in 1976 as an Accountant at the Eastern & Oriental Hotel Penang. He subsequently gained further experience having worked at different companies across the hospitality and telecommunication industries, serving in various roles that included the Assistant Financial Controller, Group Procurement Director, Group Human Resources Director, Financial Controller and Financial Advisor.

Dato' Loh is currently an Independent Non-Executive Director of Plenitude Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Dato' Loh does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest with the Group nor has he been convicted of any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Directors' Profile (Cont'd)



CYNTHIA TOH MEI LEE

Independent Non-Executive Director

Age 49 | Female | Malaysian

Ms Cynthia Toh Mei Lee was appointed to the Board of Unitrade as an Independent Non-Executive Director on 15 September 2021. She is the Chairwoman of the Risk Management Committee, as well as a member of the Audit Committee, the Remuneration Committee, and the Nomination Committee.

Ms Cynthia Toh holds a double degree in the Bachelor of Commerce and Bachelor of Laws from Monash University. After she completed her pupillage at Presgrave & Matthews in 1997, she was successfully admitted as an Advocate and Solicitor of the High Court of Malaya. In March 2002, she became one of the founding partners of Wong Beh & Toh, a firm in which she presently holds the position of a Partner.

Ms Cynthia Toh has more than 20 years of experience in the legal practices of equity corporate finance, mergers and acquisitions and joint ventures as well as other corporate and commercial matters.

Ms Cynthia Toh is currently an Independent Non-Executive Director of QL Resources Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Ms Cynthia Toh does not have any family relationship with any Director and/or major shareholder of the Company. She does not have any conflict of interest with the Group nor has she been convicted of any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.



ONG SOO CHAN

Independent Non-Executive Director

Age 60 | Female | Malaysian

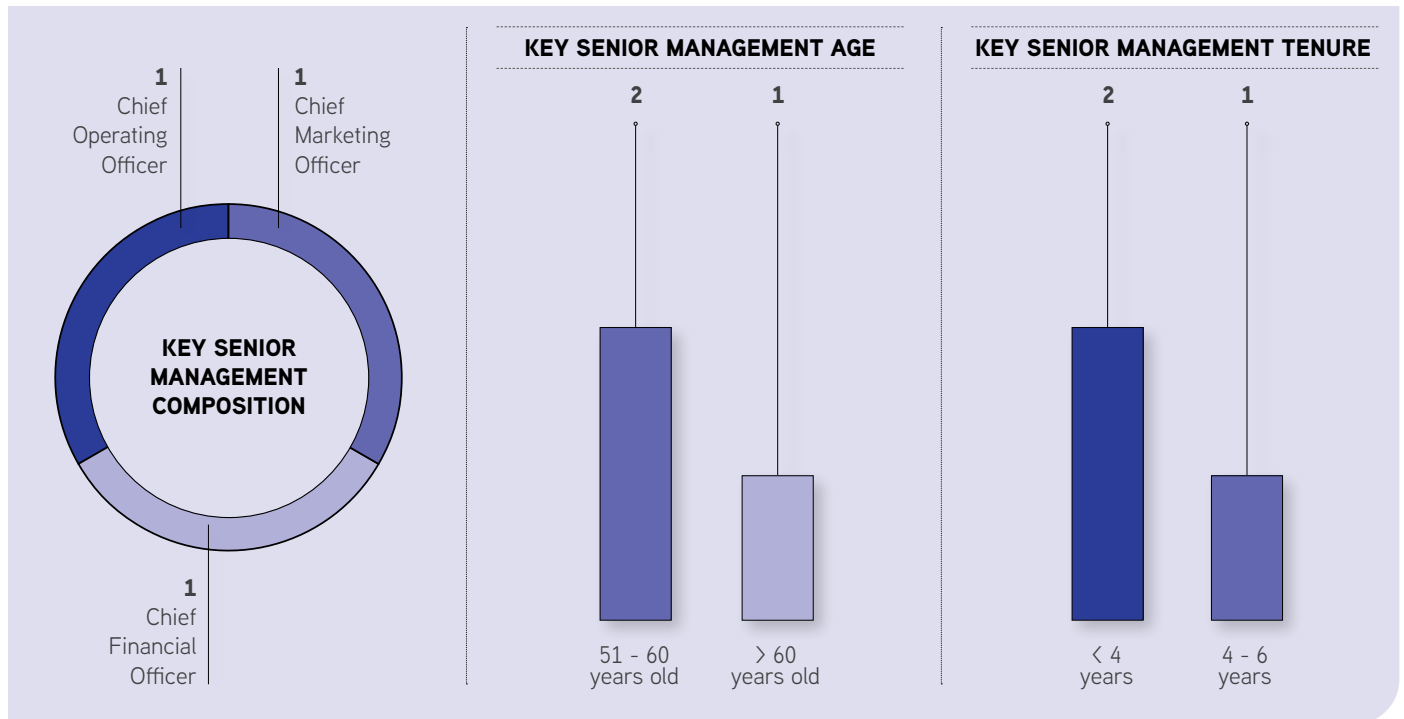
Ms Ong Soo Chan was appointed to the Board of Unitrade as an Independent Non-Executive Director on 15 September 2021. She is the Chairwoman of the Remuneration Committee, in addition to being a member of the Audit Committee, the Nomination Committee, and the Risk Management Committee.

Ms Ong graduated with a Bachelor of Arts in Economics from University Malaya in August 1987. She has in-depth knowledge and experience in financial services, having dedicated more than 30 years of her professional life in the industry. From her initial career at Development and Commercial bank as a Management Trainee, she has subsequently served at major local and foreign banks in Malaysia such as RHB Bank and ABN-AMRO Bank, predominantly in treasury operations. After a stint at ABN-AMRO Bank as the Head of Treasury Operations, she joined Citibank Berhad in 1998 in similar capacity.

Over the next 20 years, she held various leadership roles at Citibank Berhad, including the Head of Corporate Banking Operations and Technology, Head of Consumer Business Operations and Technology, as well as Head of Citigroup Transaction Services Sdn Bhd during her secondment to Citigroup Overseas Investments Ltd. Her last role at Citibank Berhad prior to her retirement in December 2020 was the Head of Country Operations and Technology.

Ms Ong does not have any family relationship with any Director and/or major shareholder of the Company. She does not have any conflict of interest with the Group nor has she been convicted of any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Key Senior Management's Profile



SIM YUNG CHI
Chief Operating Officer
Age 57 | Male | Malaysian

Mr Sim Yung Chi was appointed as Syarikat Logam Unitrade Sdn Bhd's ("SLU") Chief Operating Officer in January 2019. He is responsible for managing the operations of warehouse, logistics and quality control of SLU.

Mr Sim holds a Bachelor of Arts in Mathematics and a Master of Business Administration Management from Hawaii Pacific University, USA.

Mr Sim started his career with SLU as an Assistant General Manager and was overseeing the handling of operational and administrative matters. He was involved in talent and performance management, the planning and execution of business strategies and contingencies, the monitoring and management of the company's order fulfilment and payment collection, as well as the sourcing and negotiation of bank facilities. He was also engaged in the preparation of commercialisation of Alfran products including liaising with suppliers in China and application of certification with SIRIM.

Through Mr Sim's eminent performance, he was redesignated to General Manager and subsequently to Finance and Admin Director in June 2013. Over the years, his scope of responsibilities expanded as the company grew where he led bigger teams in the area of the finance, administrative and operational functions of the company. He was also part of the team which conducted due diligence for the acquisition of Ricwil in 2007.

Mr Sim is the brother of Sim Keng Chor, Sim Aik Chor and uncle of Nomis Sim Siang Leng and Simson Sim Xian Zhi. He does not have any conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Key Senior Management's Profile (Cont'd)



SIM AIK CHOR
Chief Marketing Officer
Age 67 | Male | Malaysian

Mr Sim Aik Chor was appointed as SLU's Chief Marketing Officer in January 2019. He is currently responsible for leading and managing the overall sales and marketing as well as procurement activities of SLU.

Mr Sim spent most of the first decade of his professional life honing his skills in sales and procurement in the building materials industry before joining SLU in 1988 as General Manager. At SLU, he was accountable for sales, purchasing and inventory related matters. Mr Sim was later redesignated to Marketing Director in January 2000. Over the course of 19 years, having amassed significant experience and expertise in the field of sales and marketing, he was then appointed as Unitrade's Chief Marketing Officer in January 2019, a position he presently holds.

Mr Sim is the brother of Sim Keng Chor, Sim Yung Chi and uncle of Nomis Sim Siang Leng and Simson Sim Xian Zhi. He does not have any conflict of interest with the Company. He has not been convicted of any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.



KOH SUI MING
Chief Financial Officer
Age 53 | Male | Malaysian

Mr Koh Sui Ming was appointed as SLU's Chief Financial Officer in August 2017. He is currently responsible for overseeing the Group's overall financial matters including accounting, taxation, corporate finance and treasury functions.

Mr Koh holds a Bachelor of Business (Accountancy) from Royal Melbourne Institute of Technology, Australia. He has been a member of CPA Australia since January 1992 where he advanced to the status of Certified Practising Accountant in March 1995 and was subsequently awarded a Fellow membership in December 2012. He has also been a Registered Accountant of the Malaysian Institute of Accountants since April 1995 and was reclassified as a Chartered Accountant in June 2001.

Mr Koh has vast experience in the field of auditing and accounting. Adding to his expertise in auditing and accounting is his breadth of exposure, having served as Financial Controller and Chief Financial Officer in a number of companies across various industries including property development, construction, furniture, oil & gas, semiconductor and manufacturing of sheet metalwork. He assumed the role as the Chief Financial Officer of SLU in August 2017.

Mr Koh does not have any family relationship with any Director and/or major shareholder of the Company. He does not have any conflict of interest with the Group nor has he been convicted of any offences within the past five (5) years nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Dear ESTEEMED SHAREHOLDERS,



Group revenue increased 25.9% year-on-year ("YoY") to RM1.29 billion



The wholesale and distribution of building materials continued to be the key anchor driver at Unitrade



FY2022 net profit climbed 50.0% YoY to RM43.2 million



DATO' ABDUL MAJIT BIN AHMAD KHAN
Senior Independent Non-Executive Chairman

On behalf of the Board of Directors ("Board") of Unitrade Industries Berhad, it is my honour to present to you our maiden annual report as a public-listed company for the financial year ended 31 March 2022 ("FY2022").

A NEW BEGINNING

Unitrade achieved a significant milestone this year following its successful listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 14 June 2022. This is the largest listing on the ACE Market to-date (by market capitalisation) since its formation in 2009. Through the initial public offering ("IPO") exercise, we raised a total of RM100.0 million in cash, and this certainly will fast-track the Group's future plans. In addition, the listing accords us with enhanced reputation and credentials, while signifying the beginning of a new journey of growth and success.

ECONOMIC LANDSCAPE

The world economy is gradually showing signs of recovery following the drastic reduction in COVID-19 infections amid high vaccination rates globally. Notwithstanding the sporadic occurrence of new COVID-19 variants, along with lingering supply-chain constraints and labour market challenges, the global economy expanded 5.7% in 2021, according to the World Bank. The recovery was largely driven by the uptake in investment and robust consumer spending in which trade levels had rebounded and surpassed pre-pandemic levels.

Chairman's Statement (Cont'd)

However, growth impetuses are fast decelerating with the emergence of geopolitical tensions induced by the Russia-Ukraine war, where higher commodity prices have fuelled rising inflationary pressures. With diminishing fiscal support and further supply disruption, downside risks are imposed upon the global economic outlook. The World Bank, recently in early June 2022, downgraded its global growth estimate to 2.9% in 2022, down from the 4.1% it had forecasted back in January 2022.

Zooming into Malaysia, the implementation of the full MCO ("FMCO") in the second half of 2021 had caused major adverse impact on the local economy where businesses shuttered doors for months. On a brighter note, the apt execution of the National Recovery Plan ("NRP") along with the swift increase in vaccination rates had marked the first tramp towards economic recovery.

Our country's gross domestic product ("GDP") increased by 3.1% in 2021 versus a shrinkage of 5.6% in 2020 as economic activities gradually resumed with the easing of restrictive measures. Led by services and manufacturing sectors, production activities are improving with higher supply growth while increased household spending and trade activities also prompted higher expenditure growth. Supplemented by the recovery in the labour market and strong external demand, the Malaysian economy grew 5.0% in the first quarter of 2022.

BUSINESS AND FINANCIAL OVERVIEW

Throughout FY2022, we remained focused on what we do best – supply building materials to our customers and make sure all their needs are fulfilled to our utmost best efforts. Amidst challenges faced such as disruptions in supply chain, the team persevered and remained competitive as well as resourceful in our procurement from suppliers and delivery to customers. Meanwhile, major exercises were also undertaken during the year to consolidate our operations into a single centralised location to enhance efficiency, while providing a much larger space for expansion of product offerings and higher inventory storage.

Notwithstanding the operational interruptions faced in FY2022 during the pandemic and the resultant lockdowns, we had against all odds, delivered an improved set of financial results in FY2022 where Group revenue increased 25.9% year-on-year ("YoY") to RM1.29 billion. The wholesale and distribution of building materials continued to be the key anchor driver at Unitrade, having contributed 97.6% and 88.5% to Group revenue and segmental profit respectively.

In terms of profitability, I am delighted to share that Unitrade turned in a historic high profit after tax and non-controlling interests ("net profit") in its corporate history. FY2022 net profit climbed 50.0% YoY to RM43.2 million on the back of RM1.29 billion revenue. The remarkable results were owing to both external and internal factors. Externally, the rising steel prices helped boost the average selling prices of our steel-based products, which form a large portion of our business. Internally, our diverse customer base and exposure to the full lifecycle of buildings and infrastructure had helped the Group sustain and even thrive through different phases of the business cycle.

As a reward to shareholders, the Board has declared a first and final single tier dividend of 0.82 sen per share in Unitrade for FY2022.

PROSPECTS FOR FY2023

Looking ahead, the Malaysian economy is expected to continue the recovery trajectory. In the current transition into the endemic phase, the easing of restrictions and reopening of international borders are creating a much more conducive business operating landscape. With a brighter outlook ahead, Bank Negara Malaysia ("BNM") projects that Malaysia's GDP is expected to grow further at 5.3% to 6.3% in 2022. A moderating factor would be the rising inflationary pressure, which in turn, leads to rising interest rate environment. The Group is monitoring the situation closely and shall take the necessary steps to mitigate the arising effects thereof.

In the meantime, the outlook for the building materials industry appears positive at this juncture as the construction sector GDP is projected to grow by 11.5% in 2022, according to the Ministry of Finance ("MoF"). The acceleration of major infrastructure projects of transit systems and highways, government initiatives to induce growth in residential buildings and the property market, as well as the rise in commercial and industrial building projects also act as a growth stimulant for the building materials industry.

Capitalising on the economic recovery and the rebound in the construction sector, coupled with internal initiatives at Unitrade to enhance productivity, I believe we are on track to deliver another set of robust performance in FY2023.

APPRECIATION

On behalf of the Board, I would like to convey my heartfelt appreciation to the management and employees of Unitrade for their resolute dedication and devoted efforts in guiding the Group through such challenging times. With their hard work and unwavering commitment, their contributions are unmeasurable for Unitrade to successfully achieve record financial performance in FY2022.

I would also like to express my profound gratitude to our external stakeholders, including but not limited to our valued shareholders, customers, business partners, bankers, and suppliers for their continuous support.

Finally, I would like to acknowledge my fellow Board members for their perceptive insights and wise counsel. Collectively, the Board offers great diversity in terms of background, experience and exposure across various industries, as well as between public and private sectors. I believe with the management, under the stewardship of the Board, spearheading the direction of Unitrade, our Group shall be on the path towards new heights and greater success.

DATO' ABDUL MAJIT BIN AHMAD KHAN

Senior Independent Non-Executive Chairman

Dear VALUED SHAREHOLDERS,

It is my pleasure to share with you the Management Discussion and Analysis (“MD&A”) of Unitrade Industries Berhad and its subsidiaries (“Unitrade” or the “Group”) for the financial year ended 31 March 2022 (“FY2022”).

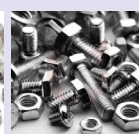
This MD&A provides an overview of the financial and operational performance of the Group through the lens of management. In addition, it contains disclosures of relevant non-financial information to complement the financial statements. I believe the information and review contained herein shall provide our shareholders a good understanding of Unitrade’s overall performance, anticipated risks and prospects moving forward.



BUSINESS & OPERATIONAL REVIEW

Our Group is principally involved in the wholesale and distribution of an extensive variety of building materials for building and construction works. Our products such as pipes, valves, fittings and accessories are for Mechanical and Electrical (“M&E”) works, while reinforcement steel, structural steel and other building materials are for Civil works. To ensure we are capable of meeting our customers’ needs promptly, we have a large inventory in excess of 6,000 stock keeping units (“SKUs”). Apart from distributing third-party brands, we have our own in-house brands too – **Alfran** (for pipes, valves, fittings and accessories) and **S2S** (for stainless steel fittings).

FOR M&E WORKS



FOR CIVIL WORKS



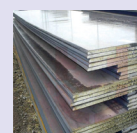
OVERVIEW

It has indeed been a period of trials and tribulations for us at Unitrade with the impact of COVID-19 still largely looming in the background. Nevertheless, we do have a cause to celebrate – after being in operation for 43 years, we are now a public-listed entity. Unitrade was listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 14 June 2022, and successfully raised proceeds amounting to RM100.0 million from the initial public offering (“IPO”) exercise. We are presently one of the country’s largest homegrown building materials wholesalers and distributors by revenue, and the listing certainly added another feather in the cap.

In FY2022, despite experiencing operational disruptions due to the prolonged COVID-19 situation, Unitrade recorded a historic high net profit. During the year, the management dug deep and prevailed by leveraging on our vast experience, established track record and capabilities. These factors, coupled with our robust balance sheet, had enabled us to grow from strength to strength, overcoming challenges we faced during the financial year under review.

We also manufacture and sell pre-insulated pipes that are primarily used to transport and maintain the temperature of fluids in the pipes in underground or aboveground piping systems. They have many industrial, commercial and domestic applications, including air-conditioning systems, electric heating, industrial processing as well as oil storage and handling. These pre-insulated pipes are sold under our brands of **HI-GARD™**, **TERRA-GARD™** and **COPPER-GARD™**.

Our third business segment involves the provision of rental services of temporary structural support equipment such as scaffolding, steel plates and hollow sections that are used in various building and construction activities.



Management Discussion and Analysis (Cont'd)

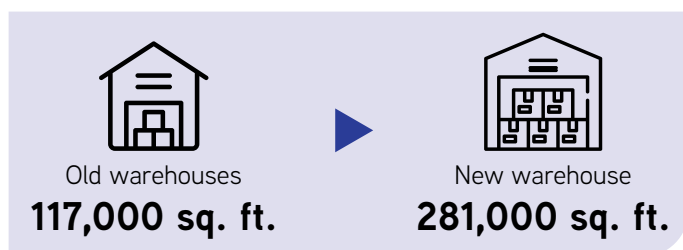
In essence, the Group is structured into three key business segments:



Unitrade's customers include a majority of stakeholders in the construction industry, including building contractors, M&E contractors, steel traders, downstream steel products manufacturers, hardware retailers and traders.

We serve our customers throughout the lifecycle of buildings and infrastructure. Apart from construction of new structures, our products are also required for refurbishments, retrofitting, repair and maintenance works. The broad and diversified applications of our offerings enable us to better manage our risk exposure to changes in business cycles.

During the year under review, we completed our relocation exercise in December 2021 and moved into our new industrial complex located in Shah Alam, Selangor, which now houses our headquarters, factory and warehouse. Operating from a singular centralized location has enhanced our efficiency and productivity as compared to managing various warehouses across different locations prior to this.



Our 4-storey headquarters offer facilities such as canteen, gym, recreational areas, first-aid room and also nursing room. Meanwhile, the warehouse boasts a much larger built-up area of approximately 281,000 sq. ft., as compared to our previous warehouses with built-up area of about 117,000 sq. ft. The additional space allows us to increase our inventory count, thereby reducing delivery lead time and enabling the supply to more projects simultaneously. At the same time, we are planning to offer new products as well. As for the factory, it houses the manufacturing activities for our pre-insulated pipes and in the near future, our pipe fabrication centre.

Operationally, FY2022 was a year of two tales. On one hand, the business environment remained highly challenging due to various movement control orders ("MCOs") imposed by our Government to tackle the high COVID-19 infection rates. The rippling effects from the containment measures were immediately felt – we had intermittent periods where operations were halted, while at other times, we operated with limited workforce capacity. Only since 18 October 2021 that we have been able to operate with full workforce.

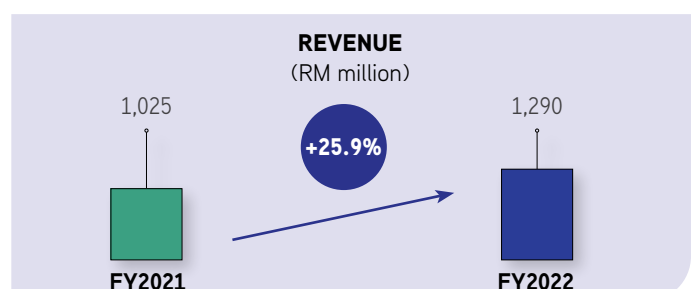
On the other hand, amidst the challenges faced, it was in the same financial year that Unitrade achieved its best profit performance in the history of the Group, mostly thanks to steel prices that had surged higher in FY2022. The lockdowns arising from the pandemic had resulted in major supply chain disruptions. As such, when the COVID-19 situation improved and business activities gradually resumed globally, the world then experienced a shortage of various materials, pushing commodity prices up significantly, including steel prices, a key component of our products.

FINANCIAL PERFORMANCE REVIEW

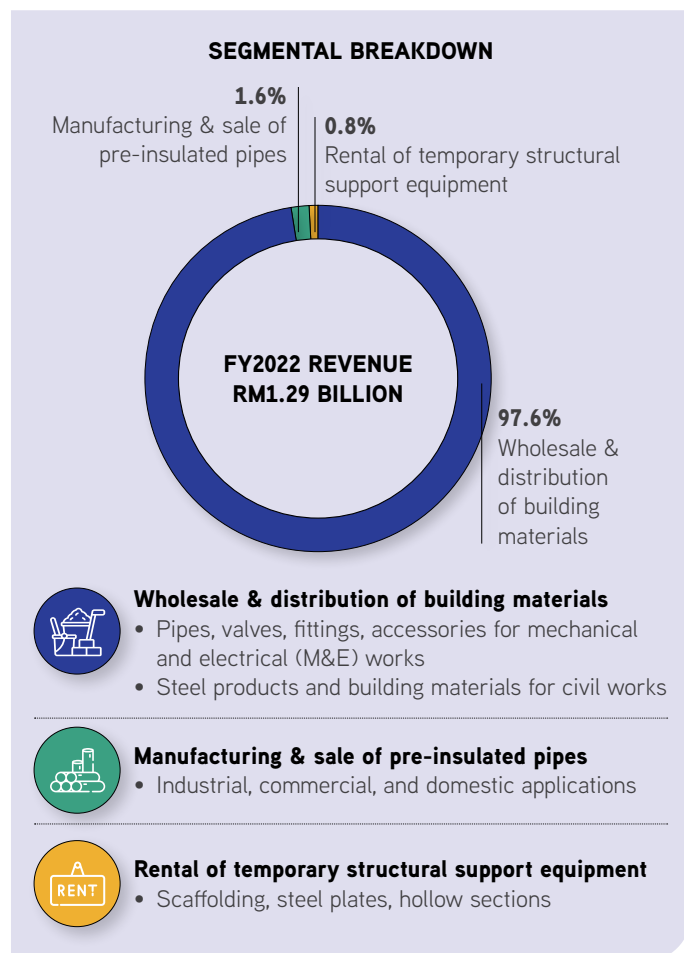
REVENUE

The Group turned in a revenue of RM1.29 billion in FY2022, an improvement of 25.9% Year-on-Year ("YoY") over RM1.03 billion in the preceding year. This was owing to higher average selling prices of our products in tandem with increased steel prices, as well as higher sales volume of reinforcement steel to downstream steel products manufacturers.

The wholesale and distribution segment essentially accounted for the lion's share of our Group's revenue at (97.6%), followed by manufacturing (1.6%) and rental businesses (0.8%).



Geographically, we derived more than 99% of sales from the local market.



PROFITABILITY

In tandem with the increase in revenue, gross profit ("GP") too, was 27.4% higher YoY at RM113.0 million, vis-à-vis RM88.7 million a year ago. This translated into a GP margin of 8.8%, a slight improvement of the 8.7% achieved in FY2021.

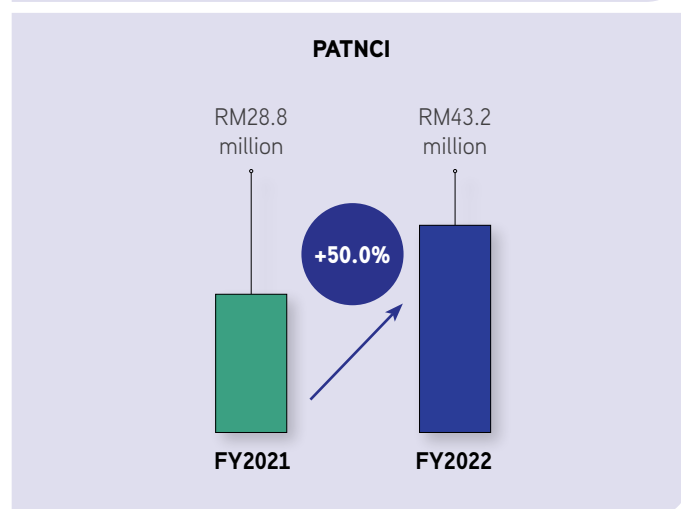
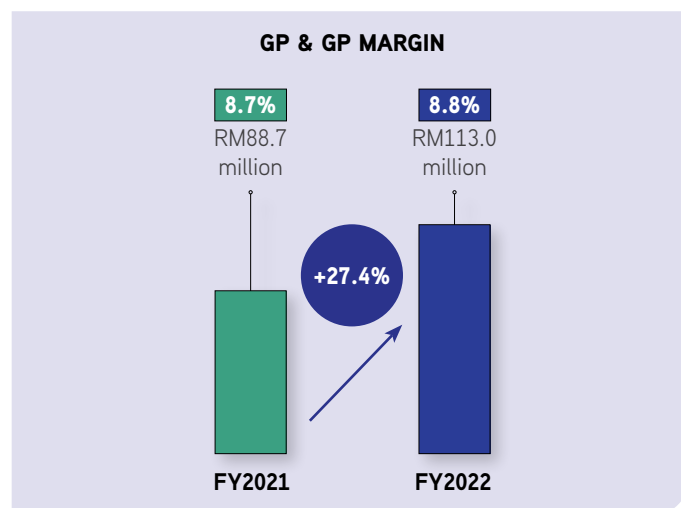
Profit before tax ("PBT"), meanwhile, surged 45.6% YoY to RM58.4 million in FY2022 from RM40.1 million in the preceding year. The larger-than-proportionate increase was attributed to greater economies of scale as the administrative expenses rose at a slower pace as compared to revenue growth. The FY2022 PBT also included an impairment loss on financial instrument amounting to RM6.6 million (FY2021: RM2.9 million), mainly due to a default payment from a customer. However, this was not a major customer of the Group and we do not have any further existing transactions with this customer.



Record high FY2022 PATNCI:
RM43.2 million

The Group's effective tax rate stood at 25.9% in FY2022, lower than the 27.2% in FY2021. Nevertheless, the effective rate is higher than the statutory rate of 24% mainly due to non-deductible expenses that included listing expenses.

Post-tax, the profit after tax and non-controlling interests ("PATNCI"), soared 50.0% YoY to RM43.2 million in FY2022. This is a historic high profit performance in the history of Unitrade's operations.



CAPITAL STRUCTURE & CAPITAL RESOURCES

As at 31 March 2022, Unitrade's total assets amounted to RM879.4 million, having risen by RM67.1 million or 8.3% YoY from RM812.3 million a year ago, attributed to RM22.9 million increase in non-current assets (mostly property, plant and equipment as well as investment properties); and RM44.1 million jump in current assets across all categories – inventories, receivables, current tax assets and cash and cash equivalents.

The higher base of total assets was largely funded by an increase in liabilities (borrowings and payables). As such, the Group's total liabilities increased by RM60.0 million to RM649.0 million at the close of the financial year.

Management Discussion and Analysis (Cont'd)

Total equity, meanwhile, saw a much smaller increase to RM230.4 million in FY2022 from RM223.2 million.

The Group's gearing and net gearing stood at 2.3x and 1.9x respectively as at 31 March 2022.

NET OPERATING CASH FLOW ("NOCF")

Unitrade continued to generate healthy positive NOCF of RM40.8 million in FY2022, albeit lower than the RM62.2 million in FY2021.

BALANCE SHEET HIGHLIGHTS @ 31 MARCH 2022



Total Assets
**RM879.4
million**



Total Equity
**RM230.4
million**



Cash & Cash
Equivalents
**RM95.7
million**



Total Borrowings
**RM528.8
million**



Inventory
Turnover Days
42 Days



Trade Receivables
Turnover Days
104 Days

ANTICIPATED OR KNOWN RISKS

FINANCING RISK

The nature of our operations requires high working capital and as such, are subjected to financing risk in the event we are unable to obtain financing, or if interest rates are unfavourable to us. We monitor our cash flow situation closely and maintain good relationships with our bankers who have been supportive in extending the necessary facilities to us. In addition, we have earmarked RM39.8 million from the RM100.0 million listing proceeds in June 2022 to repay borrowings, and thus further strengthening our cash position.

INVENTORY RISK

We keep large inventory to ensure smooth running of our business. We perform annual assessments on the inventory value and shall make impairment for slow-moving goods as well as stocks where the net realisable value is below cost.

We monitor and manage our inventory level using Enterprise Resource Planning ("ERP") system. Furthermore, our management team has deep business acumen to assess the suitability of product types for stock keeping, having been in the business for more than 40 years.

FLUCTUATIONS IN COMMODITY PRICES OF STEEL

Price fluctuations in steel-based products may impact on our cost of sale and carrying cost of inventory. Inability to pass on any increased cost to customers would affect our financial results. We manage the situation by not keeping inventory of lower margin products, and instead, purchase them on back-to-back basis against sales. The Group mainly keeps stock of steel-based products that have higher profit margins.

OUTLOOK AND PROSPECTS

Following a year with record high bottom-line, we enter into the new financial year of FY2023 with moderate optimism. It is the beginning of a new and exciting chapter for Unitrade following its successful listing on the ACE Market of Bursa Securities on 14 June 2022, raising funds of RM100.0 million in the process.

Armed with the listing proceeds, the Group is forging ahead to expand our business. The table below lists the intended manner in which the proceeds shall be utilised:-

Utilisation of Proceeds	RM million	%	Estimated Timeframe for Utilisation from Date of Listing
Working Capital	50.5	50.5	12 months
Repayment of Bank Borrowings	39.8	39.8	12 months
Capital Expenditure, Pipe Fabrication Centre	5.0	5.0	36 months
Listing Expenses	4.7	4.7	Within 1 month
Total	100.0	100.0	

We have allocated RM50.5 million from our IPO proceeds as working capital to accelerate our growth plans without having to incur additional interest expenses. As mentioned earlier, our product range currently stands at more than 6,000 SKUs. With the extra space in our new industrial complex and additional working capital, we are looking to further expand our product range and SKUs, including sourcing for more specialised and exclusive premium products which are not in the local market yet.

We view our extensive offerings as a key competitive strength for Unitrade – we help our customers to streamline their procurement process by providing them ease, convenience and timely delivery. This saves them the hassle from having to source supplies from multiple stockists, manufacturers or brand owners.

We will also utilise RM5.0 million of the IPO proceeds to set up a pipe fabrication centre that will provide end-to-end pipe services to our customers including pipe cutting, grooving, threading, welding, painting, and assembly services. Normally, pipes are fabricated on-site at the construction zone. Our pipe fabrication centre will enable these services to be done off-site at our premise. With that, our customers can proceed directly to installing the pipes upon receiving the deliveries. This shall bring expediency to the overall construction progress, optimising the space usage at construction sites and reducing labour costs.

Next, we will pare down our borrowings using RM39.8 million of the IPO proceeds and this is expected to result in interest savings of RM0.9 million to RM1.8 million per annum, in addition to improving our gearing ratio. The balance RM4.7 million is used to defray the listing expenses.

In short, our team will be kept occupied throughout FY2023 as we implement the aforementioned plans. In fact, not resting on our laurels, we are also making plans to enhance our rental business by providing more value-added services to our customers in the construction sector.

All in all, we see positive outlook ahead for Unitrade. A new journey of growth awaits us and we are wasting no time in embarking on it. We are cognisant of the macroeconomic headwinds surrounding us such as the geopolitical tensions, supply chain disruptions and inflation risk, to name a few. However, we take great comfort in the leadership of our Board of Directors and capable hands of our management team. Afterall, the Group has a proven operating track record of more than four decades, having not only survived but thrived over all phases in the business cycles. In recent years, we continued to deliver strong performance, having recorded a robust 3-year Compound Annual Growth Rate ("CAGR") of 31.7% from FY2019 to FY2022. Against this backdrop, we expect Unitrade to deliver another set of satisfactory results in FY2023, barring any unforeseen circumstances.

DIVIDEND

Unitrade has adopted a dividend policy where the Board of Directors (the "Board") intends to recommend and distribute a dividend of up to 30% of our annual audited consolidated PAT attributable to our shareholders.

For FY2022, the Board has declared a first and final single tier dividend of 0.82 sen per share, amounting to RM12.8 million. This translates to a 30% dividend payout based on FY2022 net profit of RM43.2 million, in line with our dividend policy. The dividend payment is subject to the approval of shareholders at the Annual General Meeting.

Thank you.

NOMIS SIM SIANG LENG
Managing Director



The Board intends to recommend and distribute a **dividend of up to 30% of net profit**, in accordance with Unitrade's dividend policy.



We continued to deliver strong performance, having recorded a **robust 3-year Compound Annual Growth Rate ("CAGR") of 31.7% from FY2019 to FY2022.**



We have earmarked **RM39.8 million** from the RM100.0 million listing proceeds in June 2022 to repay borrowings, and thus further **strengthening our cash position.**



Our product range currently stands at **more than 6,000 SKUs.**



We have allocated **RM50.5 million from our IPO proceeds as working capital** to accelerate our growth plans without having to incur additional interest expenses.

Sustainability Statement



ECONOMIC DISCLOSURES



ENVIRONMENTAL DISCLOSURES



SOCIAL DISCLOSURES

Unitrade Industries Berhad and its subsidiaries ("Unitrade" or "the Group") considers sustainability as a vital part of its organisation and business model in regard to financial and non-financial value creation. Unitrade's business operations include, but are not limited to, the wholesale and distribution of a wide variety of building materials, the manufacturing and sale of pre-insulated pipes as well as the rental of temporary structural support equipment.

In pursuing a more enhanced reinforcement of the Group's sustainability agenda and goals, the Group presents its first Sustainability Statement 2022 ("SS2022") which details its key sustainability highlights and performance as Unitrade strives to better showcase and improve how it addresses its material environmental, social and governance ("ESG") topics across its operations.

Unitrade remains committed to pursuing a fulfilling sustainability journey to ultimately build a resilient and future-proof organisation that creates meaningful value for its stakeholders across the short, medium and long-term perspectives.

REPORTING FRAMEWORKS APPLIED

The SS2022 was prepared according to the following frameworks and guidelines:

- Bursa Malaysia Securities Berhad's ACE Market Listing Requirements
- Global Reporting Initiative ("GRI") Standards 2020 Core Option
- United Nations Sustainability Development Goals ("UNSDGs")

REPORTING PERIOD AND CYCLE

The SS2022's reporting period starts from 1 April 2021 to 31 March 2022 ("FY2022"). This is also known as financial year ended 31 March 2022, unless otherwise stated. Certain disclosures in SS2022 shows historical statistical data, where deemed suitable, to display important trends for readers to garner a better understanding of Unitrade's comparative performances. Unitrade's reporting cycle for SS2022 is yearly.

STATEMENT OF USE

The Group's Management prepared Unitrade's SS2022 and it was subsequently approved by the Board of Directors ("Board") on 21 July 2022. The Board is Unitrade's top decision-making body and acknowledges responsibility for this statement of use. The information reported by the Group for FY2022 was prepared in accordance with GRI Standards, UNSDGs and Bursa Securities' ACE Market Listing Requirements.

MEMBERSHIP IN ASSOCIATIONS

As Unitrade advocates for more sustainable practices in its industry, the Group holds memberships in multiple industry associations and groups which allows Unitrade to discuss and implement sustainability best practices as well as spread awareness of material sustainability matters across the Group's value chain. Unitrade's membership in associations and professional bodies are as follows:

- 1) Building Materials Distributors Association of Malaysia ("BMDAM")
- 2) Federation of Malaysian Manufacturers ("FMM")
- 3) Malaysian Air-Conditioning & Refrigeration Association ("MACRA")
- 4) Malaysia Fire Protection Association

REPORTING SCOPE AND BOUNDARY

The scope of SS2022 includes the business operations and activities of the holding Company as well as all subsidiaries within the Group. These subsidiaries are Syarikat Logam Unitrade ("SLU"), Ricwil (Malaysia) Sdn Bhd ("Ricwil") and Unitrade United Sdn Bhd ("UUSB").

The SS2022 discloses how Unitrade managed its ESG topics and the results, highlights and achievements obtained throughout the financial year, as well as the challenges faced and how the organisation plans to approach to address these issues going forward.

Unless otherwise mentioned, SS2022 excludes all outsourced activities and operations.

Unitrade follows a "local-where-we-operate" practice. Moreover, Unitrade's report content, quality and boundaries are based on the prioritisation of its materiality aspects and topics that are deemed significant to the Group.

Unitrade is cognisant of possible significant EES impacts from its value chain. Thus, the Group is committed to gradually cascade its sustainability agenda and practices to its external business partners, suppliers and contractors. The Group also plans to report its value chain partners' ESG performance in future reporting.

Readers may garner a more complete understanding and outlook of the Group's business performance and how sustainability drives its value creation strategies by reading the SS2022 together with the entirety of Unitrade's Annual Report 2022 ("AR2022").

LIMITATIONS

Unitrade remains aware of certain data collection challenges persisting for certain indicators. The Group is constantly working to apply stronger data tracking and gathering systems to improve its reporting going forward.

FORWARD LOOKING STATEMENTS

SS2022 contains forward-looking statements on Unitrade's future plans, targets, operations and performance that is based on reasonable projections on the current business trajectory. As with any other business, Unitrade is always subject to risks and unforeseen events beyond its control, and thus the Group advises readers to not solely rely on these statements as actual results may vary.

ASSURANCE

Financial data for this Statement has been audited and assured by the Group's auditor, KPMG PLT. While non-financial data has not been assured in this Statement, Unitrade looks to possibly getting external assurance for future Sustainability Statements.

REPORT AVAILABILITY

The SS2022 can be downloaded from the Group's corporate website at www.unitrade.com.my.

FEEDBACK

Unitrade is always open to engaging its valued stakeholders and welcomes any inquiries, concerns and feedback to continually make improvements at the Group. Our contact details are stated here:

Mr Koh Sui Ming (Chief Financial Officer)
+603-7843 2828
+603-7845 6366
IR@unitrade.com.my

FY2022 SUSTAINABILITY HIGHLIGHTS AND ACHIEVEMENTS

ECONOMIC



**RM1,290.2
million**

Revenue



**RM43.3
million**

Group Profit After Tax



**RM95.7
million**

Cash and Cash Equivalents

ENVIRONMENTAL



133.97 CO₂eq

Scope 1 Emissions



360.68 CO₂eq

Scope 2 Emissions



616,552 kWh
of Electricity Consumed



49,620 Litres
of Diesel Fuel Consumed



5,765 m³
Water Consumed



4,105.15 GJ
Total Energy Consumption

SOCIAL



189
Total Employees
(87.83% of employees are
Malaysians)



40
Total
New Hires



**85
hours**
of Employee Training



Zero
Lost-Time Injury Rate



Zero
Workplace Fatalities



RM55,104
Contributed to Community
Investment Activities

Sustainability Statement (Cont'd)

SUSTAINABILITY GOVERNANCE

Primarily driving Unitrade's sustainability agenda across the Group is Unitrade's sustainability governance structure which primarily drives sustainability across Unitrade, which is part of the Group's larger corporate governance structure.

The Board has oversight on corporate governance as well as sustainability governance and related sustainability matters, and thus is in charge of driving the conversation about the prioritisation of material ESG topics for Unitrade's Management to hone on.

The Board has been briefed about ESG-related initiatives and progress within the Group in order to provide more counsel and direction on Unitrade's sustainability journey.

One of the key highlights of Unitrade's governance in FY2022 is the due diligence of undertaking a substantial review of its risk management and internal control systems as it approached its listing on the ACE Market.

Unitrade's sustainability governance is in the process of devising overarching sustainability goals and strategies that will further bolster the implementation of ESG materiality within the Group.

BOARD COMPOSITION AND DIVERSITY

The Board comprises of 7 directors, 4 of which are Independent Non-Executive Directors ("INED") with the Chairman being an Independent Non-Executive Chairman.

The Board is supported by the Group's Management and various committees enacted to bolster sustainability and corporate governance in the Group. Here are some of the major roles and responsibilities of the Board and the Group's major committees in corporate governance and sustainability governance.

Board of Directors

- | | |
|---|--|
| <ul style="list-style-type: none"> ▶ Dato' Abdul Majid bin Ahmad Khan
(Senior Independent Non-Executive Chairman) ▶ Sim Keng Chor
(Executive Vice Chairman) ▶ Nomis Sim Siang Leng
(Managing Director) ▶ Simson Sim Xian Zhi
(Executive Director) ▶ Dato' Lok Bah Bah @ Loh Yeow Boo
(Senior INED) ▶ Cynthia Toh Mei Lee (INED) ▶ Ong Soo Chan (INED) | <ul style="list-style-type: none"> • To provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being effectively managed; • To review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced; • To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard our Group's reputation, and our employees and assets and to ensure compliance with applicable laws and regulations; • To ensure that our Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the Malaysian Code on Corporate Governance; • To review and approve our annual business plans, financial statements and annual reports. |
|---|--|

Audit Committee

- | | |
|--|--|
| <ul style="list-style-type: none"> ▶ Dato' Lok Bah Bah @ Loh Yeow Boo
(Chairman, Senior INED) ▶ Cynthia Toh Mei Lee
(Member, INED) ▶ Ong Soo Chan
(Member, INED) | <ul style="list-style-type: none"> • To review the engagement, compensation, performance, qualifications and independence of our external auditors, its conduct of the annual statutory audit of our financial statements, and the engagement of external auditors for all other services; • To review and approve our quarterly and annual financial statements for recommendation to our Board, focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements; • To review any related party transactions entered into by our Group and any conflict of interest situations that may arise within our Group; • To review all major controls, findings and management responses; • To perform such other functions as may be requested by our Board. |
|--|--|

Remuneration Committee

- | | |
|--|---|
| <ul style="list-style-type: none"> ▶ Ong Soo Chan
(Chairwoman, INED) ▶ Dato' Lok Bah Bah @ Loh Yeow Boo
(Member, Senior INED) ▶ Cynthia Toh Mei Lee
(Member, INED) | <ul style="list-style-type: none"> • To recommend a remuneration framework for our Executive Vice Chairman, Managing Director, Executive Directors and key senior management for our Board's approval to ensure corporate accountability and governance with respect to our Board's remuneration and compensation; • To recommend specific remuneration packages for our Executive Vice Chairman, Managing Director, Executive Directors and key senior management. The remuneration package should be structured such that it is competitive based on market benchmarks; • To implement the policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of our Board and key senior management. |
|--|---|

Nomination Committee

- | | |
|--|---|
| <ul style="list-style-type: none"> ▶ Dato' Lok Bah Bah @ Loh Yeow Boo
(Chairman, Senior INED) ▶ Cynthia Toh Mei Lee
(Member, INED) ▶ Ong Soo Chan
(Member, INED) | <ul style="list-style-type: none"> • To assist our Board in ensuring that our Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties; • To ensure appropriate selection criteria and processes and to identify and recommend to our Board, candidates for directorships of our Company and members of the relevant Board committees; • To evaluate the effectiveness of our Board and the relevant Board committees; • To establish the mechanisms for the formal assessment on the effectiveness of the Board as a whole and the effectiveness of each Director. The annual assessment to be conducted would be based on objective performance criteria approved by our Board; • To ensure that all Directors receive appropriate continuous training in order to broaden their perspectives and to keep abreast with developments in the marketplace and with changes in new statutory and regulatory requirements; • To ensure an appropriate framework and succession planning for our Board, including our Executive Vice Chairman, Managing Director, Executive Directors and key senior management personnel. |
|--|---|

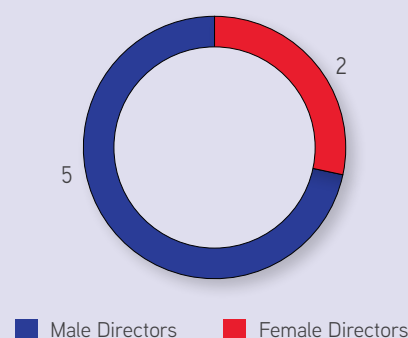
Risk Management Committee

- | | |
|--|---|
| <ul style="list-style-type: none"> ▶ Cynthia Toh Mei Lee
(Chairwoman, INED) ▶ Ong Soo Chan
(Member, INED) ▶ Nomis Sim Siang Leng
(Member, Managing Director) | <ul style="list-style-type: none"> • To oversee and recommend the risk management policies and procedures of our Group; • To review and recommend changes as needed to ensure that our Group has in place at all times, a risk management policy which addresses the strategic, operational, financial and compliance risks; • To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors our Group's business risks; • To set reporting guidelines for management to report to the committee on the effectiveness of our Group's management of its business risks. |
|--|---|

The Board comprises of qualified individuals with various professional experiences, skills and competencies who can come together to strengthen the Group's leadership and decision-making initiatives. This is partly reflected in our strong commitment to promote gender diversity on the Board.

As of FY2022, 29% of the Group's Board members are women, and Unitrade is committed for this figure to go above 30% within the next 12 months after the Initial Public Offering ("IPO"), as per Malaysian Code on Corporate Governance's requirement.

BOARD GENDER BREAKDOWN



Sustainability Statement (Cont'd)

CORPORATE GOVERNANCE PRACTICES

The Group strongly adheres to ethical corporate governance practices that ensures accuracy, transparency and integrity are embedded in how the Group is managed and led. To highlight this commitment to strong governance, here are some of the ways our corporate governance is fortified.

For instance, the Group discloses a detailed process for setting remuneration, as per the Remuneration Committee's Term of Reference which can be found at our official website at www.unitrade.com.my.

Currently, the remuneration of the Group's senior executives does not incorporate long-term incentives. In the future, we hope to tie the Group's senior executives' remuneration to ESG performance, which has not been implemented yet.

The Group also ensures the Board addresses conflicts of interest and related party transactions, which has been done given that all Related Party Transactions ("RPT") were disclosed but at arm's length and on normal commercial terms.

Shareholders have the right to vote on director appointment and dismissals as the Group practices the two-tier voting process as stated in our Nomination Committee's Terms of Reference which can be found at our official website at www.unitrade.com.my. In terms of voting on executives' fees, shareholders are given the right to vote only on the directors' fees.

The Chairman of the Audit Committee is also an INED and a member of the Malaysian Institute of Accountants. Moreover, the Audit Committee comprises 3 INEDs and excludes the Chairman of the Board while the Remuneration Committee comprises 3 INEDs.

The Board's effectiveness is periodically evaluated when the Nomination Committee meets at least once a year. More information on our corporate governance can be found in our Corporate Governance Report.

ANTI-BRIBERY AND ANTI-CORRUPTION

Unitrade always targets to uphold a zero-corruption policy when it comes to eliminating all types of bribery and corruption within the Group and across its value chain. The Group has established Anti-Bribery and Anti-Corruption ("ABC") Policy pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACCA") which came into force on 1 June 2020.

The Board has oversight on anti-bribery and anti-corruption matters within the Group and is in charge of leading the development and application of Unitrade's ABC Policy to reinforce our anti-corruption and anti-bribery position.

The Board is also tasked to ensure that a sustainable anti-corruption and anti-bribery programme is implemented in the Group, which includes reinforcing compliance with the ABC Policy and the assigning of adequate resources to implement the aforementioned programme.

While remuneration of Board members is not currently linked to ESG performance, the Group and the Board are looking into implementing this feature in the future. Unitrade remains as an apolitical organisation.

All of our employees are required to sign and confirm their adherence to the ABC policy.

Anti-Corruption Training and Communication

Anti-corruption trainings and briefings at Unitrade has been cascaded to all Executive Board members, senior management personnel and employees as of FY2022. All directors have undergone Mandatory Accreditation Programme ("MAP") training.

The Group engaged an external law firm to host a seminar for a total of 29 attendees from Unitrade and its subsidiaries on anti-corruption matters in the Group. These attendees were mainly from the sales teams of Unitrade's subsidiaries.



Training session on anti-corruption for our employees, hosted by an external law firm.

Unitrade also reminds and educates its employees from time to time about anti-corruption best practices via the Management team, supervisors and Heads of Department. Notably, Unitrade's sales personnel will be constantly reminded of the ABC Policy as it is part of the organisation's new customer account procedure, which includes requiring the customers' sign-off.

Induction sessions for new employees also include briefings on anti-corruption and anti-bribery, in addition to briefings on other related company policies and codes. Among other safeguards in place to curb corruption within the company include providing a comparison of quotes which are documented in the Capital Expenditure ("CAPEX") Form.

If an individual or group is found to have violated Unitrade's anti-corruption policies, other company policies, or have engaged in other means of bribery and corruption, they will undergo stringent disciplinary proceedings that may result in job suspension, termination or even legal action taken against them, if deemed necessary. Violations may be reported through the Group's whistleblowing mechanism.

During FY2021 through to FY2022, we undertook an Internal Control Review (“ICR”) pursuant to our IPO. During this exercise, any non-compliance identified was rectified. Additionally, Unitrade has also identified specific departments in our organisation with the high possibility of corruption risks, which consisted of the following department(s):

- Sales and Marketing Department
- Purchasing Department

Our internal audit function has been outsourced when it comes to verifying our anti-corruption data. There were zero incidents of violation against the Group’s anti-corruption policies reported in FY2022. Our full ABC Policy can be found on our official website at www.unitrade.com.my.

ESG AND FINANCIAL RISK MANAGEMENT AND INTERNAL CONTROL

Unitrade maintains a robust risk management framework and systems of internal control to protect our shareholders’ investment and the Group’s assets.

In terms of the governance of our risk management, the Group’s Compliance & Risk officer is also the Chief Financial Officer. Our Risk Management Committee comprises of 2 INEDs and the Managing Director. Executive Director Mr Simson Sim heads our newly-established ESG Committee. Our internal audit function is outsourced.

Regular reviews are especially important in ensuring the effectiveness and integrity of the Group’s internal control systems. Most recently in August 2021, we did an ICR and assessment on our Enterprise Risk Management (“ERM”) to identify, assess and manage the pertinent risks faced by the Group. This was done in partnership with an outsourced internal auditor, Talent League Sdn Bhd, in conjunction with our listing on the ACE Market and other applicable laws and regulations.

The identification of risks was based on the 7 sources of risk which cover the relevant areas of the Group: Finance, Human Resources (“HR”), Management Information Systems (“MIS”), Procurement, Safety and Health, Sales as well as Warehouse. Thus, the company’s risk management framework does cover certain aspects of ESG-related risk.

The results found that the Group has put in place adequate internal controls and risk management systems to enable the Group to meet its objectives of ensuring compliance with laws, regulations, policies and procedures, integrity of information, and safeguarding of assets.

Unitrade will continue to enhance its risk management and internal controls to better pursue the management and mitigation of more ESG risks as it seeks to improve its sustainability agenda in the organisation.

Full disclosure on this can be found in the Statement of Risk Management and Internal Control of Unitrade’s AR2022.

ETHICAL EMPLOYEE CONDUCT

Unitrade’s ABC Policy complements the Group’s Employee Code of Conduct (“COC”). The COC outlines our expectations regarding employees’ behaviour towards their colleagues, supervisors and overall organisation. The COC applies to all our employees regardless of employment agreement or rank.

Therefore, while the Group does promote freedom of expression and open communication, it still expects all employees to follow our COC. We also expect them to foster a well-organised, respectful, non-disruptive and collaborative environment.

The COC addresses the following core topics that employees must adhere to, including:

- Compliance with the law
- Respect in the workplace
- Protection of the Group’s properties
- Professionalism

The Group may take disciplinary action against employees who repeatedly or intentionally fail to follow the COC. Disciplinary actions will vary based on the violation. The Group periodically reviews the effectiveness of the COC when deemed necessary. Full details of our COC can be found in our official website at www.unitrade.com.my.

RECEIVING AND PROVIDING GIFTS AND ENTERTAINMENT

Unitrade employees and directors are generally prohibited to ask, accept, offer and/or give gifts for personal benefits to avoid conflict of interest or the appearance of conflict of interest. They should refrain from taking advantage of their position or exercising their authority to further their own personal interest at the expense of the Group.

However, we understand gift exchanging may be a sensitive matter in certain situations, which is why receiving or accepting a gift, or providing the gift on behalf of the Group, is allowed only in limited circumstances as stipulated in our ABC Policy.

Similarly, while the Group recognises that providing modest entertainment is a common and legitimate way of building business relationships, the Group also strictly prohibits employees and/or directors from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result.

The full details of Unitrade’s policy on providing and receiving gifts and entertainment, and any related procedures, can be found in the Group’s full ABC Policy at www.unitrade.com.my.

Sustainability Statement (Cont'd)

WHISTLEBLOWING POLICY AND MECHANISM

Unitrade's Whistleblowing Policy directly supports the Group's Core Values, Code of Ethics and ethical corporate governance standards. The Policy provides an avenue to encourage and enable employees and others to raise legitimate concerns to be objectively investigated and addressed within the Group prior to seeking resolution outside the Group.

In line with this, the Group has adopted the Policy that outlines the Group's commitment to ensure that employees and other stakeholders are able to raise genuine concerns in relation to breach of a legal obligation, miscarriage of justice, danger to health, safety and environment as well as policy breaches at the earliest opportunity without being subject to victimisation, harassment or discriminatory treatment, and to have such concerns thoroughly investigated.

The Policy sets out the mechanism and framework by which employees, contractors, consultants and any other individuals or organisation who have dealings with the Group can confidently voice concerns/complaints in a responsible manner without fear of discriminatory treatment.

An individual may make a whistleblowing report through the following communication channels:

1. E-mail to ak_majid@yahoo.com, ybloh1949@gmail.com and whistleblowing@unitrade.com.my, or
2. Post (using the attached form as per Appendix 2 of the Whistleblowing Policy) addressed to the following persons in the Whistleblowing Committee:
 - Dato' Abdul Majit Bin Ahmad Khan (Senior Independent Non-Executive Chairman)
 - Dato' Lok Bah Bah @ Loh Yeow Boo (Senior Independent Non-Executive Director)
 - Mr Naventhran Paul (Senior Manager, Group Human Resources)
 - Mr Koh Sui Ming (Compliance Officer/CFO)

The mailing address: Unitrade Industries Berhad c/o Registered Office 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan

All whistleblowing reports made will be dealt with in a confidential manner. The whistleblower will be protected from any reprisal within the Group as a direct consequence of the report, provided that the whistleblowing report is made in good faith.

The report will then be investigated. Upon conclusion of the investigation, the Head of Whistleblowing Committee (or another assigned investigator) will present the outcome of the investigation to the Board of Directors.

If the Board of Directors is satisfied with the outcome of the investigation, it will communicate to Chairman/Executive Vice Chairman to proceed with action based on established policy and procedures for the necessary disciplinary action to be taken immediately. The Group's Head of Human Resource is responsible for executing the disciplinary action.

This Policy may be periodically modified by the Board when deemed necessary. Unitrade's full Whistleblowing Policy can be found at www.unitrade.com.my. Zero whistleblowing cases were reported in FY2022.

SUPPLY CHAIN INTEGRITY

Unitrade supports and maintains a fair, ethical supply chain through good governance. The Group's various stipulated policies and guidelines such as our ABC Policy play a significant role in ensuring the suppliers we work with in our supply chain adhere to an acceptable standard of integrity in business dealings. Unitrade maintains a supplier list that is updated regularly when deemed necessary.

Unitrade ensures it does its due diligence on its suppliers and vendors by screening them thoroughly before dealing with them to make sure the Group only deals with external business partners that are reliable and trustworthy.

Regarding the communication of anti-corruption to our third-party business partners, suppliers and contractors, Unitrade ensures that all new account openings will require a new customer sign-off procedure to be carried out through the Third-Party Declaration Form (Anti-Bribery & Corruption).

Unitrade conducts periodic performance evaluations through its vendor evaluation forms for its existing suppliers to make sure they conform to the Group's supply chain integrity standards, in line with adhering with the standards of carrying out consistent supplier performance evaluations and physical inspection audits. Suppliers who do not meet the evaluation requirements will be engaged by the Group for discussions about the ability to continue being a supplier of Unitrade. 27% of suppliers were evaluated for their performance in FY2022.

The Group also ensures it constantly looks to identify high-risk suppliers in the supply chain, if any, to maintain the stability of the supply chain. 2% of suppliers in FY2022 were deemed high-risk. As mentioned before, any identified supplier deemed to be high-risk will be subject to immediate discussions with the Group on the status of their partnership with us.

REGULATORY COMPLIANCE

Unitrade strictly adheres to established policies, protocols and industry standards. Therefore, in FY2022, the Group experienced zero fines, penalties or censures from the regulatory authorities for any environmental non-compliance and socioeconomic non-compliance. The Group also did not face regulatory action on matters related to corporate integrity, anti-corruption and corporate governance.

STAKEHOLDER ENGAGEMENT

Communicating and engaging with our stakeholders is a pivotal aspect of Unitrade's commitment in being a trustworthy, transparent, responsible and inclusive organisation. Ensuring constant two-way engagement ensures our stakeholders' perspectives are always heard and taken into consideration as it pertains to the Group's financial and non-financial value creation.

Unitrade defines stakeholders as individuals, entities or organisations that may be impacted by the Group's business model, operations strategies, as well as those that may in turn have the potential to impact Unitrade's business model and its operations.

We have updated our website with pertinent data to bolster our stakeholder's accessibility to investor-related information.

Here is our stakeholder engagement table:

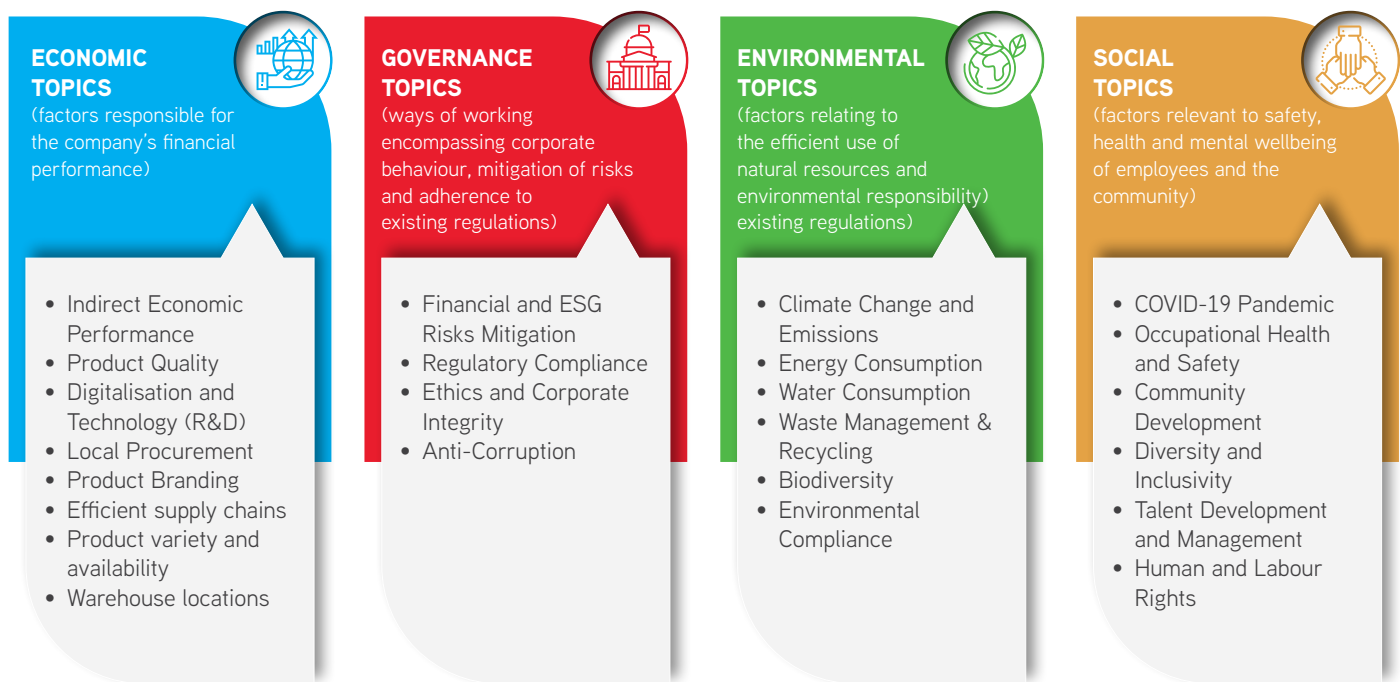
Stakeholders	Interests and Concerns	Engagement Channels
Customers	Quality products and services delivered on time and at competitive cost.	Customer feedback channels including physical and digital engagement channels, feedback forms, meetings and more.
Executive/Non-Executive Employees	Competitive remuneration, work-life balance, career prospects, training and development opportunities, conducive working environment and culture.	Townhalls, company memo and Intranet, employee feedback surveys, reports sent to line supervisors/superiors. Various internal and employee events and activities.
Shareholders and Investors	Share price appreciation, dividends and overall company financial performance as well as ESG performance.	Investor roadshows, company annual general meeting, quarterly investor presentations and email.
Bankers and Financial Institutions		
Suppliers	Fair procurement practices and tender opportunities, timely payment.	Invitations to tender, supplier briefings, email, post-mortem meetings.
Government/Regulatory Body Official	Regulatory compliance, including environmental and social compliance, compliance to quality standards, income tax payments.	Meetings with regulatory and governmental bodies, memos and circulars.
Board of Directors	Business growth, robust operational performance, good corporate governance and ethics. ESG performance improvements.	Board of Director meetings, subcommittee meetings, management meetings, board circulars, email and other forms of communication.
Senior and Middle Management		
Media	Company financial and ESG performance, share price appreciation, notable business developments.	Press releases and interviews.
Local Community Member/General Public	Positive socio-economic multiplier effects created through the presence and/or operations of the Group's business.	Community events, CSR campaigns and programmes, company website.
NGOs	ESG performance, the Group serving as a force for good – delivering positive multiplier effects.	Meetings, press releases, company website.

Sustainability Statement (Cont'd)

ASSESSING MATERIALITY

In pursuit of imbuing a stronger sustainability agenda and culture within the organisation as well as among its stakeholders and across its value chain, Unitrade deemed it necessary to undergo a thorough assessment of its materiality matters to stay aligned with our stakeholders' current concerns and global ESG trends.

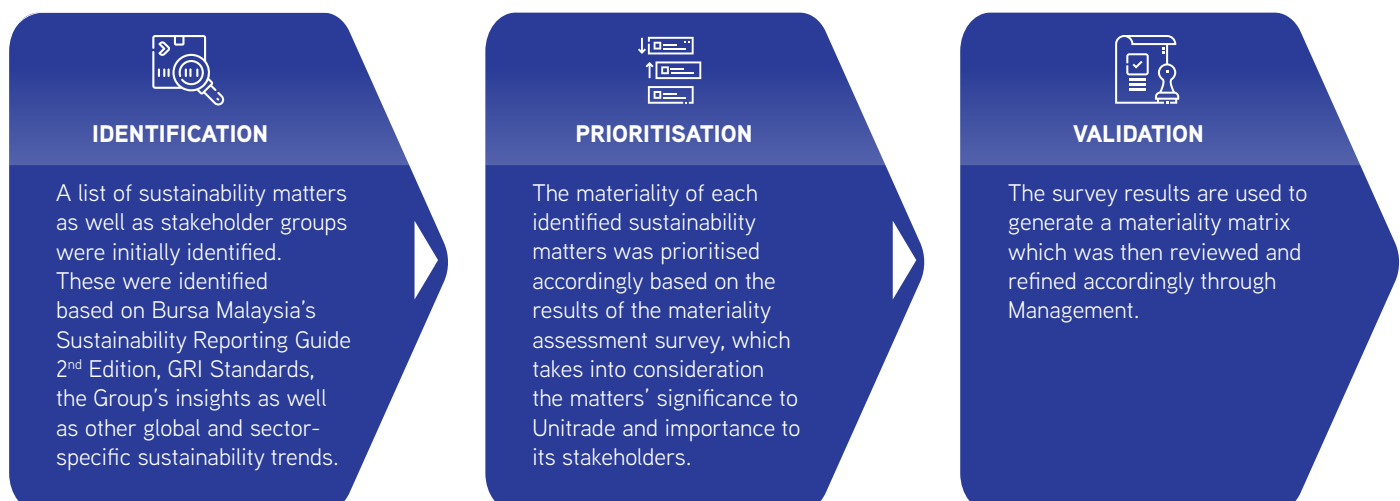
To effectively identify, prioritise and assess the Group's list of material matters, Unitrade sought its stakeholders' perspectives and insights through a materiality assessment exercise ("MAE"). Unitrade ensured that its stakeholder prioritisation and materiality assessment process remained inclusive of the feedback and views of valued stakeholders involved in Unitrade's business. The identified initial list of material matters was as below:



Based on Bursa Malaysia's guidelines, the stakeholder prioritisation and materiality assessment surveys were formed based on a broad range of material ESG topics and stakeholder groups. This information was then translated into a reader-friendly manner with easy-to-understand questions on a digital survey.

The surveys included internal and external stakeholder participation, and was carried out virtually to cover a wider range of respondents in a more efficient manner. External stakeholders may have been answered through a proxy.

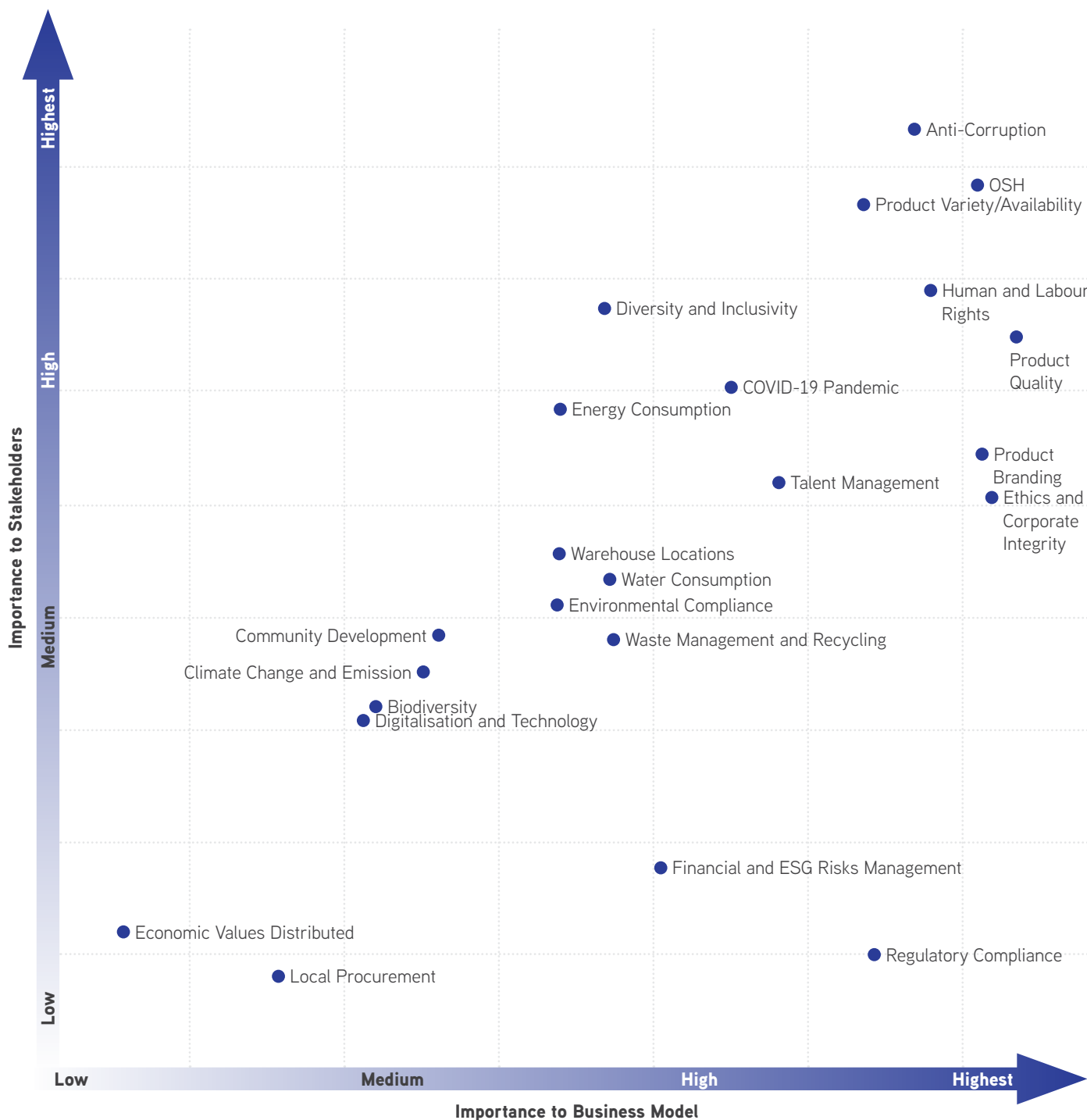
The materiality assessment process is as follows:



MATERIALITY MATRIX

Based on the MAE, the Group successfully crafted its materiality matrix to reflect the current prioritisation of Unitrade's material topics more accurately. Details on each material topic are provided in subsequent pages of the SS2022.

UNITRADE MATERIALITY MATRIX FY2022



Sustainability Statement (Cont'd)

ECONOMIC DISCLOSURES

INDIRECT ECONOMIC VALUES DISTRIBUTED

In FY2022, Unitrade's healthy financial performance has contributed to a stable wealth and value distribution to relevant stakeholders.

	FY2019 (RM'000)	FY2020 (RM'000)	FY2021 (RM'000)	FY2022 (RM'000)
Economic Value Generated	1,048,723	1,077,629	1,025,044	1,290,202
Economic Value Distributed	968,944	996,723	936,308	1,177,174
Total monetary value/spend on procurement	1,035,205	1,000,623	921,116	1,070,998
Total payout to employees in salaries and benefits	17,137	18,821	20,659	24,687
Net Taxes paid to government	12,550	7,397	8,433	11,202
Dividend Returns to Shareholders	7,279	1,894	7,954	36,141
Economic Value Retained	175,343	192,536	213,364	210,189

PRODUCT QUALITY AND ASSURANCE

The Group strongly emphasises the safety and quality of pre-insulated pipes manufactured in our factory, given that manufacturing of pre-insulated pipes is one of our core business operations. Unitrade is therefore committed to ensure that the safety and quality management system that we have put in place is in accordance with internationally-recognised standards and practices.

The Group has adopted internal quality management assurance policies to ensure that its pre-insulated pipes are consistently safe for use and our manufacturing processes comply with the required quality and environmental safety standards.

The certifications of compliance to quality assurance and quality control on our products are as shown below:

Standard	Certification	Date First Awarded	Validity Period	Scope of Certification
ISO 9001:2015 Quality Management Systems	SIRIM QAS International Sdn Bhd	18 December 1997	21 March 2021 to 17 December 2024 ⁽¹⁾	Fulfilling the requirements for quality management system for the manufacturing of pre-insulated pipes
FM Approval Class: 4924	FM Approvals LLC	10 February 2017	Not applicable	Performance of insulation material used on the exterior of non-combustible pipes or ducts having fulfilled the fire resistant test

Note: ⁽¹⁾ Expiry date is not applicable for FM Approval Class. Nevertheless, process audit is required to be carried out on a yearly basis. The purpose of the audit is to ensure the quality of products sold by our Group, as requested by customer.

Unitrade's commitment to environmental protection has also seen the Group enter into an agreement with the Department of Environment of Malaysia to participate in the 'HCFC Phase-out Management Plan Stage-1' project.

Consequently, Unitrade has eliminated the use of hydrochlorofluorocarbons ("HCFC") and also to ensure that the raw materials used in the manufacturing of its pre-insulated pipes do not comprise HCFC compound.

The Group is also committed in ensuring and upholding the quality of its Alfran and S2S-branded products that are sourced from third party Original Equipment Manufacturers ("OEM").

Regular quality checks and inspections are undertaken to ensure the quality of each batch of products received. Upon receiving the products, Unitrade's warehouse team will check and verify on the quantity of pipes, fittings and valves received and then afterwards conduct a random sampling visual inspection on those products. The products' quality is inspected based on the weight, diameter or thickness, surface finishing, dimension and length of the products to ensure it matches the packing list.

Unitrade applied and has obtained for SIRIM certification for selected Alfran products such as seamless carbon steel pipe, gate valve, butterfly valve, wafer check valve, swing check valve, stainless steel fittings, manhole cover and galvanised iron fittings. The Group has also applied for, and obtained, quality certifications from the CIDB and Suruhanjaya Perkhidmatan Air Negara for some of our Alfran products.

Product Variety, Availability and Warehousing

The Group's purchases comprise building materials for mechanical and electrical systems ("M&E") works and building materials for civil works; and raw materials and pre-insulated materials for the manufacturing of pre-insulated pipes. The building materials, raw materials and pre-insulated materials that we procure are readily available and are sourced from local and foreign suppliers.

The large variety and amount of materials and products also necessitates a robust warehousing system that can readily accommodate stock for moving and delivery in a prompt manner when required. Warehouse location is a key facet in this case, as the Group strategises its logistics arrangement for the delivery of products to customers' project sites.

Deliveries within Kuala Lumpur and Selangor are done by Unitrade's in-house logistics team, while deliveries outside Kuala Lumpur and Selangor and overseas are outsourced to third party logistics service providers to ensure timely delivery of products to customers.

The Group also notably constructed its new industrial complex to increase storage space to reduce reliance on rented warehouses and improve logistics efficiency in terms of stock movement.

Unitrade completed its relocation to the new industrial complex on 31 December 2021. The new warehouse has a built-up area of approximately 281,000 sq ft which is relatively larger as compared to the existing warehouses with a total built-up area of approximately 117,000 sq ft. With this, Unitrade is able to increase its operational efficiency and hold more inventories.



Data Privacy

Our high standards for quality also extends to our privacy and cyber security measures. Unitrade stores large amounts of data related to its customers, business and supply chain. The Group therefore knows how important it is to secure this data's confidentiality.

The Group's Personal Data Protection Act ("PDPA") Policy was established to ensure Unitrade and all its employees are committed to compliance with the PDPA of 2010. The Policy regulates the processing of personal data in commercial transactions. The full PDPA Policy can be found at www.unitrade.com.my.

PRODUCT BRANDING

Branding is an integral part of the Group's ability to propagate its products and services to new and existing customers in its targeted markets, a huge part of that branding effort is the Group's marketing strategy.

The Group's sales and marketing team is responsible for planning and executing sales and marketing activities, serving existing customers, attending enquiries from potential customers, and preparing new product proposals to existing customers and potential customers. Our Group's sales and marketing activities are as follows:

(a) Direct approach

The Group secures new customers through direct approach with potential customers such as contractors and hardware retailers. The sales and marketing team will approach these potential customers to promote Unitrade's range of product offerings and meet customer demand within a short time.

Unitrade also subscribes to BCI Asia, a global, multi-platform data service provider, which gives us access to industry reports in relation to the construction industry as well as project leads across a multitude of construction projects. It is an additional platform to identify and engage with potential customers.

(b) Referrals from business associates

The Group leverages on referrals from our business associates, namely property developers, contractors, architects, consultants and quantity surveyors, to gain new customers. Unitrade's sales and marketing team will approach these referral customers to present its range of product offerings to entice these customers to source from the Group. The sales and marketing team will continue to provide product updates to these referral customers periodically to build and sustain these business relationships.

(c) Trade fairs, exhibitions and industry networking events

The Group usually participated in pre-pandemic trade fairs and exhibitions as Unitrade was able to introduce its range of products and services to new markets, build new customer relationships and establish contact with potential customers, while promoting the Group's market presence. Information on other products offered by our Group will be promoted through catalogues and/or a video presentation. Unitrade also participated in industry networking events held among construction industry stakeholders that allows the sales and marketing team to identify potential customers and new sales opportunities.

Sustainability Statement (Cont'd)

Due to the COVID-19 pandemic, the Group did not participate in any physical trade fairs, exhibitions and industry networking events in the year 2020 and 2021. During this period and up to 31 March 2022, we have organised several webinars as follows:

Webinar Topic	Presenter
Introduction to Realflex Flexible Sprinkler Hoses	Taizhou Realflex Pipetec Co., Ltd (China) ⁽¹⁾
Introduction to Firestone Building Products	Firestone Building Products EMEA, BV ⁽¹⁾
Introduction to Vision Mechanical Grooved Joints & Fittings	Unitrade
Introduction to Reliable Sprinkler Heads	Reliable Fire Sprinkler (Singapore) Pte Ltd ⁽¹⁾
Introduction to Molecor Hypro PVC-O Pipes	Molecor (SEA) Sdn Bhd ⁽¹⁾
Introduction to Reliable Fire Protection Valves	Reliable Fire Sprinkler (Singapore) Pte Ltd ⁽¹⁾

Note: ⁽¹⁾ These parties are our suppliers.

Given the lifting of movement restrictions and gradual adoption of a nation-wide endemic phase for the virus, Unitrade plans to resume participation in trade fairs, exhibitions and industry networking events.

(d) Media advertisement and digital advertising

The Group leverages on media advertising, such as business directory publications and association magazine publications, to advertise and market its products and services as well as to enhance its presence among industry players. Recent avenues of publication include:

- Super Pages Directory 2022/23 in December 2021
- Shopee advertisement on the Shopee platform in February 2022
- SEO Campaign & Link Building Enterprise in June 2021
- Advertisement on Unitrade's Listing on the ACE Market of Bursa Securities.

Unitrade also leveraged on digital advertising to increase its market visibility on the internet through initiatives such as search engine optimisation services and social media marketing. Search engine optimisation services was used to increase the Group's website visibility, while social media marketing was used to promote and increase Unitrade's brand awareness through various social media platforms such as Facebook, Instagram, LinkedIn, Twitter and YouTube.

(e) Corporate website

Unitrade has a corporate website at <https://www.unitrade.com.my> that provides immediate searchable information on our Group, as well as a digital Unitrade Hub at <https://hub.unitrade.com.my/> that allows hub members to not only receive exclusive news, offers and privileges, but also has an internal payment gateway for customers. Other related websites of subsidiaries include Ricwil at <https://ricwil.com/> and UUSB at <https://uusb.com.my>, both of which also provide immediate searchable information on our subsidiaries. Each website details the range of products offered by the respective entity and contributes to cross-selling of all products offered by our Group.

DIGITALISATION AND TECHNOLOGY

The pandemic's presence has accelerated the rapid adoption of digitalisation and technology implementation in businesses across various industries worldwide. Unitrade has always been a proponent of technology and digitalisation prior to the pandemic, which contributed to Unitrade's sustainability of operations during the height of the pandemic.

Unitrade utilises an Enterprise Resource Planning ("ERP") software to support its daily business operations. The ERP system comprises a financial management module and an inventory management module. The complete integration of the ERP system with the Group's warehouse management system will be done soon now that the Group has moved into the new warehouse to facilitate real-time inventory update for enhanced operational efficiency.

Moreover, as the ERP system can be accessed using mobile devices, this supports efficient sales and marketing activities as it allows the Group's sales and marketing personnel to access its inventory information on a real-time basis.

In addition, Unitrade also utilises WhatsApp to provide customers support services to manage products and services enquiries.

In July 2021, the Group launched its e-commerce platform that was integrated into Unitrade's corporate website to provide the convenience to customers to perform online purchases as well as to extend our market reach.

The Group seeks to further bolster its digitalisation adoption by going more paperless and using more online documents and memos, which would have an added positive effect on the environment as well.

The Group will continue to be committed and invest in relevant technologies to enable our various operational platforms and departments to communicate and share information in order to enhance operational efficiency.

LOCAL PROCUREMENT AND SUPPLY CHAINS

Our business supports local procurement, where applicable. Local procurement leads to decreased logistical costs compared to foreign procurement. The Group would also experience less logistical issues, as Unitrade's supply chain as a whole would benefit from being more efficient as the simplification of using local procurement and logistics management would lead to a more reliable functioning supply chain.

Relying less on foreign procurement also leads to reduced fossil fuels used. Socioeconomic-wise, more local jobs would be created as well as more local communities would benefit when local procurement is utilised more.

On the whole, local procurement ultimately contributes to nation-building the growth of the local economy. Moving forward, Unitrade will continue to further reinforce the Group's supply chain with quality local procurement services.

Here is Unitrade's breakdown of its local procurement practices in FY2022:



92% of the total procurement budget is allocated to local procurement



91% are local suppliers

ENVIRONMENTAL DISCLOSURES

CLIMATE CHANGE

Unitrade recognises the potential and actual impacts that climate change has on the Group operations and its stakeholders. As Unitrade's main operations is as a warehouse distribution centre, it therefore does not have a significant direct adverse impact on the environment.

The Group, however, remains vigilant in monitoring its business operations emissions as well as energy and resource consumption, which may directly or indirectly contribute to climate change.

This commitment is in line with many industry players and governments, such as Malaysia, who have committed to monitoring and/or curbing their carbon emissions in order to better address climate change.

The Board would have oversight on the organisation's climate change matters, with the top-level decision-making process on initiatives related to this topic being spearheaded by them. Climate change is also one of the key materials topics assessed in our recent MAE and was included as part of our materiality matrix.

The Group acknowledges the risks of climate change that could impact the Group's logistical value chains and delivery timelines, such as extreme and unpredictable thunderstorms, tidal waves, floods and more. The Group is also aware that its diesel and electricity consumption in its operations does contribute to the larger climate change scenario.

However, the Group also sees climate change as presenting opportunities for Unitrade to potentially modify its business model, practices or strategies to become more sustainable and ESG-compliant in the long term.

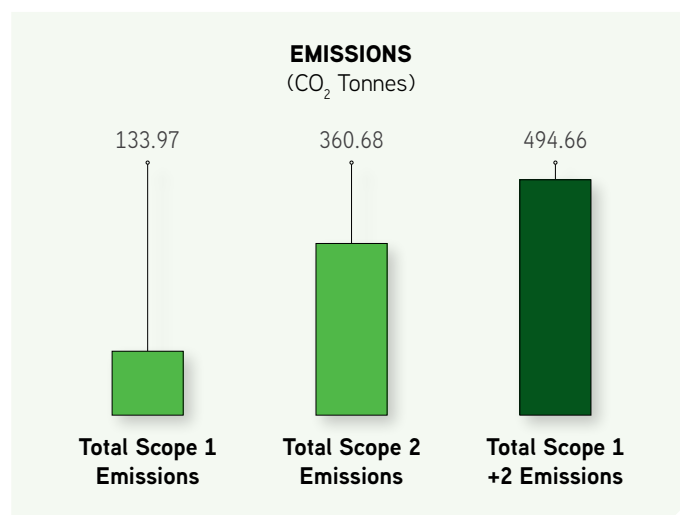
For instance, earlier in 2012, Ricwil received a grant from the United Nations Development Programme to purchase 2 new polyurethane machines as part of a Department of Environment ("DOE") initiative to phase out HCFC gasses at the organisation. Unitrade is also in the midst of installing solar panels at certain areas of our operations, with installation works expected to be completed by September 2022.

As Unitrade is still in its nascent stages of addressing climate change in a significant manner, the Group may plan to get several climate-change-related initiatives off the ground in the future. This may include emission reduction, improve waste management, more savings on energy consumption, and more. Going forward, Unitrade will consistently maintain its pursuit of better addressing and reducing its reduce climate change impacts and emissions.

Emissions

As the Group begins its pursuit to combat climate change in its own capacity, it has taken to monitoring its operations' CO₂ emissions and emissions intensity, where feasible. The Group's current emissions are within the limits set by the DOE.

Unitrade's carbon emissions primarily come from energy consumption originating from diesel consumption (Scope 1) and electricity consumption (Scope 2). Our emissions data is shown below:



ENERGY CONSUMPTION

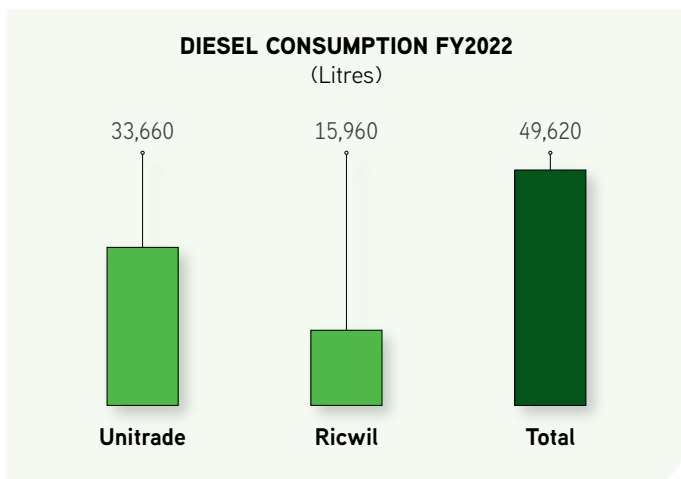
Unitrade remains attentive to its energy consumption, more so given its determination to mitigate its impact on the overall environment and climate. Energy consumption at Unitrade is primarily derived from diesel consumption and electricity consumption.

Diesel Consumption

Unitrade's management of fuel used in its organisation is an important part of upholding the Group's ESG commitment, given that one of our core businesses is logistics and deliveries which heavily involves transportation using vehicles. The main fuel source consumed by Unitrade is diesel.

Unitrade is always vigilant in ensuring it efficiently utilises its diesel fuel so it is not overused or wasted. In the future, we plan to enact more fuel-saving initiatives to better manage our fuel savings, reduce fuel consumption and decrease our overall carbon footprint.

In FY2022, Unitrade and its subsidiaries consumed a total of 49,620 litres of diesel fuel, as shown below:

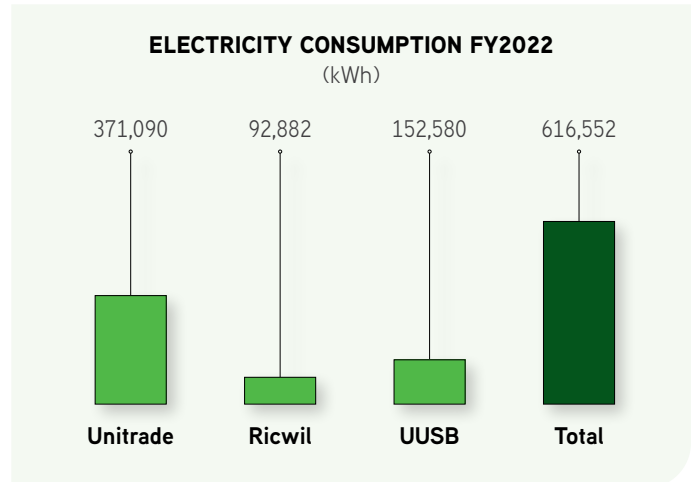


Electricity Consumption

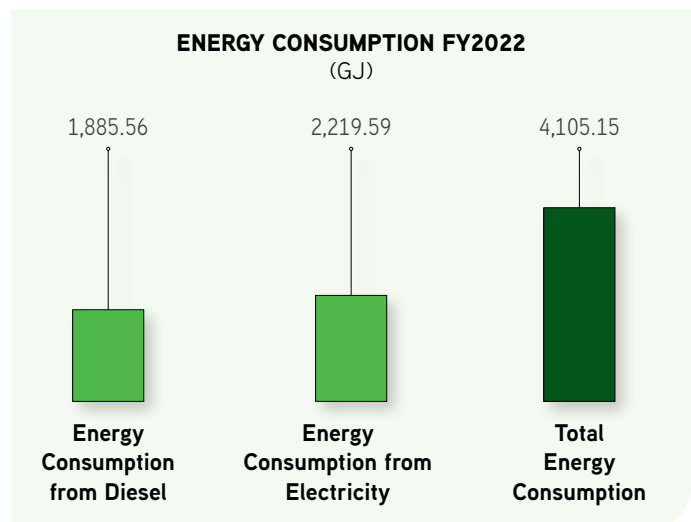
Given the importance of electricity supply in powering multiple warehouses to store products overnight, as well as our office and factory environments where our employees work, Unitrade is cognisant of the efficient management of its purchased electricity. Our main source of electricity is from the grid.

Unitrade already encourages simple electricity-saving initiatives in the workplace, such as switching off lights, air conditioners and electrical appliances at the Group's work environments. In the future, Unitrade plans to expand its scope of electricity-saving initiatives and alternatives at its work environments to contribute towards the reduction of our carbon emissions and positive energy savings.

In FY2022, Unitrade and its subsidiaries consumed a total of 616,552 kWh of electricity, as shown below:



In total, our overall energy consumption in FY2022 amounted to 4,105.15 GJ, as shown below:



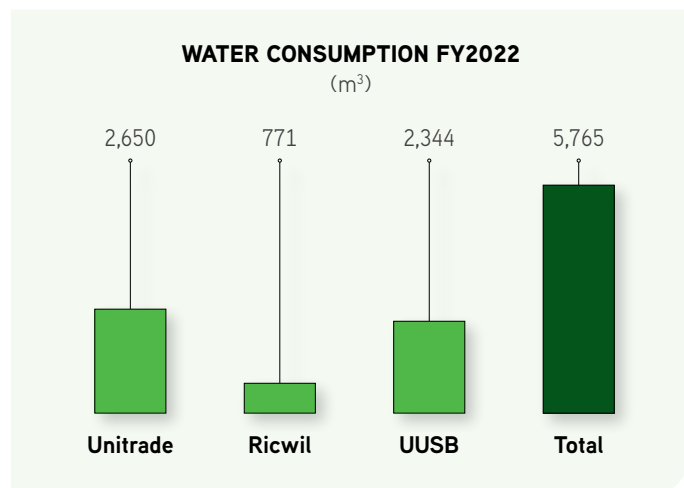
**FY2022 electricity consumption data for Ricwil ranges 9 months, excluding the months of January 2022, February 2022 and March 2022.*

WATER CONSUMPTION

Unitrade ensures that it closely monitors its water consumption in pursuit of stronger ESG compliance. The Group acknowledges that water is utilised on multiple levels of the Group's business, and therefore manages its water consumption based on industry best practices.

The Group also encourages water-saving initiatives among its employees, including the act of turning off water appliances such as taps, after use. Going forward, the Group plans to enact more water-saving initiatives that would better conserve Unitrade's overall water usage, given that water is a finite resource that needs to be managed appropriately.

FY2022, Unitrade and its subsidiaries consumed a total of 5,765 m³ of water, as shown below:



**FY2022 water consumption data for Ricwil ranges 9 months, excluding the months of January 2022, February 2022 and March 2022.*

WASTE MANAGEMENT AND RECYCLING

Unitrade's strong ESG commitment towards safeguarding the environment also involves a solid waste management system which ensures the Group propagates a responsible and strategic waste production, management and disposal.

Given the large range of materials that Unitrade deals with in its manufacturing processes, the Group ensures it tracks the variety of total waste generated across its operations.

Going forward, Unitrade plans to enact a dedicated waste management plan. It also plans to expand its recycling initiative to become a prominent facet of the organisations waste management efforts in order to reduce the amount of waste disposed. In the future, Unitrade also plans to collaborate with third-party business partners to better tackle the reduction of pollution and waste, where possible.

ENVIRONMENTAL PERFORMANCE MONITORING AND COMPLIANCE

Unitrade consistently monitors its environmental performance across its work environments to ensure it complies with the standards stipulated by the DOE. This may include environmental pollution monitoring which is carried out when it is deemed necessary.

We also screen our suppliers and vendors to ensure they also comply with environmental standards of the Group and other regulatory laws. As of FY2022, zero environmental non-compliance incidents have been reported.

BIODIVERSITY

While Unitrade's operations do not directly impact its surrounding biodiversity, it still remains dedicated towards preserving and conserving the biodiversity of flora and fauna.

The Group encourages the values and importance of preserving and conserving biodiversity by verbally communicating these principles to its employees. Unitrade has in place general environmental-friendly protocols that aims to reduce any negative impacts the Group may or may not have on its surrounding environment.

To the best of the Group's knowledge, no operation of Unitrade is located in areas deemed biodiverse. Zero major environmental leakages or spills from Unitrade were reported in FY2022.

In the future, Unitrade plans to establish biodiversity audits to be conducted at its work environments to ensure its operations are not harming the surrounding biodiversity. We will persist with monitoring our operating environments to ensure its biodiversity is not harmfully affected, especially with regards to the continued prevention of potential environmental leakages or spills.

SOCIAL DISCLOSURES

HUMAN RIGHTS AND LABOUR RIGHTS

Unitrade's workforce is the organisation's rock and is key to the success and longevity of the Group. The Group therefore pays significant attention to how it manages its human capital to ensure that the rights and welfare of Unitrade's employees, management personnel and leadership figures are looked after by the organisation.

The topic of human rights, labour rights and equal opportunity and diversity come under the purview of Unitrade's Executive Management. The Executive Vice Chairman and Managing Director are also personally involved in performance management of the Group's employees.

Unitrade's policies, corporate values and work standards remain our core guiding features when it comes to adhering to human rights and labour standards. These policies and values are created based on international standards such the UN International Bill of Human Rights, UN Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights ("UDHR"), International Labour Organisation ("ILO"), as well as Malaysia's laws such as the Malaysian Employment Act 1955 and the Minimum Wages Order 2016 law, both of which Unitrade complies with.

Sustainability Statement (Cont'd)

Here are the key human rights standards the Group adheres to:



Unitrade's employees are always treated fairly and respectfully. To provide the best possible working environment for employees, the Group ensures its employees are recruited, retained and rewarded based on merit. Employee inductions and exit interviews are conducted fairly and consistently for applicable employees.

The Group also supports equal pay for equal work, and complies with local laws on working hours and overtime. The Group does not discriminate based on age, gender, race, religion, sexual orientation, disability and nationality, as well as supports equal opportunity where relevant in the workforce.

As Unitrade consists of a relatively small group of individuals working there, the top management (C-level) are also involved in cross functional decisions. Therefore, being exposed to different management styles from different individuals influences the overall organisational culture in a more direct and healthy way as the communication barrier between management and employees is more reduced compared to other companies. The top management is always accessible by all employee levels.

The Group's HR Department remains the primary organisational resource that drives and implements human rights and labour rights initiatives within the Group, including the application of relevant company policies, protocols, guidelines and standards.

Unitrade communicates to all of its employees the human rights and labour rights the Group subscribes to via briefings, trainings, inductions, e-mail, memos, periodic verbal reminders and employee handbook.

When necessary, we will enrol the relevant employees in certain workshops/seminars that the Management deems suitable in order to increase the organisation's awareness and involvement in labour standards and human rights initiatives.

Additionally, a risk assessment on labour issues in the company was carried out by the organisation, with no labour standards non-compliances found. Unitrade has no records of human rights violations at any time in its history.

Grievance Mechanism

Unitrade has a Whistleblowing Policy and whistleblowing reporting mechanism where employees may report their company-related concerns about human rights and labour standards to seek reparations.

All reported grievances will be investigated fairly and thoroughly. The full Whistleblowing Policy can be accessed at www.unitrade.com.my. Zero cases of grievances regarding labour practices and human rights were reported in FY2022.

TALENT DEVELOPMENT AND MANAGEMENT

Investing in the training and development of Unitrade's employees is important at the Group, as this not only benefits the individual employee but also bolsters the Group's overall productivity and knowledge base.

The Group's HR Department is in charge of organising training programmes for employees, upon getting the approval of the relevant supervisor. Employee training requirements are derived via performance appraisals and discussions between employees and supervisors.

The HR department sources for the most suitable training providers and programmes to accurately address the identified training gaps. Since the pandemic, trainings have transitioned from being physical to becoming more virtual, with webinars becoming increasingly popular to use at Unitrade. The effectiveness of an employee training programme is assessed by HR via feedback forms passed out to participants.

Key FY2022 highlights of Unitrade's employee training initiatives are as below:

RM6,786.81 total training expenditure

85 hours total training time

Hiring and Attrition

Hiring and attrition are part of every company, including Unitrade. Unitrade delicately manages these aspects to ensure a stable workforce at the Group. 85% of Unitrade's 189 employees are permanent employees as of FY2022.

Recruitment is driven only when a need is required to be fulfilled in the Group. Thus, not only does Unitrade hire based on skill and experience possessed by the candidate, but also on requirement warranted for the role and Group. Unitrade considers the promotion of its most qualified employees, when suitable, to fill any management or supervisory role if those roles were vacant. Unitrade supports hiring local talents when necessary to contribute to uplifting the local talent pool.

Attrition at the Group is mitigated by the increased utilisation of digitalisation and technology of some of its operations, as well as the new hires brought in by the Group in its recruitment process.

Remuneration and Benefits

Unitrade provides a wide range monetary and non-monetary benefits for its employees in accordance with stipulated laws and regulatory standards. These benefits include, but are not limited to, medical care, paid leaves, sick leaves and more. 100% of Unitrade's permanent employees are entitled to employee benefits.

Benefits are tied to tenure length and job position in the Group. The Group consistently evaluates its benefits and monetary compensation alongside industry best practices to ensure a fair and competitive remuneration package for its employees.

Unitrade supports the right to minimum wage, and provides as well as exceeds the minimum wage standards when it comes to its own employee wages.

Here are some of the leave benefits provided to our employees*:



Annual leave provided based on period of services:

- 0 to 4 years – 12-14 days of annual leave
- 5 to 9 years – 18 days of annual leave
- 10 years and above – 20 days of annual leave



Complimentary medical check-up for senior management



Monetary gift for employee birthdays



Marriage leave for 3 days

**Based on Ricwil's Employee Handbook and Unitrade's policies.*

Unitrade's parental leave benefits is in the form of paternity leaves and maternity leaves. Eligible employees are afforded these benefits to help them balance their personal commitments and professional commitments adequately. Here is the breakdown of parental leaves data at the Group:

Parental Leave Type	FY2022
Paternity Leave	5 days
Maternity Leave	60 days

	FY2022	
Return to Work Rates (Post Parental Leave)	Male	Female
Return to Work Rates (return to work after parental leave period)	100%	100%
Retention Rates (remain with the organisation for 12 months or more post parental leave)	100%	100%

Performance Appraisals

The Group regularly conducts performance appraisals for 100% of its employees, and employees are adequately rewarded or incentivized based on how they have performed for the year for which they are appraised.

In 2021, Unitrade also handed out bonuses as well as increments to all of its employees.

Diversity and Inclusivity

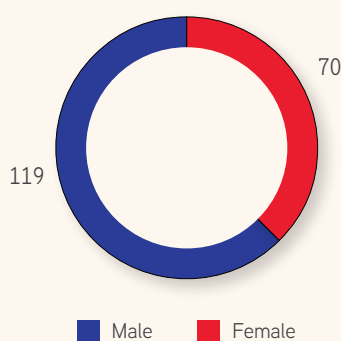
It is imperative that Unitrade maintains a diverse and inclusive workplace, as a workforce of this ilk can draw from a large range of different perspectives, thoughts, skills, experiences and ideas which would be invaluable in cultivating an effective high-performance work culture. An inclusive work environment also positively impacts the larger success and profitability of the Group as an inclusive and harmonious work environment results in higher productivity and retention rates in the workforce.

Unitrade understands that achieving strong diversity and inclusivity in its workforce may take time, however the Group remains determined to inculcate positive, diverse and inclusive trends in the Group that would create a shared commitment towards work excellence. For instance, while the Group currently does not have any disabled employees in its workforce, although it is open to hiring them if the qualified candidates enter its purview.

Ultimately, the goal is to foster unity, peace, safety, health and cooperation among our employees to lead to better work performances, decreased attrition rates as well as enhanced financial and non-financial value creation.

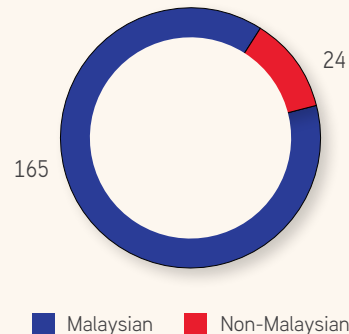
Here are various demographical breakdowns of Unitrade's workforce:

GENDER BREAKDOWN ON WORKFORCE
(No. of Pax)



WORKFORCE NATIONALITY

(No. of Pax)



OCCUPATIONAL SAFETY AND HEALTH ("OSH")

OSH is vital to ensure Unitrade provides a safe working environment for all of its employees, especially when it pertains to our warehousing and manufacturing activities. With OSH being an especially important facet in our business operations, the Group has an established Safety & Health Committee ("SHC") in order to ensure that strong OSH controls in Unitrade's operations are implemented, enforced and monitored accordingly.

OSH currently comes under the oversight of the SHC Advisor, who is the Chief Operating Officer ("COO"). There is currently no involvement from the Board. The SHC comprises 8 members from various subsidiaries and departments. The members are led by the SHC Advisor. Currently the SHC meets once a month, which has been going on since March 2022. The SHC has yet to initiate discussions with worker representatives, although engagement initiatives are in the works to do so.

In terms of OSH risk assessments, the SHC has assessed that the high-risk locations at the Group are the warehouse and factory floors. We also do not have any employees whose work involves a high incidence or high risk of specific diseases. No employee is currently undergoing any health surveillance.

Given that our SHC was only recently set up, the Group aims to implement appropriate OSH targets for the Group to achieve to maintain the integrity and enforcement of OSH excellence at Unitrade.

Moreover, the Group is already working on carrying out various initiatives such as First Aid training, emergency evacuation procedures and more related OSH programmes. For instance, while the Group only began its OSH in FY2022, it managed to organise a First Aid training session in May 2022, hosted St John Ambulance.

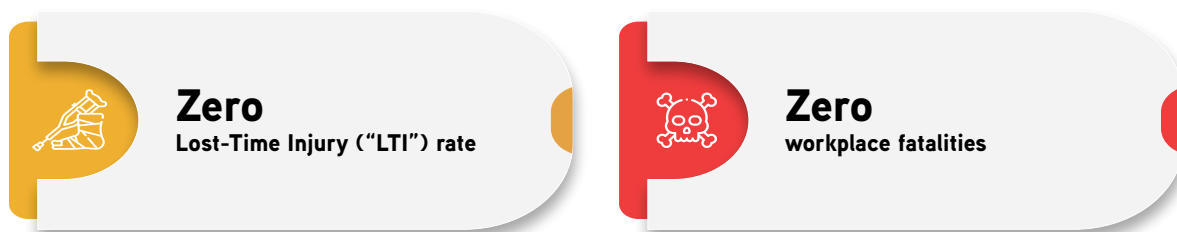
OSH Performance

Given that Unitrade only recently started operations in our new work premises, the Group is striving to ensure all basic OSH systems and SOPs are set up first before delving further into monitoring and evaluating OSH performance in a more detailed manner. Moreover, 4 subsidiaries make up the Group, and that Group is now contained in one location. Given this recent development, we have yet to establish OSH targets to measure our performance against previous performances. We aim to rectify this in the next financial year.

Notably, Unitrade plans to engage a third-party internal audit firm and obtain their advice in the next couple of months on how to approach tracking and assessing its OSH performance.

Our OSH data is not verified by a third-party, although this is something the Group may look into in the future.

Here are some OSH performance highlights during FY2022:



COVID-19 Pandemic

The COVID-19 pandemic’s emergence and subsequent persistence has seen Unitrade enacting various control measures to maintain workplace health and safety in adherence to industry and government regulations. We ensured these control measures were viable within the context of business continuity.

Notably, the Group established a safety protocol committee to oversee the adherence of infection control measures based on the guidelines and Standard Operating Procedures (“SOPs”) issued by the Ministry of International Trade and Industry (“MITI”) as well as the Ministry of Health. The infection control measures include the following, amongst others:

- Wearing of face masks within work environments;
- Daily taking and recording of body temperature before entering work environments;
- Sanitising hands before entering work environments and all employees are required to sanitise and wash their hands with soap and water frequently throughout the day;
- Sanitising all common areas of work environments in the office and warehouse/factory twice on a daily basis;
- Sanitising of Unitrade’s lorries after delivery;
- Practising physical distancing at work environments; and
- Avoidance of unnecessary travels and face-to-face meetings, where possible.

In view of the spike in COVID-19 cases among foreign workers in Malaysia, and in order to protect them as well as our local workers from infection, Unitrade undertook measures to help limit the risk of how much contact its foreign workers may have with other non-Unitrade foreign workers.

The Group also conducted COVID-19 tests for all our foreign workers. Our foreign workers have undergone multiple COVID-19 test, as and when required, to ensure early detection of COVID-19 cases in the effort of curbing the spread of the virus, if any.

Employees have also undergone multiple COVID-19 tests, as and when required. Unitrade’s lorry drivers have also undergone COVID-19 tests, prior to being allowed to deliver the products to customers’ sites. As the COVID-19 situation in Malaysia improves, the Group aims to reduce the conduct of these tests when appropriate.

Sustainability Statement (Cont'd)

In the event of any reported COVID-19 cases within our employee's residential community, that particular employee will be required to undergo self-quarantine up to 14 days as per the standard guideline prior to being allowed to resume work in our factory. For employees that have been tested positive, that particular employee will be required to undergo self-quarantine up to 21 days as per the Group's policy.

During the Financial Year 2022, 66 confirmed cases of COVID-19 among employees were reported. 100% of infected employees have since recovered.

Unitrade has also put in place a business contingency plan in the event of any infection cases at our business premise, which is summarised as follows:

(i) Employee relief plan

Each employee has been assigned with a relief person for their tasks. Both personnel in-charge are not allowed to make any external appointments or business trips together to mitigate the risk of infection as well as to ensure that there is a person to back up the tasks in the case of a confirmed infection or suspected infection.

(ii) Warehouse and manufacturing back-up plan

The Group's foreign workers are assigned to work within their designated station and are not allowed to mingle with other workers from different stations. In the event of a positive case, Unitrade will sanitise that particular station and reshuffle the arrangement of its foreign workers to ensure that its warehousing and manufacturing activities are not affected.

Physical distancing measures are also in place for common areas such as canteens and restrooms. The Group also ensures that its foreign workers' accommodation is spaced out to minimise the spread of possible infection.

The Group's workforce has returned to 100% capacity since 18 October 2021. Moving forward, as the nation transitions into endemic phase, we expect to maintain our workforce capacity at 100%.

COMMUNITY DEVELOPMENT

As a responsible corporate citizen, Unitrade maintains its obligations towards meaningful Corporate Social Responsibility ("CSR") initiatives that holistically serves people, planet and profit, more so given the COVID-19 pandemic.

Unitrade's continued commitment to support communities as well as invest time, money and value in aiding those most in need not only helps those receiving the Group's aid, but it also has a positive impact on employee engagement and wellbeing. Employees are always encouraged to participate in our community development initiatives through volunteering.

Volunteerism can help to instil values of generosity, kindness and respect among the workforce, which would hopefully spread across the organisation. Employee volunteers are appropriately recognised through suitable incentives and rewards within the purview of the Group's policies.

In FY2022, Unitrade organised a fundraising campaign. Up to 31 January 2022, employees donated RM13,868.22 and the Group subsequently doubled the donation amount and contributed RM27,736.44. In conclusion, the total funds raised for this fundraising campaign was RM41,604.66.

Regarding the employees who were victims of the massive floods in December 2021, funds were distributed to each of the 9 victims.

INTRODUCTION

The Board of Unitrade recognises the importance of adopting a sound base for good corporate governance in managing its business affairs so as to build a sustainable business capable of enhancing shareholder value.

In preparing this Corporate Governance Overview Statement ("CGOS"), the Company is guided by Guidance Note 11 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Corporate Governance Guide (4th edition) issued by Bursa Malaysia. The CGOS is supplemented with a Corporate Governance Report ("CG Report"), in accordance with Rule 15.25 of the AMLR of Bursa Securities and it provides an insight on how the Company maps the application of the Company's CG practice during the FY2022 against Malaysian Code on Corporate Governance ("MCCG").

It should be noted that Unitrade was listed on the ACE Market of Bursa Securities on 14 June 2022, subsequent to the financial year ended ("FYE") 31 March 2022.

The CGOS shall be read together with the CG Report, available on the Company's website at <https://www.unitrade.com.my/>. The detailed explanation on the application of the corporate governance practices is reported under the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I: BOARD RESPONSIBILITIES

1. BOARD'S LEADERSHIP ON OBJECTIVE AND GOALS

1.1 Board of Directors

The Board is collectively responsible for the long-term success of a company and the delivery of sustainable value to its stakeholders. Therefore, the Group is headed by an experienced and effective Board. It aims to provide an effective oversight of the conduct of Unitrade Group's businesses, while ensuring that appropriate risk management and internal control systems are in place as well as regularly reviewing such systems to ensure their adequacy and effectiveness.

Board Charter

The Board is guided by a Board Charter that defines its roles and responsibilities, the principles for Board's operation, board's evaluation and remuneration and code of ethics and conduct and matters reserved for the board. It is accessible through the Company's website at <https://www.unitrade.com.my/>.

The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remains consistent with the policies and procedures of the Board.

Board Committees

In order to discharge of its stewardship role effectively, the Board has delegated specific duties to four (4) Board Committees. Each of the Board Committees operates within its respective Terms of Reference ("TOR") approved by the Board. The respective Board Committees report to the Board on matters considered and their recommendation thereon. The ultimate responsibility for decision making, however, lies with the Board. The Board Committees established during FYE 31 March 2022 are as follows:-

Board of Directors

Responsible for performance and affairs of the Company as well as safeguard the interest of stakeholders

Audit Committee ("AC")

Assist the Board in meeting its responsibilities for the oversight of the financial reporting process; the system of Internal Control; the internal and external audit processes and any conflict of interest situations and related party transactions.

Nomination Committee ("NC")

Assist the Board to oversee matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committee.

Remuneration Committee ("RC")

Assist the Board to recommend to the Board the remuneration package of Executive Directors, Non-Executive Directors and C-Level executive officers of the Group to attract, retain and motivate Directors and C-Level executive officers to drive long term objectives.

Risk Management Committee ("RMC")

Assist the Board to oversee the identification, monitoring and control of all risks faced by the Group. The Committee also responsible for reviewing and recommending risk management policies and strategies for the Group and assist the Board in fulfilling its oversight responsibility in risk management.

Corporate Governance Overview Statement (Cont'd)

1.2 The Chairman of the Board

The Board is chaired by a Senior Independent Non-Executive Chairman namely, Dato' Abdul Majit bin Ahmad Khan. The Chairman is responsible for leading the Board in oversight of management, representing the Board to shareholders and chairing general meetings of shareholders.

The responsibilities of the Chairman are set out in the Board Charter.

The Board views that the Chairman of the Board should not be involved in any Board Committees. This is to ensure check and balance as well as the objectivity will not be influenced by the Chairman of the Board who also sits on Board Committee(s). Therefore, the Chairman of the Board is not a member of any of the Board Committees which is in line with MCCG.

1.3 Separation of Positions of the Chairman and Managing Director ("MD")

The Board Charter has established clear roles and responsibilities of the Board in discharging its fiduciary and leadership function. The positions of the Chairman of the Board and the MD are held by different persons. The Chairman of the Company is Dato' Abdul Majit bin Ahmad Khan, a Senior Independent Non-Executive Chairman whilst the MD is Mr Nomis Sim Siang Leng. The segregation of roles facilitates a healthy open discussion and exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

There is a clear division of roles and responsibilities between the Chairman and MD to ensure a balance of power and authority so that no one individual has unfettered powers of decision making. The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, whilst the MD is responsible for the day-to-day operations of the Group, ensure the effective implementation of the Group's strategic plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operations.

1.4 Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries, namely Ms Tai Yit Chan and Ms Tan Ai Ning.

Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators and are qualified to act as company secretary under Section 235 of the Companies Act 2016. The Board has access to the advice and services of the Company Secretaries who ensure effective functioning of the Board and compliance of applicable rules and regulations. The Board is also regularly updated and kept

informed of the latest developments in the legislation and regulatory framework affecting the Group and is advised on the proposed contents and timing of material announcements to be made to regulatory authorities.

1.5 Board Meetings and Access to Information and Advice

The Board is required to meet on a quarterly basis with additional meetings being convened as and when necessary to consider urgent proposals or matters that require that Board's consideration.

In ensuring the effective functioning of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretaries, Internal Auditors, External Auditors and Independent Advisers, if deemed necessary and may seek advice from the management on issues under their respective purview. The Board members have full and unrestricted access to all information within the Group in discharging their duties. The Notice of the Board Meeting is served at least seven (7) days prior to the Board Meeting. Relevant Board Papers were circulated to all Directors at least five (5) business days prior to the Board Meeting so as to accord sufficient time for the Directors to peruse the Board papers.

The Board papers which include the agenda and reports cover amongst others, areas of strategic, financial, operational and regulatory compliance matters that require the Board's approval.

The attendance for our Board meeting(s) in FYE 2022 was held virtually/hybrid in order to ensure compliance with governance guidance regarding the pandemic. The breakdown of the Directors' attendance at the Board and Board Committees meeting during the FYE 2022 is set out below:-

Name of Director	No. of Meetings Attended*
Dato' Abdul Majit bin Ahmad Khan	1/1
Sim Keng Chor	1/1
Nomis Sim Siang Leng	1/1
Simson Sim Xian Zhi	1/1
Dato' Lok Bah Bah @ Loh Yeow Boo	1/1
Cynthia Toh Mei Lee	1/1
Ong Soo Chan	1/1

* one (1) virtual meeting was held.

All proceedings of the Board meetings are duly minuted and circulated to all Directors for their perusal prior to the confirmation of the minutes by the Chairman as a correct record. The Company Secretaries record the proceedings of all meetings including pertinent issues, the substance of inquiries, if any, and responses thereto, members' suggestion and the decision made, as well as the rationale

for those decisions. By doing so, the Company Secretaries keep the Board updated on the follow-up actions arising from the Board's decisions and/or requests at subsequent meetings. The Board is therefore able to perform its fiduciary duties and fulfil its oversight role towards instituting a culture of transparency and accountability in the Company.

1.6 Code of Conduct

The Company has set out a Code of Conduct ("the Codes") for its Directors, management and employees in discharging their duties and responsibilities. The Codes are established to promote the corporate culture which engenders ethical conduct that permeates throughout the Group.

The Codes is published on the Company's website at <https://www.unitrade.com.my/>.

1.7 Ethics and Compliance Whistleblowing Policy and Procedures

The Board had formalised an Ethics and Compliance whistleblowing policy and Procedures as the Group places high value on the level of trust and integrity. Therefore, the Ethics and Compliance Whistleblowing Policy and Procedures provides an avenue for all Directors, employees and stakeholders of the Group to disclose or report any improper conduct and to provide protection for those who report such allegations.

The Ethics and Compliance Whistleblowing Policy and Procedures can be assessed through the Company's website at <https://www.unitrade.com.my/>.

1.8 Anti-Bribery and Anti-Corruption Policy

In addition to the Code of Conduct, the Company has further established the Anti-Bribery and Anti-Corruption Policy ("ABC Policy") to comply with enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act. The ABC Policy is to ensure that all Directors, management and employees are aware of their obligation to disclose and not to be involved in any corruption, bribes, conflict of interest or similar unethical acts that they may have in order to prevent the occurrence of bribery and corrupt practices in relation to the Group's business.

The ABC Policy can be accessed through the Company's website at <https://www.unitrade.com.my/>.

1.9 Sustainability

The Board is aware of its responsibility for Environmental, Social and Governance ("ESG") and sustainability to all various stakeholders and the communities in which it operates. As such, the ESG and sustainability aspects are considered by the Board in its corporate strategies.

The Company's efforts in this regard have been set out in the Sustainability Statement on pages 20 to 40 in this Annual Report.

PART II: BOARD COMPOSITION

2. BOARD'S OBJECTIVES

2.1 Composition of the Board

The Board currently consists of seven (7) members, comprising one (1) Senior Independent Non-Executive Chairman, one (1) Senior Independent Non-Executive Director, one (1) Executive Vice Chairman, one (1) Managing Director, (1) Executive Director and two (2) Independent Non-Executive Directors, as follows:-

Name	Designation and Directorate	Age	Gender
Dato' Abdul Majit bin Ahmad Khan	Senior Independent Non-Executive Chairman	76	Male
Sim Keng Chor	Executive Vice Chairman	75	Male
Nomis Sim Siang Leng	Managing Director	46	Male
Simson Sim Xian Zhi	Executive Director	30	Male
Dato' Lok Bah Bah @ Loh Yeow Boo	Senior Independent Non-Executive Director	73	Male
Cynthia Toh Mei Lee	Independent Non-Executive Director	49	Female
Ong Soo Chan	Independent Non-Executive Director	60	Female

The composition of the Board complies with Rule 15.02(1) of the AMLR of Bursa Securities and the recommended Practice 5.2 of MCGG.

The Board members are from different backgrounds with diverse perspectives. Such make-up is fundamental to the strategic success of the Group, as each Director has in-depth knowledge and experience in a variety of areas providing valuable direction to the Group. With more than half of the Board composed of Independent Directors, the Company is able to facilitate greater checks and balances during boardroom deliberations and decision making. The Independent Directors provide the Board with professional judgement, experience and objectivity without being subordinated to operational considerations or the ability to provide independent judgement in the best interest of the Company.

A brief profile of each Director is presented in the Profile of Directors section of the Annual Report.

Corporate Governance Overview Statement (Cont'd)

2.2 Re-election of Directors

In accordance with the Constitution of the Company, an election of Directors shall take place each year. At the annual general meeting of the Company where one-third (1/3) of the Directors for the time being or if the number is not three (3) or a multiple of three (3) then the number nearest one-third (1/3) shall retire from office provided always that all Directors including an MD or Deputy MD shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

The Directors to retire in every year shall subject nevertheless as hereinafter provided, be the Directors who have been longest in office since their last election but as between those who became Directors on the same day, the Directors to retire shall (unless they otherwise agree among themselves) be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment when he has previously vacated office.

The Directors shall have power at any time to appoint any person as Director either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not be increased beyond the maximum number hereinbefore prescribed. Any Director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election but not be taken into account in determining the Directors who are to retire by rotation at the meeting.

Upon the recommendation of the NC and the Board, all the Directors will retire and seek for re-election at the forthcoming First Annual General Meeting ("1st AGM") and the details of the Directors are disclosed in the Profile of Directors section of the Annual Report.

2.3 Tenure of Independent Directors

The Board will justify and seek shareholders' approval in the event it retains an Independent Director who has served in that capacity for a cumulative period of more than nine (9) years.

As at the date of this statement, none of the Independent Directors has served the Company beyond nine (9) years.

2.4 Board Appointment

The selection, nomination and appointment of suitable candidates to the Board are made via a formal, rigorous and transparent process and taking into account objective criteria such as skills, knowledge, expertise, experience, professionalism and merit needed on the Board. In the case of Independent Directors, the NC will evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

The assessment of the Independent Directors is in accordance with the criteria as set out in the Board Charter, Directors' Fit and Proper Policy and AMLR of Bursa Securities.

2.5 Gender Diversity

There are two (2) female Directors representing 29% on the Board. In view of an effective Board appointment, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board. Gender shall not be a prerequisite criterion to the directorship of the Company.

The Board intends to secure the appointment of additional female Directors within a year after listing on the ACE Market of Bursa Securities on 14 June 2022 to meet the recommendation of 30%.

The Board will evaluate and match the criteria of the potential candidate as well as consider the appointment of female Director onto the Board in future to bring about a more diverse perspective.

2.6 AC

The Board established the AC on 17 September 2021.

The AC comprised solely of Independent Non-Executive Directors as follows:-

Name	Designation	Directorate
Dato' Lok Bah Bah @ Loh Yeow Boo	Chairman	Senior Independent Non-Executive Director
Cynthia Toh Mei Lee	Member	Independent Non-Executive Director
Ong Soo Chan	Member	Independent Non-Executive Director

The AC is governed by its TOR approved by the Board which is available on the Company's website at <https://www.unitrade.com.my/>.

2.7 NC

The Board established the NC on 17 September 2021.

The NC comprised exclusively of Independent Non-Executive Directors as follows:-

Name	Designation	Directorate
Dato' Lok Bah Bah @ Loh Yeow Boo	Chairman	Senior Independent Non-Executive Director
Cynthia Toh Mei Lee	Member	Independent Non-Executive Director
Ong Soo Chan	Member	Independent Non-Executive Director

The NC is governed by its TOR approved by the Board which is available on the Company's website at <https://www.unitrade.com.my/>.

3. OVERALL BOARD EFFECTIVENESS

3.1 Annual Evaluation

The Board, facilitated by NC, will conduct an annual evaluation to review the performance of each individual Director and the effectiveness of the Board and Board Committees as well as the independence of Independent Non-Executive Directors. The annual evaluation will be conducted on self and peer evaluation model through customised questionnaires guided by the Corporate Governance Guide of Bursa Malaysia.

3.2 Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision-making process. The Board through the NC has assessed the independence of its Independent Non-Executive Directors based on the criteria set out in the AMLR of Bursa Securities.

The current Independent Directors of the Company have fulfilled the criteria for "independence" as prescribed

under Rule 1.01 and Guidance Note 9 of the AMLR of Bursa Securities. The Company has also fulfilled the requirement of at least one-third of its Board members being Independent Non-Executive Directors.

3.3 Directors' Training

The Board acknowledges that continuous education is vital for the Board members to keep abreast with the latest developments in the industry and business environment as well as changes to statutory requirements and regulatory guidelines.

All Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme as required by Bursa Malaysia. The Directors will continue to identify and attend other training courses to equip themselves effectively to discharge their duties as Directors on a continuous basis.

The training programmes and seminars attended by the Directors during the FYE 31 March 2022 are as follows:-

Name	Name of Programme	Trainer/Organiser	Date	Duration
Dato' Abdul Majit bin Ahmad Khan	• Fraud and Financial Scandals: Trends, Red Flags and Mitigations	• Malaysian Institution of Accountants	3 September 2021	2 hours
	• ACE (Anti-Corruption Empowerment) Talk Series for Directors and Senior Management	• Hong Leong Financial Group	9 May 2022	2 hours
Dato' Lok Bah Bah @ Loh Yeow Boo	• MFRS Webinar: MPERS and MFRS: Case Studies in Key Areas of Financial Reporting	• Malaysian Institution of Accountants	21 June 2021	7 hours
	• MIA Webinar Series: Tax Treatments of Stock in Trade - Valuation and withdrawal of stock	• Malaysian Institution of Accountants	16 December 2021	4 hours
	• MIA Webinar Series: Budget 2022 Key Highlights	• Malaysian Institution of Accountants	3 March 2022	6 hours
	• ESG Awareness Training	• BDO Governance Advisory Sdn Bhd	24 March 2022	2 hours
Ong Soo Chan	• ESG by Climate Governance and Wills Towers Watson	• Sunita Rajakumar, organised by Maxis Berhad	15 September 2021	1 hour
	• Mandatory Programme Accreditation	• Bursa Malaysia	15-17 March 2022	12 hours
Cynthia Toh Mei Lee	• The Malaysian Code on Corporate Governance 2021 & the Securities Commission Guidelines on Directors' conduct - Implications to the Board of Directors and Management	• QL in-house training	13 December 2021	4 hours
	• TFCF 101 Getting Started with Climate-Related Financial Reporting	• Bursa Malaysia	2 March 2022	2 hours
	• Sustainability Series: Sustainability & Impact on Organisations-What Directors Need to Know?	• Asia School of Business - The Iclif Executive Education Center	21 March 2022	4 hours
	• AOB Conversation with Audit Committees	• Audit Oversight Board	7 April 2022	3 hours
Sim Keng Chor	• Mandatory Programme Accreditation	• Bursa Malaysia	15-17 March 2022	12 hours
Nomis Sim Siang Leng	• Mandatory Programme Accreditation	• Bursa Malaysia	15-17 March 2022	12 hours
Simson Sim Xian Zhi	• Mandatory Programme Accreditation	• Bursa Malaysia	15-17 March 2022	12 hours

Corporate Governance Overview Statement (Cont'd)

PART III: REMUNERATION

4. LEVEL AND COMPOSITION OF REMUNERATION

4.1 Remuneration Policies and Procedures

The RC is also responsible for establishing and developing a competitive remuneration policy and packages for the Board and Senior Management in accordance with the duties and responsibilities as stated in its TOR.

As the Company was listed on the ACE Market of Bursa Securities on 14 June 2022, the Board, through RC, is in the midst of establishing the Directors and Senior Management remuneration policies of the Group.

Nevertheless, the RC will review the remuneration packages of the Executive Vice Chairman, MD, Executive Directors, Non-Executive Directors, C-Level executive officers, taking into account of individual performance, time commitment, experience, level of responsibilities, as well as the performance of the Group and market conditions and recommend the same for Board approval.

The Non-Executive Directors' remuneration comprises fees and meeting allowances that are linked to their expected roles and level of responsibilities. The Directors' annual fees, which are determined by the Board as a whole, are approved by shareholders of the Company at each AGM. The meeting allowances of the Non-Executive Directors are also approved by the shareholders of the Company at the relevant AGM. All individual Directors shall abstain from making decisions in respect of his own remuneration.

4.2 RC

The Board established the RC on 17 September 2021. The RC is primarily responsible for recommending to the Board the remuneration packages of Executive Vice Chairman, MD, Executive Directors, Non-Executive Directors and C-Level executive officers in all its forms.

The RC comprises exclusively of Independent Non-Executive Directors as follows:-

Name	Designation	Directorate
Ong Soo Chan	Chairwoman	Independent Non-Executive Director
Dato' Lok Bah Bah @ Loh Yeow Boo	Member	Senior Independent Non-Executive Director
Cynthia Toh Mei Lee	Member	Independent Non-Executive Director

The RC meeting is held as and when required, but at least once a year. For the FYE 31 March 2022, the RC has not had any RC meeting as the Company was listed on ACE Market of Bursa Securities on 14 June 2022. All recommendations of the RC are subject to endorsement by the Board.

The RC is governed by its TOR approved by the Board which is available on the Company's website at <https://www.unitrade.com.my/>.

5. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

5.1 Remuneration of Directors

The Board is mindful that fair remuneration is critical to attract, retain and motivate the directors of Unitrade Group as well as directors serving as members of the board committees.

The Company will seek shareholders' approval at the forthcoming 1st AGM for directors' fees for the current financial year and benefits payable to the directors for the period from 1 April 2022 until the next AGM of the Company in 2023.

Corporate Governance Overview Statement (Cont'd)

The details of the Directors' remuneration of the Company and the Group on the named basis for the FYE 31 March 2022 are tabulated as follows:

THE COMPANY

Directors	Fees (RM)	Salaries (RM)	Bonuses (RM)	Other emoluments (RM)	Benefits- in-kind (RM)	Total (RM)
Executive Directors						
Sim Keng Chor	-	-	-	-	-	-
Nomis Sim Siang Leng	-	-	-	-	-	-
Simson Sim Xian Zhi	-	-	-	-	-	-
Non-Executive Directors						
Dato' Abdul Majit bin Ahmad Khan	28,000	-	-	1,000	-	29,000
Dato' Lok Bah Bah @ Loh Yeow Boo	28,000	-	-	1,000	-	29,000
Cynthia Toh Mei Lee	28,000	-	-	1,000	-	29,000
Ong Soo Chan	28,000	-	-	1,000	-	29,000
TOTAL	112,000	-	-	4,000	-	116,000

THE GROUP

Directors	Fees (RM)	Salaries (RM)	Bonuses (RM)	Other emoluments (RM)	Benefits- in-kind (RM)	Total (RM)
Executive Directors						
Sim Keng Chor	-	918,000	388,000	367,140	23,950	1,697,090
Nomis Sim Siang Leng	-	930,000	848,000	488,474	25,000	2,291,474
Simson Sim Xian Zhi	-	336,000	406,000	251,041	7,500	1,000,541
Non-Executive Directors						
Dato' Abdul Majit bin Ahmad Khan	28,000	-	-	1,000	-	29,000
Dato' Lok Bah Bah @ Loh Yeow Boo	28,000	-	-	1,000	-	29,000
Cynthia Toh Mei Lee	28,000	-	-	1,000	-	29,000
Ong Soo Chan	28,000	-	-	1,000	-	29,000
TOTAL	112,000	2,184,000	1,642,000	1,110,655	56,450	5,105,105

5.2 Remuneration of Key Senior Management

In determining the remuneration packages of the Group's Key Senior Management, factors that were taken into consideration included the Senior Management's responsibilities, skills, expertise and contribution to the Group's performance.

Due to confidentiality and sensitivity of information, the Board is of the view that it would not be in its best interest to make such disclosure on named basis in view of the competitive nature of human resource market and the Company should maintain confidentiality on employees' remuneration packages.

As an alternative, the Board decided to disclose the Key Senior Management's remuneration on an unnamed basis in bands of RM50,000, as follows:-

Range of Remuneration	No. of Key Senior Management
RM750,000 – RM800,000	1
RM851,000 – RM900,000	1
RM1,400,001 – RM1,450,000	1

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I: AC

6. AC

6.1 Chairman of AC

The AC is chaired by an Senior Independent Non-Executive Director namely, Dato' Lok Bah Bah @ Loh Yeow Boo who is distinct from the Chairman of the Board. The Chairman of the AC is a member of Malaysian Institute of Accountants and Fellow of CPA.

6.2 Financial Reporting

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements of the Group comply with the Companies Act 2016 and applicable approved financial reporting standards in Malaysia.

The AC assists the Board in discharging its fiduciary duties by ensuring that the audited financial statements and quarterly financial reports are prepared in accordance with the Malaysian Financial Reporting Standards and AMLR of Bursa Securities. In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board aims to present a balance and fair assessment of the Company's financial position and prospects. The AC reviews the Company's quarterly financial results and annual audited financial statements to ensure accuracy adequacy and completeness prior to presentation to the Board for its approval.

The Statement of Directors' Responsibility in respect of the preparation of the annual audited financial statements is set out in page 52 of this Annual Report.

6.3 Cooling-Off Period for Former Key Audit Partner

The AC recognises the importance of upholding independence of its external auditors and that no possible conflict of interest whatsoever should arise. The TOR of the AC stated that no former key audit partner shall be appointed as a member of the AC before observing a cooling-off period of at least three (3) years in line with the practice of 9.2 of MCCG. Presently, none of the current AC members is a former key audit partner involved in auditing of the Group.

6.4 Suitability and Independence of External Auditors

The Board maintains a good professional relationship with the external and internal auditors through the AC in discussing with them their audit plans, audit findings and financial statements. Private sessions between AC and the external auditors will be held without the presence of the Executive Directors, MD, and Key Senior Management. The AC met with the external auditors without the presence of the Executive Directors, MD and Key Senior Management of the Company to discuss audit findings and any other observation they might have during the audit process for the FYE 31 March 2022.

The AC is responsible for the recommendation on the appointment and re-appointment of the Company's external auditors and the audit fees. The AC carried out an assessment of the performance and suitability of the external auditors based on the quality of services, sufficiency of resources, communication and interaction and independence and objectivity.

KPMG PLT, the External Auditors of the Company have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of relevant professional and regulatory requirements.

Being satisfied with the External Auditors' performance, technical competence and independence, the AC recommended the re-appointment of KPMG PLT as external auditors for the financial year ended 31 March 2023. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming 1st AGM.

6.5 Composition of the AC

The AC was established on 17 September 2021 and comprises three (3) Independent Non-Executive Directors. The present members of the AC are as follows:-

Designation	Name	Directorship
Chairman	Dato' Lok Bah Bah @ Loh Yeow Boo	Senior Independent Non-Executive Director
Member	Cynthia Toh Mei Lee	Independent Non-Executive Director
Member	Ong Soo Chan	Independent Non-Executive Director

All members of the AC are financially literate, competent and able to understand matters under the purview of the AC including the financial reporting process. The summary of activities of AC are set out in the AC Report.

PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

7. Effective Risk Management and Internal Control Framework

The Board assumes its overall responsibility in establishing a risk management framework and maintaining a sound system of risk management and internal control throughout the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations that is not limited to financial aspects of the business but also operational and regulatory compliance. The RMC and AC have been entrusted by the Board in managing the risks and establishment of the internal control system and processes of the Group. The ultimate objectives are to protect the Group's assets and safeguard shareholders' investments.

The Board acknowledges that the internal control system is devised to cater for particular needs of the Company and risk management system is to provide reasonable assurance against material misstatements or loss.

Our Group has outsourced its internal audit function to the independent professional service provider, Talent League Sdn Bhd ("Talent League" or "Outsourced Internal Auditors"), which reports directly to our AC. The Outsourced Internal Auditors carry out its function in accordance with the approved annual internal audit plan approved by the AC. The findings of the audits and the recommendations for improvement or actions to be taken by the management to rectify the issue will be presented in AC Meeting.

Any significant issue affecting the existing risks or emerging risks as well as the changes to the action plans to address the risks identified, will be discussed during the RMC meetings and brought to the attention of the Board by the Chairman of RMC.

The Statement of Risk Management and Internal Control as set out in this Annual Report provides an overview of the state of risk management and internal controls within the Group.

8. Internal Audit Function

The Company recognises that an internal audit function is essential to ensure the effectiveness of the Group's system of internal control and is an integral part of the risk management process.

The Board has engaged an independent professional service firm, Talent League to assume the Group's risk management and its internal audit function, who reports and assists the RMC and AC in managing the risks and establishment of the internal control system and processes of the Group. The Board has also ensured that the Outsourced Internal Auditors, Talent League, are free from any relationship and/or conflict of interest with the Group.

The Outsourced Internal Auditors is headed by its Executive Director, Mr Roy Thean Chong Yew ("Mr Thean"), who is a Chartered Member of Institute of Internal Auditor. Mr Thean is also a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. Mr Thean has more than twenty-two (22) years of audit experience. The number of staff deployed for the internal audit reviews will be four (4) staff. They will perform their works in accordance with a recognised framework such as the International Professional Practices Framework issued by the Institute of Internal Auditors. The internal audit function has been mandated to continuously assess and monitor the Group's system of internal control.

The further details of Internal Audit Function are set out in the AC Report of this Annual Report.

Corporate Governance Overview Statement (Cont'd)

9. RMC

The Board established the RMC on 17 September 2021. The RC is primarily responsible to oversee the identification, monitoring and control of all risks faced by the Group. The RMC is also responsible for reviewing and recommending risk management policies and strategies for the Group and assists the Board in fulfilling its oversight responsibility in risk management.

The members of the RMC are as follows:-

Name	Designation	Directorate
Cynthia Toh Mei Lee	Chairwoman	Independent Non-Executive Director
Ong Soo Chan	Member	Independent Non-Executive Director
Nomis Sim Siang Leng	Member	Managing Director

The RMC is governed by the TOR of RMC which outlines its duties and responsibilities and the said TOR can be viewed at <https://www.unitrade.com.my/>.

No activities were undertaken by the RMC during the financial year ended 31 March 2022 as the Company was only listed on 14 June 2022.

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

10. Communication with Stakeholders

The Board recognises the importance of effective, transparent, regular and timely communication with its shareholders and other stakeholders to keep them informed on the Group's latest financial performance, business and corporate developments.

Our Group endeavours to provide as much information as possible to its shareholders and stakeholders. It is mindful of legal and regulatory framework governing the release of material and price-sensitive information. Such material and price-sensitive information will not be released unless it has been duly announced or made public through proper channels.

The Group maintains a corporate website, <https://www.unitrade.com.my/> with the intention of building communication channel between our Company with the stakeholders setting out:-

- (a) Announcements submitted to Bursa Securities
- (b) Investor section which provides relevant corporate information
- (c) General telephone number, fax number and email address

11. Conduct of General Meetings

The principal forum for dialogue and interaction with shareholders is the Company's annual general meeting ("AGM") and extraordinary general meeting. The Board encourages and welcomes participation from shareholders to ask questions regarding the resolutions being proposed at the meeting and also other matters pertaining to the business activities of the Group. All Directors, including the Chairperson of the AC, RC, NC, and RMC, including the Key Senior Management team, the external auditors and Sponsor would attend the 1st AGM to provide meaningful responses to the questions raised by shareholders.

In line with Practice 13.1 of MCCG, the notice convening the 1st AGM held on 1 September 2022 will be circulated to the shareholders at least twenty-eight (28) days before AGM, which gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint proxy to attend and vote on their behalf. Each item of special business included in the notice of the AGM will be accompanied by an explanatory statement on the effects of the proposed resolution.

The 1st AGM will be conducted virtually through live streaming from the Broadcast venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on 1 September 2022.

FUTURE PRIORITIES IN KEY AREAS OF CORPORATE GOVERNANCE PRACTICES

Corporate governance is clearly imperative for Unitrade Group in the year of 2022 against the backdrop of regulatory changes in the domestic corporate governance realm and a relatively challenging economic environment that is characterised by volatile market conditions and commodity prices.

While Unitrade was only listed on the ACE Market of Bursa Securities on 14 June 2022, the Board will place an even greater emphasis and focus on the Company's corporate governance practices for the financial year ending 31 March 2023. Moving forward, the Board will continue to work towards achieving high quality outcomes in the realm of corporate governance.

Additional Compliance Information

Unitrade
Industries
Berhad

Annual
Report
2022

1. UTILISATION OF PROCEEDS

The Company was listed on the ACE Market of Bursa Securities on 14 June 2022 in conjunction with its Initial Public Offering ("IPO"), where the Company undertook a public issue of 312,500,000 new ordinary shares in the Company at an issue price of RM0.32 per share, raising proceeds of RM100 million.

The proceeds raised from the IPO amounting to RM100 million shall be utilised in the following manner:-

Purpose of utilisation	Proposed Utilisation (RM'000)	Actual Utilisation ¹ (RM'000)	Balance ¹ (RM'000)	Estimated Timeframe for Utilisation from Date of Listing
Working capital	50,500	N/A	N/A	Within 12 months
Repayment of bank borrowings	39,800	N/A	N/A	Within 12 months
Capital expenditure for pipe fabrication centre	5,000	N/A	N/A	Within 36 months
Listing expenses	4,700	N/A	N/A	Within 1 month

Note:

⁽¹⁾ There is no utilisation of IPO proceeds as at 31 March 2022 as the Company was listed on the ACE Market of Bursa Securities on 14 June 2022.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the external auditors' firm by the Group and the Company for the financial year ended 31 March 2022 are as follows:-

	Company (RM'000)	Group (RM'000)
Audit Fees	40	188
Non-Audit Fees*	14	422
Total	54	610

* Non-audit fees comprise the review of Statement of Risk Management and Internal Control, professional fees for tax compliance and advisory services and various reports including Accountants' Report pursuant to the Company's listing exercise.

3. RECURRENT RELATED PARTY TRANSACTION ("RRPT")

The RRPTs of the Group have been entered into in the normal course of business. The Company will be seeking its first shareholder's mandate for the RRPTs, following its listing on 14 June 2022, at its forthcoming 1st AGM to be held on 1 September 2022. The details of the proposed shareholder's mandate for RRPTs to be entered by the Group with the related parties are disclosed in Section 2.4 of the Circular to Shareholders dated 29 July 2022, which includes the name of the related parties and the Company's relationship with the related parties.

4. MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts entered into by the Company and/or its subsidiary companies involving the interests of Directors and major shareholders, which subsisted at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year:-

- Asset sale agreement dated 21 June 2021 between Ricwil (Malaysia) Sdn. Bhd. ("Ricwil") and Sim Keng Chor for the disposal of a single-storey detached factory with an integral two-storey building and annexed two-storey office building, bearing address at Lot 3767, Jalan 2D, Kampung Baru Subang, Seksyen U6, 40150 Shah Alam, Selangor to Sim Keng Chor for a cash consideration of RM4,300,000, which completed on 21 June 2021;
- Conditional sale and purchase agreement dated 9 September 2021 (and supplemental agreement dated 21 February 2022) between the Company and Syarikat Logam Unitrade Sdn. Bhd. ("SLU") vendors for the Acquisition of SLU, which was completed on 25 March 2022;

Additional Compliance Information (Cont'd)

- (c) Conditional sale and purchase agreement dated 9 September 2021 (and supplemental agreement dated 21 February 2022) between the Company and Ricwil vendors for the Acquisition of Ricwil, which was completed on 25 March 2022;
- (d) Conditional sale and purchase agreement dated 9 September 2021 between the Company and Unitrade Sdn. Bhd. ("USB") vendors for the Acquisition of USB, which was completed on 26 March 2022;
- (e) Conditional sale and purchase agreement dated 21 February 2022 between the Company, Ricwil and the Unitrade United Sdn. Bhd. ("UUSB") vendors for the Acquisition of UUSB, which was completed on 25 March 2022;

5. STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required under Rule 15.26(a) of the ACE Market Listing Requirements of Bursa Securities to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are responsible for ensuring that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and applicable Malaysian Financial Reporting Standards approved by the Malaysian Accounting Standards Board in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2022 and of the financial performance and cash flows of the Group for the year then ended and of the Company for the financial period from 13 April 2021 to 31 March 2022.

During the preparation of the financial statements for the financial year ended 31 March 2022, the Directors have:

- (i) applied the appropriate and relevant accounting policies consistently and in accordance with applicable approved accounting standards;
- (ii) made judgements and estimates that are reasonable and prudent; and
- (iii) applied the going concern basis for the preparation of the financial statements.

The Directors are also responsible for taking such steps that are necessary and reasonable to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

The Statement is made in accordance with a resolution of the Board of Directors 21 July 2022.

The AC was established on 17 September 2021 with the primary objective to assist and support the Board in meeting its responsibilities for the oversight of the financial reporting process, the system of Internal Control; the internal and external audit process; and any conflict of interest situations and related party transactions.

In performing their duties and discharging their responsibilities, the AC is guided by its TOR. The AC's TOR is available at the Company's website at <https://www.unitrade.com.my/>.

COMPOSITION OF THE AC

The AC comprises three (3) members, all of whom are Independent Non-Executive Director which satisfy the requirements of Rule 15.09(1) (a) and (b) of the Ace Market Listing Requirement ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Practice 9.4 under Principle B of the MCGG.

The members of the AC and their respective designation are as follows:-

Name	Designation	Directorship
Dato' Lok Bah Bah @ Loh Yeow Boo	Chairman	Senior Independent Non-Executive Director
Cynthia Toh Mei Lee	Member	Independent Non-Executive Director
Ong Soo Chan	Member	Independent Non-Executive Director

The AC also meets the AMLR which requires that at least one member of the Committee must fulfill the financial expertise requisite of Rule 15.09(c) of the AMLR of Bursa Securities.

The Chairman of the Committee, Dato' Lok Bah Bah @ Loh Yeow Boo, is a Fellow of CPA Australia and member of the Malaysian Institute of Accountants.

All AC members are financially literate with diverse backgrounds, experiences, and knowledge in the field of accountancy, banking & finance, and corporate laws. None of the members were former key audit partners of the Company's existing External Auditors.

ATTENDANCE OF MEETINGS

The AC was formed by the Board on 17 September 2021. There were no meetings held during the financial year ended ("FYE") 31 March 2022.

The Company was listed on the ACE Market of Bursa Securities on 14 June 2022. The first AC meeting was held on 8 June 2022 prior to the admission to ACE Market of Bursa Securities.

SUMMARY OF ACTIVITIES

Since the listing of the Company on the ACE Market of Bursa Securities, the main activities undertaken by the AC were as follows:

1. Financial Reporting

- (a) Reviewed the unaudited quarterly financial results of the Company and the Group prior to the recommendation to the Board for approval and subsequent release to Bursa Securities.

2. External Audit

- (a) Reviewed the audit status of the Company's financial statements for the FYE 31 March 2022 presented by the External Auditors.
- (b) Reviewed the audit fees of the external auditors prior to the Board for approval.
- (c) Had private sessions with the External Auditors without the presence of the Executive Directors and Management to discuss further with them any issues of concern, if any, arising from the audit.

3. Related Party Transactions

- (a) Reviewed the related party transaction entered and/or to be entered by the Group.

Audit Committee Report (Cont'd)

4. Internal Audit

- (a) Reviewed and approved the appointment of Talent League as the Internal Auditors of the Group.

5. Others

- (a) Reported to the Board on significant issues and concerns discussed during the AC meeting.

INTERNAL AUDIT FUNCTION

In preparation for the listing of the Company on the ACE Market of Bursa Securities ("Listing"), the Company had engaged Talent League, an outsourced Internal Auditor, which is independent of the activities and operations of the Group as its Internal Control Review Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.

Subsequent to the Listing, the Group continued to outsource the internal audit function to Talent League to provide the internal audit services for the Group. Talent League reports directly to the AC and RMC on the adequacy and effectiveness of the risk management and internal control systems of the Group. No internal audit work was performed during the FYE 31 March 2022 as the Company was only listed on 14 June 2022 and the outsourced Internal Auditor, Talent League, was appointed at the AC Meeting held on 8 June 2022.

No internal audit costs were incurred for the outsourcing of the internal audit function during the FYE 31 March 2022.

This Report is made in accordance with the resolution of the Board dated 21 July 2022.

Statement of Risk Management and Internal Control

Unitrade
Industries
Berhad

Annual
Report
2022

1. Introduction

The Board of Directors (“**the Board**”) of Unitrade Industries Berhad (“**Unitrade**”) acknowledges the importance of maintaining good risk management and internal control system within **Unitrade** and its subsidiaries (collectively, “**the Group**”) and is pleased to provide the following statement on risk management and internal control (“**Statement**”) which outlines the nature and scope of risk management and internal control systems of the Group for the financial year ended 31 March 2022 pursuant to Rule 15.26(b) of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance. This statement was prepared by taking into account the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“**The Guidelines**”) pursuant to Guidance Note 11 of ACE Market Listing Requirements. The scope of this Statement includes **Unitrade** and its operating subsidiaries (“**Group**”).

2. Board Responsibilities

The Board recognises the importance of maintaining the risk management and internal control system to safeguard the assets of the Group as well as the investment of shareholders and the interests of customers, regulators, employees and other stakeholders. The Board, in discharging its responsibilities, is fully committed to maintaining appropriate risk management and internal control system and for reviewing their adequacy and effectiveness so as to provide assurance on the achievement of the objectives of the Group. However, in view of the limitations that are inherent in any risk management system, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the business objectives of the Group. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement, losses or fraud.

The Board has delegated the oversight of the risk management to the Risk Management Committee (“**RMC**”) which comprises of the Group Managing Director and two Independent Non-Executive Directors. Also, internal control function has been delegated by the Board to the Management of the Company and Audit Committee (“**AC**”) which comprises solely of Independent Non-Executive Directors. The Board, via the RMC and AC, evaluates the adequacy and operating effectiveness of the risk management and internal control system and, where appropriate, requires the Management to implement controls to address emerging issues or areas of control deficiencies. The process has been in place for the financial period under review and up to the date of approval of this Statement for inclusion in this Annual Report of the Company.

3. Risk Management Framework

The Board has established and developed an Enterprise Risk Management (“**ERM**”) framework to achieve the following objectives:

- communicate and disseminate across the organisation the vision, role and direction of the Group;
- identify, assess, evaluate and manage the various principal risks which affect the business of the Group;
- create a risk-awareness culture and risk ownership for more effective management of risks; and
- formulate a systematic process of review, tracking and reporting on keys risks identified and corresponding mitigation procedures.

A risk analysis of the Group is conducted on a yearly basis including reviewing the process in identifying, evaluating and putting up necessary action to assess and monitor the impacts of risks on the operation and business. The process requires the Management to identify and assess all types of risks in terms of likelihood and magnitude of impact as well as to address the adequacy and application of mechanisms in place to manage, mitigate, avoid or eliminate these risks. Significant risks identified are subsequently brought to the attention of the RMC, AC and Board at the respective meetings. This serves as an ongoing process of identifying, assessing and managing risks faced by the Group and has been put in place for the financial period under review and up to the date of approval of this Statement for inclusion in this Annual Report.

The findings will be reviewed by the RMC and the Board at the RMC meeting and Board meeting respectively with the assistance of the engaged internal audit team to further review and improve the existing internal control processes within the Group. The Group will continue to focus on the key risks and corresponding controls to ensure that they are able to respond to the business changes and competitive environment.

4. Internal Audit Function

The Group has outsourced its internal audit function to an independent professional firm, Talent League Sdn. Bhd. (“**Talent League**”), which assists both the Board and AC by conducting independent assessment on the adequacy and operating effectiveness of the internal control system of the Group. To ensure independence from Management, the Internal Auditors report directly to the AC through the execution of internal audit work based on a risk-based annual internal audit plan reviewed and approved by the AC before the commencement of work. In preparation for the listing, the Company had engaged Talent League to review the adequacy and sufficiency of systems, procedures and controls of the Group.

Talent League uses the Committee of Sponsoring Organisation of the Treadway Commission - Internal Control (COSO - IC) Integrated Framework as a basis for evaluating the effectiveness of the internal control system. Talent League also makes reference to the

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

International Professional Practices Framework during the course of the assignments. The internal audit function shall highlight any key areas of weaknesses in the risks and internal control management system of the Group to the AC and to include in their report the recommendations on the remedial actions to be taken to address the areas of weaknesses as highlighted for the reviews and recommendations of AC to the Board for implementation. In addition, Talent League shall perform follow-up reviews on previously reported issues and provide an update to the AC on the status of the implementations.

As the Company was only listed on the ACE Market of Bursa Malaysia Securities Berhad on 14 June 2022, Talent League has yet to commence internal audit work for the financial year ended 31 March 2022.

5. Other Internal Control Processes

Apart from risk management and internal audit, the system of internal controls of the Group also comprises the following key elements:

a. Organisation Structure and Delegation of Authority

The Group has an organisational structure that defines lines of responsibility, delegation of authority, segregation of duties and flow of information, aligned to the operational requirements of the business of the Group within management, which provides the levels of accountability and responsibility of the respective job functions of management.

The Group has established authorisation limits and approval levels for management to follow including those requiring approval from the Board.

b. Policies and Procedures

Standard Operating Procedures ("SOP") and various policies are formalised to serve as a guiding principle to all employees within the Group for their day-to-day activities to safeguard the assets of the Group against material losses. The policies and procedures shall be yearly reviewed and updated to cater to the changing business environment and operational requirements, and statutory reporting needs. The Group has also documented policies and procedures to regulate relevant key processes in compliance with International Organisation for Standardisation ("ISO") 9001:2015.

c. Integrity and Ethical Value

The tone from the top on integrity and ethical value are enshrined in the formal Code of Conduct for Directors ("the Code") established and approved by the Board. The Code forms the foundation of the integrity and ethical value of the Group.

Integrity and ethical value expected from the employees are incorporated in the Employees Handbook whereby the ethical behaviours expected with customers, suppliers, employees to carry out their duties and responsibilities assigned are also established and formalised in the Handbook.

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, a formal Anti-Bribery and Corruption Policy had been put in place to prevent the risk of bribery and conflict of interest within the Group with Ethics and Compliance Whistleblowing Policy and Procedures implemented for all stakeholders to raise genuine concerns about possible improprieties in matters of unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements at the earliest opportunity.

d. Board of Directors/Board Committee Meetings

The role, functions, composition, operation and processes of the Board are guided by Board Charter. Board committees, namely AC, Nomination Committee, Remuneration Committee and RMC are established with terms of references outlining their functions and duties delegated by the Board. AC and RMC assist the Board to review the effectiveness of the ongoing monitoring processes on risk and control matters for areas within their scope of work.

Meetings of the Board and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective.

e. Employee Handbook

Guidelines on the human resource management are in place to ensure the ability of the Group to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned.

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

Unitrade
Industries
Berhad

Annual
Report
2022

Performance evaluations are carried out for all levels of staff to identify performance gaps, training needs, talent development and succession planning.

Emphasis is placed on enhancing the quality and ability of employees through a wide variety of training programmes and workshops to enhance their knowledge and expand the employees' competency level in executing daily jobs. Relevant trainings and courses are provided to personnel across all functions to maintain a high level of competency and capability.

f. Information and Communication

The Group has put in place information and communication infrastructures and channels, i.e., computerised systems, secured intranet and electronic mail system, so that operation data and management information can be communicated timely and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders for execution and information collection. The management and board meetings are held for effective two-way communication of information at different levels of management and the Board.

g. Monitoring and Review Activities

The Managing Director reviews the operational information and is involved in the daily operations of the Group. The Group conducts management meetings every fortnight which is chaired by our Managing Director and attended by the various Heads of Department to review and discuss on various matters covering operational, financial, business development and human resources areas.

h. Company Secretary

The Company Secretary provides the necessary advice and guidance on matters relating to the Constitution of the Company, Board policies and procedures, and compliance with relevant regulatory requirements, codes or guidance.

i. COVID-19 Management

The Group emphasises the safety and health of employees and stakeholders by enforcing precautionary measures and guidelines in factory premises as stipulated by the relevant authorities since the breakout of the COVID-19 pandemic.

6. Review of The Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 March 2022, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

7. Conclusion

The Board has received assurance from the Managing Director and Chief Financial Officer that the risk management and internal control systems adopted by the Group are operating adequately and effectively, in all material aspects, based on their observations in the course of their management of daily operations of the Group. The Board is of the view that the risk management and internal control systems are operating satisfactorily and effectively to safeguard the interest of stakeholders and assets of the Group, and have not resulted in any material losses, contingencies or uncertainties for the financial year under review and up to date of this report that would require disclosure in this Annual Report of the Company. The Board continues to take measures to review and, where necessary, enhance the risk management and internal control systems of the Group to meet the strategic objectives of the Group.

The Board is committed towards maintaining a sound internal control system and an effective risk management throughout the Group and reaffirms its commitment to continuously review and where necessary, enhance further the risk management and internal control systems.

This Statement is made in accordance with the resolution of the Board of Directors dated 21 July 2022.

FINANCIAL STATEMENTS

59	Directors' Report
63	Statements of Financial Position
64	Statements of Profit or Loss and Other Comprehensive Income
65	Consolidated Statement of Changes in Equity
66	Statement of Changes in Equity
67	Statements of Cash Flows
70	Notes to the Financial Statements
121	Statement by Directors
121	Statutory Declaration
122	Independent Auditors' Report

Directors' Report

for the Financial Year/Period Ended 31 March 2022

Unitrade
Industries
Berhad

Annual
Report
2022

The Directors have pleasure in submitting their report and the audited financial statements of the Group for the financial year ended 31 March 2022 and of the Company for the financial period from 13 April 2021 (date of incorporation) to 31 March 2022.

Incorporation and principal activities

The Company was incorporated on 13 April 2021 as a private limited liability company under the name of Unitrade Industries Sdn. Bhd.. On 15 September 2021, the Company was converted to a public limited company under the name of Unitrade Industries Berhad.

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial period.

Ultimate holding company

The Directors regard Unitrade SAS Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company, with effect from 21 June 2021 until the date of this report.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year/period attributable to:		
Owners of the Company	43,207	(202)
Non-controlling interests	59	-
	43,266	(202)

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial period under review except as disclosed in the financial statements.

Dividend

No dividend was paid during the financial period.

The Directors recommended a first and final single tier dividend of 0.82 sen per ordinary share totalling approximately RM12,812,500 in respect of the financial year ended 31 March 2022. These dividends will be recognised in the subsequent financial period upon approval by the owners of the Company at the forthcoming Annual General Meeting.

Directors of the Company

Directors who served during the financial period until the date of this report are:

Sim Keng Chor (appointed on 1 September 2021)
Nomis Sim Siang Leng (appointed on 1 September 2021)
Simson Sim Xian Zhi (appointed on 1 September 2021)
Dato' Abdul Majit Bin Ahmad Khan (appointed on 15 September 2021)
Dato' Lok Bah Bah @ Loh Yeow Boo (appointed on 15 September 2021)
Cynthia Toh Mei Lee (appointed on 15 September 2021)
Ong Soo Chan (appointed on 15 September 2021)
Huang Swee Lin (First Director, resigned on 2 September 2021)
Marlina Binti Budin (First Director, resigned on 2 September 2021)

Directors' Report

for the Financial Year/Period Ended 31 March 2022

(Cont'd)

Directors of the Company (continued)

The names of the Directors of the Company's subsidiaries during the financial period until the date of this report excluding those who are listed above are as follows:

Lim Chee Chow

Teh Beng Khim

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial period end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

		Number of ordinary shares		
	At date of incorporation	Bought	Sold	At 31.3.2022
<i>Interests in the Company, Unitrade Industries Berhad:</i>				
<i>Direct interest</i>				
Sim Keng Chor				
- own	-	215,048,000	-	215,048,000
- spouse	-	148,403,000	-	148,403,000
Nomis Sim Siang Leng	-	39,987,000	-	39,987,000
Simson Sim Xian Zhi	-	26,658,000	-	26,658,000
Huang Swee Lee	1	-	(1)	-
Marlina Binti Budin	1	-	(1)	-
<i>Deemed interest through Unitrade SAS Sdn. Bhd</i>				
Sim Keng Chor				
- own	-	394,327,000	-	394,327,000
- spouse	-	394,327,000	-	394,327,000
<i>Interests in the ultimate holding company, Unitrade SAS Sdn. Bhd.</i>				
<i>Direct interest</i>				
Sim Keng Chor				
- own	1	-	-	1
- spouse	1	-	-	1

Deemed interest by virtue of Sim Keng Chor's and Teh Beng Khim's shareholdings in Unitrade SAS Sdn. Bhd. holding 50% each, and his/her spouse's shareholdings in the Company.

By virtue of his interests of more than 20% in the shares of the Company, Sim Keng Chor is also deemed to have interest in the ordinary shares of the subsidiaries during the financial period to the extent that Unitrade Industries Berhad has an interest.

The other Directors holding office at 31 March 2022 do not have any interest in the ordinary shares of the Company and of its related corporations during the period.

Directors' benefits

Since the date of incorporation, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of a related corporation) by reason of a contract made by the Company or related corporations 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, other than the related party transactions as disclosed in Note 28 to the financial statements.

There were no arrangements during and at the end of the financial period which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' remuneration

The Directors' remuneration paid to or receivable by the Directors of the Company from the Company and its subsidiaries are as follows:

	Group 1.4.2021 to 31.3.2022 RM'000	1.4.2020 to 31.3.2021 RM'000	Company 13.4.2021 to 31.3.2022 RM'000
Fees	112	700	112
Remuneration	4,937	3,424	4
Benefit-in-kind	56	56	-
	5,105	4,180	116

Issue of shares and debentures

The Company was incorporated on 13 April 2021 with an issued and paid-up share capital of RM2 comprising 2 ordinary shares of RM1 each.

During the financial period, the Company issued 1,249,999,998 new ordinary shares of RM0.1556 per ordinary share for a total cash consideration of RM194,500,002 in accordance with the restructuring exercise as disclosed in Note 30 to the financial statements.

There were no other changes in the issued and paid-up capital of the Company during the financial period. There were no debenture issued during the financial period.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial period.

Indemnity and insurance costs

With effect from 1 June 2022, the total amount of insurance effected for Directors and Officers of the Company and its subsidiaries is RM3,000,000. The premium paid for Directors and Officers liabilities insurance is RM10,000. There were no indemnity effected and insurance costs paid for auditors of the Group and of the Company.

Qualification of subsidiaries' financial statements

The auditors' report on the audit of financial statements of the Company's subsidiaries did not contain any qualification.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate allowance made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

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

Directors' Report

for the Financial Year/Period Ended 31 March 2022
(Cont'd)

Other statutory information (continued)

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

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

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year/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, the financial performance of the Group for the financial year ended 31 March 2022 and of the Company for the financial period from 13 April 2021 to 31 March 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year/period and the date of this report.

Significant events

Significant events are disclosed in Note 30 to the financial statements.

Subsequent event

Subsequent event is disclosed in Note 31 to the financial statements.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The amount of audit and non-audit fees paid or payable to the external auditors' firm by the Group and the Company for the financial year/period ended 31 March 2022 are as follows:

	Group RM'000	Company RM'000
Audit fees	188	40
Non-audit fees	422	14
	610	54

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

.....
Sim Keng Chor

Director

.....
Nomis Sim Siang Leng

Director

Kuala Lumpur

Date: 21 July 2022

Statements of Financial Position

as at 31 March 2022

Unitrade
Industries
Berhad

Annual
Report
2022

	Note	Group 2022 RM'000	2021 ⁽¹⁾ RM'000	Company 2022 ⁽²⁾ RM'000
Assets				
Property, plant and equipment	3	175,122	166,948	-
Right-of-use assets	4	559	7	-
Investment properties	5	19,835	5,600	-
Intangible assets	6	687	556	-
Investments in subsidiaries	7	-	-	189,637
Other investments	8	41	71	-
Deferred tax assets	9	2,781	2,915	-
Total non-current assets		199,025	176,097	189,637
Inventories	10	155,149	117,349	-
Trade and other receivables	11	428,739	427,069	4,863
Current tax assets		783	618	-
Cash and cash equivalents	12	95,663	88,372	-
		680,334	633,408	4,863
Assets classified as held for sale	13	-	2,755	-
Total current assets		680,334	636,163	4,863
Total assets		879,359	812,260	194,500
Equity				
Share capital	14	194,500	-	194,500
Invested equity	14	-	5,000	-
Merger reserve	14	(174,337)	-	-
Retained earnings/(Accumulated losses)		210,189	213,364	(202)
Total equity attributable to owners of the Company		230,352	218,364	194,298
Non-controlling interest		-	4,863	-
Total equity		230,352	223,227	194,298
Liabilities				
Loans and borrowings	15	115,672	103,616	-
Lease liabilities		342	-	-
Deferred tax liabilities	9	2,105	1,467	-
Total non-current liabilities		118,119	105,083	-
Loans and borrowings	15	413,131	386,097	-
Lease liabilities		229	7	-
Trade and other payables	16	112,645	96,271	202
Current tax liabilities		4,883	1,575	-
Total current liabilities		530,888	483,950	202
Total liabilities		649,007	589,033	202
Total equity and liabilities		879,359	812,260	194,500

⁽¹⁾ The comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented (see Note 30).

⁽²⁾ No comparative figures are presented as this is the first set of financial statements prepared by the Company since its incorporation on 13 April 2021.

The notes on pages 70 to 120 are integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the Financial Year/Period Ended 31 March 2022

			Group	Company
	Note	1.4.2021 to 31.3.2022 RM'000	1.4.2020 to 31.3.2021 ⁽¹⁾ RM'000	13.4.2021 to 31.3.2022 ⁽²⁾ RM'000
Revenue	17	1,290,202	1,025,044	-
Cost of sales		(1,177,174)	(936,308)	-
Gross profit		113,028	88,736	-
Other income		6,697	5,841	-
Administrative expenses		(42,403)	(39,716)	(202)
Net loss on impairment of financial instruments	21	(6,565)	(2,878)	-
Results from operating activities		70,757	51,983	(202)
Finance income	18	650	2,002	-
Finance costs	19	(13,024)	(13,914)	-
Profit/(Loss) before tax		58,383	40,071	(202)
Tax expense	20	(15,117)	(10,905)	-
Profit/(Loss) and total comprehensive income/(expense) for the year/ period	21	43,266	29,166	(202)
Profit/(Loss) and total comprehensive income/(expense) attributable to:				
Owners of the Company		43,207	28,782	(202)
Non-controlling interest		59	384	-
Profit/(Loss) and total comprehensive income/(expense) for the year/ period		43,266	29,166	(202)
Basic earnings per ordinary share (sen)	22	180.2	523.3	
Diluted earnings per ordinary share (sen)	22	180.2	523.3	

⁽¹⁾ The comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented (see Note 30).

⁽²⁾ No comparative figures are presented as this is the first set of financial statements prepared by the Company since its incorporation on 13 April 2021.

The notes on pages 70 to 120 are integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the Financial Year Ended 31 March 2022

Unitrade
Industries
Berhad

Annual
Report
2022

Attributable to owners of the Company									
Group	Note	Non-distributable			Distributable			Non-controlling interest RM'000	Total RM'000
		Share capital RM'000	Invested equity RM'000	Merger reserve RM'000	Retained earnings RM'000	Total RM'000			
At 1 April 2020 ⁽¹⁾		-	5,000	-	192,536		4,479	197,536	202,015
Profit and total comprehensive income for the year		-	-	-	28,782		384	28,782	29,166
Dividends to owners of the Company	23	-	-	-	(7,954)		-	(7,954)	(7,954)
At 31 March 2021/1 April 2021		-	5,000	-	213,364		4,863	218,364	223,227
Issuance of ordinary shares		-	10,300	-	(10,300)		-	-	-
Profit and total comprehensive income for the year		-	-	-	43,207		59	43,207	43,266
Dividends to owners of the Company	23	-	-	-	(36,141)		-	(36,141)	(36,141)
Effect of restructuring exercise	30	194,500	(15,300)	(174,337)	59		(4,922)	4,922	-
At 31 March 2022		194,500	-	(174,337)	210,189		-	230,352	230,352
		Note 14	Note 14	Note 14					

⁽¹⁾ The comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented (see Note 30).

Statement of Changes in Equity

for the Period from 13 April 2021 (Date of Incorporation) to 31 March 2022

Company	Note	Non-distributable		Total RM'000
		Share capital RM'000	Accumulated losses RM'000	
At date of incorporation⁽¹⁾		-	-	-
Loss and total comprehensive expense for the period		-	(202)	(202)
Effect of restructuring exercise	30	194,500	-	194,500
At 31 March 2022		194,500	(202)	194,298
		Note 14	Note 14	

⁽¹⁾ No comparative figures are presented as this is the first set of financial statements prepared by the Company since its incorporation on 13 April 2021.

Statements of Cash Flows

for the Financial Year/Period Ended 31 March 2022

Unitrade
Industries
Berhad

Annual
Report
2022

		Group	Company	
	Note	1.4.2021 to 31.3.2022 RM'000	1.4.2020 to 31.3.2021 ⁽¹⁾ RM'000	13.4.2021 to 31.3.2022 ⁽²⁾ RM'000
Cash flows from operating activities				
Profit/(Loss) before tax		58,383	40,071	(202)
<i>Adjustments for:</i>				
Impairment loss on:				
- trade receivables		7,859	5,062	-
- inventories	10	1,762	1,919	-
Depreciation of:				
- property, plant and equipment	3	6,179	5,150	-
- right-of-use assets	4	1,128	246	-
- investment properties	5	126	124	-
Write off of property, plant and equipment		1,010	2,438	-
Bad debts recovered		-	(10)	-
Amortisation of intangible assets	6	70	70	-
Gain on disposal of:				
- property, plant and equipment		(815)	(82)	-
- assets classified as held for sale		(1,545)	-	-
Gain from termination of lease		(116)	-	-
Loss on disposal of other investment	8	9	-	-
Finance income	18	(650)	(2,002)	-
Rental income		(1,097)	(1,237)	-
Reversal of impairment loss on:				
- trade receivables		(1,294)	(2,184)	-
- inventories	10	(147)	(73)	-
Unrealised foreign exchange loss		10	16	-
Finance cost	19	13,024	13,914	-
Operating profit/(loss) before changes in working capital		83,896	63,422	(202)
Change in inventories		(39,415)	9,928	-
Change in trade and other receivables		(8,295)	(44,652)	-
Change in trade and other payables		16,326	42,186	202
Cash generated from operations		52,512	70,884	-
Interest paid		(499)	(247)	-
Income tax paid		(12,693)	(8,460)	-
Income tax refund		1,491	27	-
Net cash from operating activities		40,811	62,204	-

Statements of Cash Flows

for the Financial Year/Period Ended 31 March 2022

(Cont'd)

		Group	Company	
	Note	1.4.2021 to 31.3.2022 RM'000	1.4.2020 to 31.3.2021 ⁽¹⁾ RM'000	13.4.2021 to 31.3.2022 ⁽²⁾ RM'000
Cash flows from investing activities				
Acquisition of property, plant and equipment	(ii)	(11,723)	(26,622)	-
Acquisition of investment property	5	(530)	-	-
Acquisition of intangible assets	6	(201)	(42)	-
Increase in investment in a subsidiary		-	-	*
Proceeds from disposal of property, plant and equipment		3,130	2,470	-
Proceeds from disposal of other investment		21	-	-
Change in pledged deposits		(168)	(261)	-
Rental received		1,097	1,237	-
Interest received		650	959	-
Net cash used in investing activities		(7,724)	(22,259)	*
Cash flows from financing activities				
Dividends paid to owners of the Company	(iii)	(31,841)	(7,954)	-
Net drawdown of loans and borrowings		20,842	32,587	-
Repayment of lease liabilities	(iv)	(1,000)	(253)	-
Repayment of hire purchase liabilities		(371)	(508)	-
Interest paid		(12,970)	(13,986)	-
Net cash (used in)/from financing activities		(25,340)	9,886	-
Net increase/(decrease) in cash and cash equivalents		7,747	49,831	*
Cash and cash equivalents at beginning of the year/date of incorporation		78,723	28,892	*
Cash and cash equivalents at end of the year/period	(i)	86,470	78,723	-

* Denote RM2

⁽¹⁾ The comparative figures in the Group's financial statements are presented as if the restructuring had occurred before the start of the earliest period presented (see Note 30).

⁽²⁾ No comparative figures are presented as this is the first set of financial statements prepared by the Company since its incorporation on 13 April 2021.

Notes to statements of cash flows**(i) Cash and cash equivalents**

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Group	Company	
	2022 RM'000	2021 RM'000	2022 RM'000
Cash and bank balances	86,470	79,347	-
Deposits placed with licensed banks	9,193	9,025	-
Bank overdraft	-	(624)	-
	95,663	87,748	-
Less: Deposits pledged	(9,193)	(9,025)	-
	86,470	78,723	-

Statements of Cash Flows
for the Financial Year/Period Ended 31 March 2022
(Cont'd)

Notes to statements of cash flows (continued)

(ii) Acquisition of property, plant and equipment

Group

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM30,966,000 (2021: RM27,022,000) of which RM3,106,000 (2021: RM400,000) were acquired by means of hire purchase and RM16,137,000 (2021: Nil) were acquired by means of term loans.

(iii) Dividends paid to owners of the Company

Group

During the financial year, the Group paid dividends to owners of the Company amounting to RM36,141,000 (2021: RM7,954,000) of which RM4,300,000 (2021: Nil) was offset against the cash consideration from the disposal of assets held for sale to a Director of the Group (see Note 13).

(iv) Cash flow for leases as a lessee

	Group 1.4.2021 to 31.3.2022 RM'000	Group 1.4.2020 to 31.3.2021 RM'000	Company 13.4.2021 to 31.3.2022 RM'000
Included in net cash from operating activities:			
Payment relating to:			
- short-term leases	449	2,151	-
- low-value assets	4	23	-
Interest paid in relation to lease liabilities	156	3	-
	609	2,177	-
Included in net cash from financing activities			
Payment of lease liabilities	1,000	253	-
Total cash outflows for leases	1,609	2,430	-

Reconciliation of liabilities

	Group Lease liabilities RM'000
At 1 April 2020	260
Repayment of lease liabilities	(253)
At 31 March 2021/1 April 2021	7
Acquisition of new lease	5,554
Derecognition	(3,990)
Repayment of lease liabilities	(1,000)
At 31 March 2022	571

The notes on pages 70 to 120 are integral part of these financial statements.

Notes to the Financial Statements

Unitrade Industries Berhad is a public limited liability company, incorporated and domiciled in Malaysia. The Company was incorporated on 13 April 2021 as a private limited liability company under the name of Unitrade Industries Sdn. Bhd.. The Company was converted to a public limited company under the name of Unitrade Industries Berhad on 15 September 2021 and listed on the ACE Market of Bursa Malaysia Securities Berhad on 14 June 2022. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

No. 2, Jalan Astaka U8/87
Seksyen U8, Bukit Jelutong
40150 Shah Alam
Selangor Darul Ehsan

Registered office

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial period ended 31 March 2022 do not include other entities.

The Company is principally engaged in investment holding, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements.

The ultimate holding company of the Company is Unitrade SAS Sdn. Bhd., a company incorporated in Malaysia, with effect from 21 June 2021 until the date of this report.

These financial statements were authorised for issue by the Board of Directors on 21 July 2022.

1. Basis of preparation**(a) Statement of compliance**

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

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group and the Company plan to apply the abovementioned accounting standards and amendments:

- from the annual period beginning on 1 April 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 1 and amendments to MFRS 141 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 April 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Group and the Company.

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.

(c) Functional and presentation currency

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

(d) Use of estimates and judgments

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 10 – valuation of inventories

The determination of inventories written down to net realisable value involved a high degree of judgement as it involves estimating future selling prices and rate of obsolescence of the inventories.

- Note 25.4 – measurement of expected credit loss ("ECL")

The Group applies judgements to determine that financial instruments of the Group are recognised and measured in accordance with the accounting standard, MFRS 9 as described in Note 2(c) to the financial statements.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

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

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

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

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

(ii) Business combinations

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

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

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

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

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

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

(iii) Acquisition of non-controlling interests

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

(iv) Acquisition from entities under common control

The Company was incorporated on 13 April 2021 for the purpose of a restructuring exercise (Note 30) that resulted in the Company becoming the holding company of Syarikat Logam Unitrade Sdn. Bhd. ("SLU"), Ricwil (Malaysia) Sdn. Bhd. and its subsidiary ("Ricwil Group") and Unitrade Sdn. Bhd. ("USB"), entities that are under common control of a shareholder who controls the Group. Business combinations involving entities under common control are accounted for using the merger method of accounting. The business combination does not result in a change in economic substance, and accordingly, the consolidated financial statements of the Company is a continuation of the acquired entities and is accounted for as follows:

- the assets and liabilities of the acquired entities are recognised at their respective carrying amounts without adjustments being made to reflect fair values;
- the results of entities are presented as if the restructuring occurred from the beginning of the earliest period presented in the financial statements; and
- any difference between cost of investment recorded by the Company and the share capital of acquired entities is accounted for in merger reserve.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Loss of control

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

(vi) Non-controlling interests

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

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

(vii) Transactions eliminated on consolidation

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

(b) Foreign currency transaction

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

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

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) *Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

(b) *Fair value through other comprehensive income*

Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably 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.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(k)(i)).

Financial liabilities

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

Amortised cost

All financial liabilities not categorised as fair value through profit or loss 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.

(iii) 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.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Financial guarantee contracts (continued)

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

- the amount of the loss allowance; and
- 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.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. 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.

(d) Property, plant and equipment

(i) Recognition and measurement

Freehold land and capital work-in-progress are measured at cost less accumulated impairment losses, if any. Other items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" or "administrative expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

Property, plant and equipment under construction (capital work-in-progress) are not depreciated until the assets are ready for their intended use.

For other assets, depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group or the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years are as follows:

Buildings	50 years
Plant, machinery and other equipment	10 years
Computers, office equipment, furniture and fittings	5 – 20 years
Motor vehicles	5 – 7 years
New temporary structural support equipment	10 years
Used temporary structural support equipment	5 years
Cabin	5 years
Renovation	10 years

Freehold land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

2. Significant accounting policies (continued)

(e) Leases (continued)

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (continued)

(e) Leases (continued)

(iii) Subsequent measurement (continued)

(a) As a lessee (continued)

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(f) Intangible assets

(i) Intangible assets

Intangible assets, that are acquired by the Group entities, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation

Intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful life of computer software is 10 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Investment properties

(i) Investment properties carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Depreciation

Depreciation is based on the cost of the investment property less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each investment property. Freehold land is not depreciated.

The estimated useful lives of investment properties for the current and comparative periods is 50 years.

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

2. Significant accounting policies (continued)

(g) Investment properties (continued)

(iii) Reclassification to investment properties

When an item of property, plant and equipment is transferred to investment properties following a change in its use, the carrying amount at date of transfer is remained as the Group entities measure investment properties at cost less accumulated depreciation and accumulated impairment losses, if any.

(h) Inventories

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

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(i) Non-current asset held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks which have insignificant risk of changes in fair value, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

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

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

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (continued)

(k) Impairment (continued)

(i) Financial assets (continued)

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

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

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

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

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

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax assets and non-current assets classified as held for sales) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

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

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis. Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2. Significant accounting policies (continued)

(l) Equity instrument

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(m) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's and the Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(n) Revenue and other income

(i) Goods sold

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group and the Company recognise revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group and the Company transfer control of a good or service at a point in time unless one of the following overtime criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group and the Company perform;
- (b) the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's and the Company's performance do not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

(ii) Rental income

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the lease term.

(iii) Interest income

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

Notes to the Financial Statements (Cont'd)

2. Significant accounting policies (continued)

(o) Borrowing costs

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

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

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

(p) Income tax

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

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rate enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

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

(q) 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 EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

2. Significant accounting policies (continued)

(r) Operating segments

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. Operating segment results are reviewed regularly by the Group's chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(s) Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(t) Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

When measuring the fair value of an asset and 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 price (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement dates.
- 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.

The Group and the Company recognise transfers between levels of fair value hierarchy as of the date of the event or changes in circumstances that caused the transfers.

Notes to the Financial Statements (Cont'd)

Group	Note	Freehold land RM'000	Buildings RM'000	Plant, machinery and other equipment RM'000	Computers, office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Temporary structural support equipment RM'000	Renovation RM'000	Capital work-in- progress RM'000	Cabin RM'000	Total RM'000
Cost											
At 1 April 2020		96,255	29,885	4,925	1,711	6,459	31,380	96	259	-	170,970
Additions		-	-	416	103	446	5,753	518	19,786	-	27,022
Disposal		-	-	(296)	-	(38)	(3,007)	-	-	-	(3,341)
Write off		-	(1,752)	(120)	(67)	-	(859)	-	-	-	(2,798)
Transfer to assets held for sale	13	-	(3,587)	-	-	-	-	-	-	-	(3,587)
Transfer to investment properties											
- Offset of accumulated depreciation		-	(11)	-	-	-	-	-	-	-	(11)
- Transfer of carrying amount	5	-	(99)	-	-	-	-	-	-	-	(99)
At 31 March 2021/1 April 2021		96,255	24,436	4,925	1,747	6,867	33,267	614	20,045	-	188,156
Additions		-	-	1,733	1,075	1,112	6,661	2,217	18,024	144	30,966
Borrowing costs capitalised		-	543	-	-	-	-	-	-	-	543
Disposal		-	-	(100)	(7)	(534)	(3,034)	-	-	-	(3,675)
Write off		-	-	(777)	(300)	-	(1,475)	-	-	-	(2,552)
Transfer to investment properties											
- Offset of accumulated depreciation		-	(2,339)	-	-	-	-	-	-	-	(2,339)
- Transfer of carrying amount	5	(9,275)	(4,556)	-	-	-	-	-	-	-	(13,831)
Reclassification		-	31,111	5,374	12	-	-	1,343	(37,840)	-	-
At 31 March 2022		86,980	49,195	11,155	2,527	7,445	35,419	4,174	229	144	197,268

3. Property, plant and equipment (continued)

Group	Note	Freehold land RM'000	Buildings RM'000	Plant, machinery and other equipment RM'000	Computers, office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Temporary structural support equipment RM'000	Renovation RM'000	Capital work-in-progress RM'000	Cabin RM'000	Total RM'000
Depreciation and impairment loss											
At 1 April 2020											
Accumulated depreciation		-	3,258	3,397	1,076	4,822	5,356	76	-	-	17,985
Accumulated impairment loss		-	-	-	-	-	-	-	229	-	229
Depreciation for the year		-	3,258	3,397	1,076	4,822	5,356	76	229	-	18,214
Disposal		-	563	439	200	677	3,262	9	-	-	5,150
Write off		-	-	(280)	-	(38)	(635)	-	-	-	(953)
Transfer to assets held for sale	13	-	(27)	(24)	(65)	-	(244)	-	-	-	(360)
Offset of accumulated depreciation on property transferred to investment properties		-	(832)	-	-	-	-	-	-	-	(832)
		-	(11)	-	-	-	-	-	-	-	(11)
At 31 March 2021/1 April 2021											
Accumulated depreciation		-	2,951	3,532	1,211	5,461	7,739	85	-	-	20,979
Accumulated impairment loss		-	-	-	-	-	-	-	229	-	229
		-	2,951	3,532	1,211	5,461	7,739	85	229	-	21,208

3. Property, plant and equipment (continued)

Notes to the Financial Statements
(Cont'd)

Group	Note	Freehold land RM'000	Buildings RM'000	Plant, machinery and other equipment RM'000	Computers, office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Temporary structural support equipment RM'000	Renovation RM'000	Capital work-in- progress RM'000	Cabin RM'000	Total RM'000
Depreciation and impairment loss (continued)											
Depreciation for the year		-	650	669	211	684	3,805	158	-	2	6,179
Disposal		-	-	(97)	(4)	(534)	(725)	-	-	-	(1,360)
Write off		-	-	(762)	(275)	-	(505)	-	-	-	(1,542)
Offset of accumulated depreciation on property transferred to investment properties		-	(2,339)	-	-	-	-	-	-	-	(2,339)
At 31 March 2022		-	1,262	3,342	1,143	5,611	10,314	243	-	2	21,917
Accumulated depreciation		-	-	-	-	-	-	-	229	-	229
Accumulated impairment loss		-	1,262	3,342	1,143	5,611	10,314	243	229	2	22,146
Carrying amounts											
At 1 April 2020		96,255	26,627	1,528	635	1,637	26,024	20	30	-	152,756
At 31 March 2021/1 April 2021		96,255	21,485	1,393	536	1,406	25,528	529	19,816	-	166,948
At 31 March 2022		86,980	47,933	7,813	1,384	1,834	25,105	3,931	-	142	175,122

3. Property, plant and equipment (continued)

3.1 Assets acquired under hire purchase

Included in property, plant and equipment of the Group are plant and machinery and motor vehicles acquired under hire purchase arrangements with carrying amounts of RM2,430,000 and RM1,429,000 (2021: RM231,000 and RM708,000) respectively.

3.2 Assets acquired under term loans

Included in property, plant and equipment of the Group are additions of capital work-in-progress financed by term loans amounting to RM16,137,000 (2021: Nil). During the financial year, the capital work-in-progress was reclassified to the respective asset category upon the completion of the construction.

3.3 Security

The property, plant and equipment of the Group with carrying amount of RM161,550,000 (2021: RM162,852,000) are pledged to licensed banks as security for financing facilities granted to the Group (see Note 15).

3.4 Equipment subject to operating lease

The Group leases its temporary structural support equipment to third parties. Each of the lease typically runs for a period of less than 1 year.

The following are recognised in profit or loss:

Group	1.4.2021 to 31.3.2022 RM'000	1.4.2020 to 31.3.2021 RM'000
Rental income	10,443	12,039

3.5 Transfer to investment properties

During the year, a freehold land and a building with carrying amounts of RM9,275,000 and RM4,556,000 (2021: Nil and RM99,000) respectively were transferred to investment properties because they were no longer used by the Group and have been leased to third parties.

4. Right-of-use-assets

Group	Note	Buildings RM'000
At 1 April 2020		253
Depreciation		(246)
At 31 March 2021/1 April 2021		7
Addition		5,554
Derecognition	4.3	(3,874)
Depreciation		(1,128)
At 31 March 2022		559

The Group leases buildings that run for a period of 2 to 3 years, with an option to renew the lease after that date.

Notes to the Financial Statements (Cont'd)

4. Right-of-use-assets (continued)

4.1 Extension option

Some leases of buildings contain an extension option exercisable by the Group up to two or three years before the end of the non-cancellable contract period. The extension option held is exercisable only by the Group and not by the lessor. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension option. The Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

Group	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000
Buildings	5,554	87

4.2 Judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying judgement whether it is reasonably certain to exercise the extension option. The Group considers all facts and circumstances including its past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help it determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the lease. The Group first determined the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the lease.

4.3 Derecognition

On 31 January 2022 and 28 February 2022, right-of-use assets and lease liabilities of the Group with carrying amounts of RM3,874,000 and RM3,990,000 respectively were derecognised as the Group relocated its operation.

5. Investment properties

Group	Note	2022 RM'000	2021 RM'000
Cost			
At the beginning of the year		7,269	7,170
Additions		530	-
Transfer from property, plant and equipment	3	13,831	99
At the end of the year		21,630	7,269
Depreciation			
At the beginning of the year		1,669	1,545
Charge for the year		126	124
At the end of the year		1,795	1,669
Carrying amounts			
At the end of the year		19,835	5,600

Included in the investment properties are land and buildings amounting to RM16,307,000 (2021: RM2,536,000) that are leased to third parties. The lease contains an initial non-cancellable period of 1 to 2 years, with fixed monthly rental.

5. Investment properties (continued)

The Group's investment properties with carrying amount of RM16,339,000 (2021: RM2,571,000) are pledged to licensed banks as security for financing facilities granted to the Group (see Note 15).

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

Group	1.4.2021 to 31.3.2022 RM'000	1.4.2020 to 31.3.2021 RM'000
Rental income	1,097	593
Direct operating expenses on income generating investment properties	(22)	(26)
Direct operating expenses on non-income generating investment properties	(32)	(13)

The operating lease payments to be received are as follows:

Group	2022 RM'000	2021 RM'000
Less than one year	3,951	590
One to two years	3,507	588
Two to three years	2,520	147
	9,978	1,325

5.1 Fair value information

Fair value of investment properties is categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2022				
Land and buildings	-	-	93,152	93,152
2021				
Land and buildings	-	-	22,950	22,950

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Fair values of investment properties have been generally derived using the sales comparison approach. In the sales comparison approach, sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Valuation process applied by the Group for Level 3 fair value

The fair value of investment properties is determined by the Directors based on comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities.

5.2 Transfer from property, plant and equipment

During the year, the Group transferred a freehold land and a building with carrying amounts of RM9,275,000 and RM4,556,000 (2021: Nil and RM99,000) respectively from property, plant and equipment because they were no longer used by the Group and have been leased to third parties.

Notes to the Financial Statements (Cont'd)

6. Intangible assets

Group	Computer software RM'000
Cost	
At 1 April 2020	624
Additions	42
At 31 March 2021/1 April 2021	666
Additions	201
At 31 March 2022	867
Amortisation	
At 1 April 2020	40
Charge for the year	70
At 31 March 2021/1 April 2021	110
Charge for the year	70
At 31 March 2022	180
Carrying amounts	
At 1 April 2020	584
At 31 March 2021/1 April 2021	556
At 31 March 2022	687

7. Investments in subsidiaries

Company	Note	RM'000
At the date of incorporation on 13 April 2021		-
Cost of investment due to restructuring exercise (Note 30)	7.1	189,637
At 31 March 2022		189,637

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business/ country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2022 %	2021 %
Syarikat Logam Unitrade Sdn. Bhd. ("SLU")	Malaysia	Stockist, exporter, importer, wholesaler, distributor and supplier of building materials, plumbing engineering hardware and providing engineering services.	100	100
Ricwil (Malaysia) Sdn. Bhd. and its subsidiary ("Ricwil Group")	Malaysia	Assembling and manufacturing of construction and industrial requisites.	100	100

7. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Principal place of business/ country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2022 %	2021 %
Unitrade United Sdn. Bhd.* ("Unitrade United")	Malaysia	Sales and rental of temporary structural support equipment.	100	60
Unitrade Sdn. Bhd. ("USB")	Malaysia	Buying, selling, renting and operating self-owned or leased non-residential buildings.	100	100

* On 21 February 2022, the subsidiary, Ricwil (Malaysia) Sdn. Bhd. entered into a conditional share sale and purchase agreement for the acquisition of 400,000 ordinary shares in Unitrade United, representing the remaining 40% interest in Unitrade United from its non-controlling shareholders for a purchase consideration of RM4,862,500. The purchase consideration will be fully satisfied via the issuance of 31,250,000 new ordinary shares of the Company at an issue price of RM0.1556 per share, which will be issued to the non-controlling shareholders of Unitrade United. The acquisition was completed on 25 March 2022.

7.1 Cost of investments

During the financial period, the Company has undertaken a restructuring exercise and completed the acquisition of the entire equity interest in SLU, Ricwil Group and USB, for a purchase consideration of RM168,897,576, RM20,739,924 and RM2 respectively. The purchase consideration for the acquisitions of SLU and Ricwil Group was satisfied via issuance of 1,085,459,998 and 133,290,000 new ordinary shares of the Company respectively at an issue price of RM0.1556 per share, which was issued to the shareholders of SLU and Ricwil Group. The acquisition of USB was satisfied via a cash consideration of RM2.

Non-controlling interests ("NCI") in a subsidiary

	Unitrade United Sdn. Bhd. RM'000
2021	
NCI percentage of ownership interest and voting interest	40%
Carrying amount of NCI	4,863
Profit allocated to NCI	384

Summarised financial information before intra-group elimination

As at 31 March 2021

Non-current assets	27,252
Current assets	7,225
Non-current liabilities	(5,496)
Current liabilities	(16,823)
Net assets	12,158

Financial year ended 31 March 2021

Revenue	12,196
Profit for the year	961
Total comprehensive income	961
Cash flows from operating activities	7,651
Cash flows used in investing activities	(3,827)
Cash flows used in financing activities	(4,440)
Net decrease in cash and cash equivalents	(616)

Notes to the Financial Statements (Cont'd)

8. Other investments

Group	Shares			Total RM'000
	Unquoted RM'000	Quoted in Malaysia RM'000	Others RM'000	
2022				
Non-current				
Fair value through other comprehensive income	16	25	-	41
Market value of quoted investments	-	25	-	25
2021				
Non-current				
Fair value through other comprehensive income	16	25	30	71
Market value of quoted investments	-	25	-	25

During the year, the Group disposed the following investment which was carried at fair value through other comprehensive income.

Group	Fair value at derecognition RM'000	Loss on disposal RM'000
Corporate golf club and vacation club membership	30	9

9. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Asset		Liabilities		Net	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Property, plant and equipment	-	-	(3,229)	(2,421)	(3,229)	(2,421)
Lease liabilities	137	2	-	-	137	2
Right-of-use of assets	-	-	(134)	(2)	(134)	(2)
Inventories	2,444	2,148	-	-	2,444	2,148
Provisions	1,052	1,716	-	-	1,052	1,716
Others	406	5	-	-	406	5
Tax assets/(liabilities)	4,039	3,871	(3,363)	(2,423)	676	1,448
Set off of tax	(1,258)	(956)	1,258	956	-	-
	2,781	2,915	(2,105)	(1,467)	676	1,448

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

9. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year

Group	At 1.4.2020 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31.3.2021/ 1.4.2021 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31.3.2022 RM'000
Property, plant and equipment	(2,110)	(311)	(2,421)	(808)	(3,229)
Right-of-use of assets	(6)	4	(2)	(132)	(134)
Lease liabilities	6	(4)	2	135	137
Inventories	1,642	506	2,148	296	2,444
Provisions	1,163	553	1,716	(664)	1,052
Others	(1)	6	5	401	406
	694	754	1,448	(772)	676

10. Inventories

	Group	
	2022 RM'000	2021 RM'000
Raw materials	21,508	14,972
Finished goods	1,007	641
Trading goods	132,634	101,736
	155,149	117,349
<i>Recognised in profit or loss:</i>		
Inventories recognised as cost of sales	1,166,749	927,187
Write-down to net realisable value	1,762	1,919
Reversal of write-down	(147)	(73)

The write-down and reversal are included in cost of sales.

The determination of inventories written down to net realisable value involved a high degree of judgement as it involves estimating future selling prices and rate of obsolescence of the inventories.

Notes to the Financial Statements (Cont'd)

11. Trade and other receivables

	Note	Group 2022 RM'000	2021 RM'000	Company 2022 RM'000
Trade				
Trade receivables		414,371	364,048	-
Less: Allowance for impairment losses		(20,658)	(21,892)	-
		393,713	342,156	-
Amounts due from related parties	11.1	511	-	-
		394,224	342,156	-
Non-trade				
Other receivables	11.2	27,086	45,811	-
Goods & services tax ("GST") receivable		520	520	-
Amounts due from related parties	11.3	-	31,841	-
Amount due from a subsidiary	11.4	-	-	4,863
Deposits		2,642	2,524	-
Prepayments		4,267	4,217	-
		34,515	84,913	4,863
		428,739	427,069	4,863

11.1 The trade amounts due from related parties are subject to negotiated terms.

11.2 Included in other receivables of the Group are advance payments totaling RM26,214,000 (2021: RM45,414,000) paid to suppliers for procurement of materials.

11.3 The amounts were due from companies in which certain Directors of the Group have interests. These amounts have been fully repaid during the financial year.

In 2021, the non-trade amounts due from related parties were unsecured, subject to interest ranging from 2.78% to 3.84% per annum and repayable on demand.

11.4 The non-trade amount due from a subsidiary is unsecured, interest free and repayable on demand.

12. Cash and cash equivalents

	Note	Group 2022 RM'000	2021 RM'000	Company 2022 RM'000
Fixed deposits with licensed banks	12.1	9,193	9,025	-
Cash and bank balances		86,470	79,347	-
		95,663	88,372	-

12.1 Fixed deposits with licensed banks

The fixed deposits placed with licensed banks are pledged as security for banking facilities granted to the Group (see Note 15).

13. Assets classified as held for sale

An office building and a factory building of the Group were presented as assets held for sale following the commitment of the Group to a plan to sell the office building and factory building to a Director of the Group for a total cash consideration of RM4,300,000. The carrying amounts of the office building and factory building of RM451,000 and RM2,304,000 respectively, were the same as the carrying values before they were being reclassified to current assets.

The transaction was completed on 21 June 2021.

14. Share capital, invested equity and merger reserve

(a) Share capital

Group and Company	Number of shares '000	Amount RM'000
Issued and fully paid shares with no par value classified as equity instruments:		
Ordinary shares:		
At date of incorporation	*	*
Issuance of shares under restructuring (Note 30)	1,250,000	194,500
At end of the period	1,250,000	194,500

* Denotes RM2, comprising 2 ordinary shares.

Ordinary shares

On 13 April 2021, the Company was incorporated with an issued and paid-up share capital of RM2 comprising 2 ordinary shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The new ordinary shares issued during the financial period rank equally in all respects with the existing shares of the Company.

(b) Invested equity

Group	Number of shares '000	Amount RM'000
Invested equity		
At 1 April 2020/31 March 2021/1 April 2021	5,500	5,000
Issuance of ordinary shares	10,300	10,300
Effect of restructuring (Note 30)	(15,800)	(15,300)
At 31 March 2022	-	-

Invested equity comprised the share capital of SLU, Ricwil Group and USB. During the financial year, the Group increased its issued and paid-up ordinary shares by way of issuance of 10,300,000 renounceable bonus shares through the capitalisation of RM10,300,000 from the Group's retained earnings.

The amount has subsequently been reversed against the merger reserve during the restructuring exercise as disclosed in Note 30 to the financial statements.

(c) Merger reserve

The merger reserve comprises the difference between cost of investment recorded by the Company and the share capital of acquired entities arising from the restructuring exercise as disclosed in Note 30.

Notes to the Financial Statements (Cont'd)

15. Loans and borrowings

		Group	
Group	Note	2022 RM'000	2021 RM'000
Non-current			
Term loans - secured	15.1	27,166	10,522
Term loans - unsecured		1,937	2,792
Hire purchase liabilities	15.2	2,460	350
Revolving credit - secured	15.3	84,109	89,952
		115,672	103,616
Current			
Term loans - secured	15.1	862	1,390
Term loans - unsecured		844	815
Hire purchase liabilities	15.2	832	207
Bankers' acceptances - secured	15.4	183,413	183,658
Bankers' acceptances - unsecured	15.4	207,186	159,324
Revolving credit - secured	15.3	19,051	21,336
Bank overdraft - unsecured		-	624
Foreign currency trade financing - secured	15.5	943	18,743
		413,131	386,097
		528,803	489,713

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

Group Audited	Hire purchase liabilities RM'000	Term loans RM'000	Bankers' acceptances RM'000	Revolving credit RM'000	Foreign currency trade financing RM'000	Total liabilities from financing activities RM'000
At 1 April 2020	665	2,227	337,181	116,104	387	456,564
Net changes from financing cash flows	(508)	13,246	5,801	(4,816)	18,356	32,079
Acquisition of property, plant and equipment	400	-	-	-	-	400
Other changes	-	46	-	-	-	46
At 31 March 2021/1 April 2021	557	15,519	342,982	111,288	18,743	489,089
Net changes from financing cash flows	(371)	(847)	47,617	(8,128)	(17,800)	20,471
Acquisition of property, plant and equipment	3,106	16,137	-	-	-	19,243
At 31 March 2022	3,292	30,809	390,599	103,160	943	528,803

15.1 Term loans - secured

The term loans are secured by certain property, plant and equipment (Note 3), escrow account maintained with a licensed bank, a fixed and floating charge over all the present and future assets of Unitrade United, joint and several guarantees by certain Directors of the Group and corporate guarantee by SLU and Ricwil Group. The term loans are repayable in fixed principal instalments over 9 years, with monthly interest to be serviced separately based on prevailing rates.

15. Loans and borrowings (continued)

15.2 Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	Future minimum lease payments 2022 RM'000	Interest 2022 RM'000	Present value of minimum lease payments 2022 RM'000	Future minimum lease payments 2021 RM'000	Interest 2021 RM'000	Present value of minimum lease payments 2021 RM'000
Group						
Less than one year	987	(155)	832	227	(20)	207
Between one to five years	2,687	(227)	2,460	366	(16)	350
	3,674	(382)	3,292	593	(36)	557

15.3 Revolving credit - secured

The revolving credit is secured by certain property, plant and equipment (Note 3), deposit placed with licensed banks (Note 12), escrow account maintained with a licensed bank, a fixed and floating charge over all the present and future assets of Unitrade United, joint and several guarantees by certain Directors of the Group and corporate guarantee by SLU and Ricwil Group.

15.4 Bankers' acceptances

The bankers' acceptances are secured by certain property, plant and equipment (Note 3), investment properties (Note 5), deposits placed with licensed banks (Note 12) and are supported by joint and several guarantees by certain Directors of the Group.

15.5 Foreign currency trade financing - secured

The foreign currency trade financing is secured by certain property, plant and equipment (Note 3), deposits placed with licensed banks (Note 12) and are supported by joint and several guarantees by certain Directors of the Group.

16. Trade and other payables

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000
Trade				
Trade payables		60,410	53,416	-
Supplier factoring facilities	16.1	29,993	29,728	-
Amount due to a related party	16.2	-	345	-
		90,403	83,489	-
Non-trade				
Other payables and accruals		22,242	12,762	50
Amount due to a subsidiary	16.3	-	-	152
Amount due to a Director	16.4	-	20	-
		22,242	12,782	202
		112,645	96,271	202

Notes to the Financial Statements (Cont'd)

16. Trade and other payables (continued)

16.1 Supplier factoring is an arrangement where the licensed bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Group and receives settlement from the Group when the amount is due. The principal purpose of this arrangement is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Group to the licensed bank before their due date. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating. The Group does not incur any additional interest towards the bank on the amounts due to the suppliers.

The payments to the bank are included within operating cash flows because they continue to be part of the normal operating cycle of the Group.

16.2 The trade amount due to a related party was subject to negotiated terms.

16.3 The non-trade amount due to a subsidiary is unsecured, interest free and repayable on demand.

16.4 The non-trade amount due to a Director was unsecured, interest free and repayable on demand.

17. Revenue

	Group	
	1.4.2021 to 31.3.2022 RM'000	1.4.2020 to 31.3.2021 RM'000
Revenue from contracts with customers		
- Sale of goods	1,279,582	1,012,848
- Rendering of repair and maintenance services	177	157
	1,279,759	1,013,005
Other revenue:		
Rental of temporary structural support equipment	10,443	12,039
Total revenue	1,290,202	1,025,044

	Group	
	1.4.2021 to 31.3.2022 RM'000	1.4.2020 to 31.3.2021 RM'000
Primary geographical markets:		
Malaysia	1,283,982	1,021,121
Overseas	6,220	3,923
	1,290,202	1,025,044
Timing and recognition		
Point in time	1,279,759	1,013,005
Revenue from contracts with customers	1,279,759	1,013,005
Other revenue	10,443	12,039
	1,290,202	1,025,044

17. Revenue (continued)

17.1 Nature of goods and services

Nature of goods or services	Sale of goods	Rendering of repair and maintenance services
Timing of recognition or method used to recognise revenue	Revenue is recognised at point in time when the goods are delivered and accepted by the customers at their premises.	Revenue is recognised when the services are rendered.
Significant payment terms	Credit period up to 120 days from invoice date.	Credit period of 30 to 120 days from invoice date.
Variable element in consideration	Discount or incentives given to customers.	Discount given to customers.
Obligation for returns or refunds	Not applicable.	Not applicable.
Warranty	Not applicable.	Not applicable.

18. Finance income

	Group 1.4.2021 to 31.3.2022 RM'000	1.4.2020 to 31.3.2021 RM'000
Interest income of financial assets that are not at fair value through profit or loss:		
- Deposits placed with licensed banks	382	356
- Deposits with other financial institution	268	564
- Amount due from a related party	-	1,082
	650	2,002

19. Finance cost

	Group 1.4.2021 to 31.3.2022 RM'000	1.4.2020 to 31.3.2021 RM'000
Interest expense on:		
- bankers' acceptances	9,029	9,957
- hire purchase liabilities	50	28
- lease liabilities	156	3
- term loans	790	117
- revolving credit	2,523	3,289
- bank overdraft	87	69
- others	389	451
	13,024	13,914
Recognised in profit or loss	13,024	13,914
Interest expense capitalised into property, plant and equipment	543	-
	13,567	13,914

Notes to the Financial Statements (Cont'd)

20. Tax expense

Recognised in profit or loss

	Group 1.4.2021 to 31.3.2022 RM'000	Group 1.4.2020 to 31.3.2021 RM'000	Company 13.4.2021 to 31.3.2022 RM'000
Current tax expense			
Current year	14,675	11,654	-
(Over)/Under provision in prior year	(330)	5	-
	14,345	11,659	-
Deferred tax expense			
Origination and reversal of temporary differences	264	(746)	-
Under/(Over) provision in prior year	508	(8)	-
	772	(754)	-
Total tax expense	15,117	10,905	-
Reconciliation of tax expense			
Profit before tax	58,383	40,071	(202)
Income tax using Malaysian tax rate of 24% (2021: 24%)	14,012	9,617	(48)
Effect of income subject to tax rate of 17% (2021: 17%)	-	(42)	-
Effect of lower real property gains tax rate at 10%	(119)	-	-
Non-deductible expenses	1,110	1,468	48
Non-taxable income	(64)	(135)	-
	14,939	10,908	-
(Over)/Under provision in prior year			
- current tax expense	(330)	5	-
- deferred tax expense	508	(8)	-
	15,117	10,905	-

21. Profit/(Loss) for the year/period

		Group	Company	
Note	1.4.2021 to 31.3.2022 RM'000	1.4.2020 to 31.3.2021 RM'000	13.4.2021 to 31.3.2022 RM'000	
Profit/(Loss) for the year/period is arrived at after charging/ (crediting):				
Auditors' remuneration				
Audit fees				
- KPMG PLT				
- Statutory audit	188	97	40	
Non-audit fees				
- KPMG PLT	320	219	10	
- Local affiliates of KPMG PLT	102	27	4	
Material expenses/(income)				
Depreciation of:				
- property, plant and equipment	3	6,179	5,150	-
- right-of-use assets	4	1,128	246	-
- investment properties	5	126	124	-
Amortisation of intangible assets	6	70	70	-
Impairment loss on inventories	10	1,762	1,919	-
Reversal of impairment loss on inventories	10	(147)	(73)	-
Initial public offering expenses	a	1,147	118	-
Write off of property, plant and equipment		1,010	2,438	-
Gain on disposal of:				
- property, plant and equipment		(815)	(82)	-
- assets classified as held for sale		(1,545)	-	-
Loss on disposal of other investment		9	-	-
Unrealised foreign exchange loss		10	16	-
Realised foreign exchange (gain)/loss		(74)	187	-
Late payment charges from trade receivables		(2,174)	(2,374)	-
Bad debt recovered		-	(10)	-
Personnel expenses (including key management personnel)				
- Contributions to state plans		2,921	2,370	-
- Salaries, wages and others		21,766	18,289	-
Rental income		(1,097)	(1,237)	-
Expenses/(Income) arising from leases				
Expenses relating to short-term leases	b	449	2,151	-
Expenses relating to leases of low-value assets	b	4	23	-
Gain from termination of lease		(116)	-	-
Net loss on impairment of financial instruments				
Financial assets at amortised cost		6,565	2,878	-

Notes to the Financial Statements (Cont'd)

21. Profit/(Loss) for the year/period (continued)

Note a

The initial public offering expenses amounting RM1,147,000 (2021: RM118,000) were borne by SLU.

Note b

The Group leases office, warehouse and equipment with contract term of 1 year or less. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

22. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, calculated as follows:

Group	2022	2021
Profit attributable to ordinary shareholders (RM'000)	43,207	28,782
Weighted average number of ordinary shares at year end ('000)	23,973 ⁽¹⁾	5,500 ⁽²⁾
Basic earnings per ordinary share (sen)	180.2	523.3

⁽¹⁾ The weighted average number of ordinary shares as at 31 March 2022 was arrived at after the completion of the restructuring exercise but before the public issue and issuance of 312,500,000 ordinary shares.

⁽²⁾ The weighted average number of ordinary shares as at 31 March 2021 was based on the invested equity of SLU, Ricwil Group and USB at the end of the financial year 2021.

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

There were no potential dilution effects on ordinary shares of the Group for the current and previous financial year. Accordingly, the diluted earnings per ordinary share for the current and previous year are equal to the basic earnings per ordinary share.

23. Dividends

Dividends recognised by the Group:

	RM per share	Total RM'000	Date of payment
2022			
SLU			
Special 2021 single tier dividend	7.02	24,604	1 April 2021
Ricwil Group			
First special interim single tier dividend	7.24	7,237	1 April 2021
Second special interim single tier dividend	4.30	4,300	21 June 2021
		11,537	
		36,141	
2021			
SLU			
First interim 2020 single tier dividend	0.57	2,000	15 April 2020
Second interim 2020 single tier dividend	0.57	2,000	31 July 2020
Final 2020 single tier dividend	0.39	1,354	29 September 2020
First interim 2021 single tier dividend	0.57	2,000	26 October 2020
		7,354	
Ricwil Group			
Interim 2021 single tier dividend	0.60	600	29 March 2021
		7,954	

After the end of the reporting period, the following dividends were proposed by the Directors. The first and final single tier dividend will be recognised in the subsequent financial period upon approval by the owners of the Company at the forthcoming Annual General Meeting.

	Sen per share	Total amount RM'000
First and final 2022 single tier dividend	0.82	12,813

24. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's Managing Director (the chief operating decision maker) and the Board of Directors reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Wholesale and distribution of building materials for mechanical and engineering ("M&E") works comprising pipes, valves, fittings and accessories, and civil works comprising reinforcement steel, structural steel and other building materials.
- Manufacturing of pre-insulated pipes.
- Rental of temporary structural support equipment.

Other non-reportable segments comprise operations related to investment holding and leasing of properties. None of these segments met the quantitative thresholds for reporting segments in 2022 and 2021.

The accounting policies of the reportable segments are the same as described in Note 2(r).

Notes to the Financial Statements (Cont'd)

24. Operating segments (continued)

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Managing Director and the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Managing Director. Hence no disclosure is made on segment liabilities.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, right-of-use assets, investment properties and intangible assets.

Group	Wholesale and distribution RM'000	Manufacturing RM'000	Rental RM'000	Other non- reportable segments RM'000	Total RM'000
2022					
Segment profit	69,278	4,841	4,697	(556)	78,260
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	1,259,489	20,123	10,590	-	1,290,202
Inter-segment revenue	23,144	707	-	-	23,851
Inventories written down	(1,762)	-	-	-	(1,762)
Reversal of inventories written down	147	-	-	-	147
<i>Not included in the measure of segment profit are:</i>					
Depreciation of:					
- property, plant and equipment	(2,174)	(85)	(3,920)	-	(6,179)
- right-of-use assets	(617)	(400)	(111)	-	(1,128)
- investment properties	(126)	-	-	-	(126)
Amortisation of intangible assets	(64)	-	(6)	-	(70)
Finance costs	(12,340)	(261)	(423)	-	(13,024)
Finance income	646	4	-	-	650
Segment assets	814,118	29,535	34,894	812	879,359
<i>Included in the measure of segment assets are:</i>					
Additions to non-current assets other than financial instruments and deferred tax assets*	26,031	534	6,812	-	33,377

* Additions to non-current assets consist of additions to property, plant and equipment, right-of-use assets (after incorporating impact from derecognition during the financial year), investment properties and intangible assets.

24. Operating segments (continued)

Group	Wholesale and distribution RM'000	Manufacturing RM'000	Rental RM'000	Other non- reportable segments RM'000	Total RM'000
2021					
Segment profit	49,905	2,382	5,503	(217)	57,573
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	991,839	21,009	12,196	-	1,025,044
Inter-segment revenue	23,714	1,379	-	-	25,093
Inventories written down	(1,919)	-	-	-	(1,919)
Reversal of inventories written down	73	-	-	-	73
<i>Not included in the measure of segment profit are:</i>					
Depreciation of:					
- property, plant and equipment	(1,819)	(35)	(3,296)	-	(5,150)
- right-of-use assets	(243)	(3)	-	-	(246)
- investment properties	(124)	-	-	-	(124)
Amortisation of intangible assets	(64)	-	(6)	-	(70)
Finance costs	(12,940)	(333)	(641)	-	(13,914)
Finance income	1,895	107	-	-	2,002
Segment assets	754,189	23,065	32,938	2,068	812,260

Included in the measure of segment assets are:

Additions to non-current assets other than financial instruments and deferred tax assets*	21,134	38	5,892	-	27,064
---	--------	----	-------	---	--------

* Additions to non-current assets consist of additions to property, plant and equipment and intangible assets.

Reconciliations of reportable segment revenues, profit or loss, assets and other material items

	Group	
	2022 RM'000	2021 RM'000
Profit or loss		
Total profit for reportable segments	78,816	57,790
Other non-reportable segments	(556)	(217)
Depreciation and amortisation	(7,503)	(5,590)
Finance income	650	2,002
Finance costs	(13,024)	(13,914)
Consolidated profit before tax	58,383	40,071

Notes to the Financial Statements
(Cont'd)

24. Operating segments (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and other material items (continued)

	External revenue RM'000	Depreciation and amortisation RM'000	Finance income RM'000	Finance costs RM'000	Segment assets RM'000	Additions to non- current assets RM'000
2022						
Total reportable segments	1,290,202	(7,503)	650	(13,024)	878,547	33,377
Other non-reportable segments	-	-	-	-	812	-
Consolidated total	1,290,202	(7,503)	650	(13,024)	879,359	33,377
2021						
Total reportable segments	1,025,044	(5,590)	2,002	(13,914)	810,192	27,064
Other non-reportable segments	-	-	-	-	2,068	-
Consolidated total	1,025,044	(5,590)	2,002	(13,914)	812,260	27,064

Geographical segments

The group operates primarily in Malaysia and as such, no geographical segment disclosures are made.

Major customers

There are no customers with revenue equal or more than 10% of the Group's total revenue.

25. Financial instruments

25.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost ("AC")
- (b) Fair value through other comprehensive income ("FVOCI")
 - Equity instrument designated upon initial recognition ("EIDUIR")

	Carrying amount RM'000	AC RM'000	FVOCI - EIDUIR RM'000
Group			
2022			
Financial assets			
Other investments	41	-	41
Trade and other receivables*	423,952	423,952	-
Cash and cash equivalents	95,663	95,663	-
	519,656	519,615	41
Financial liabilities			
Loan and borrowings	(528,803)	(528,803)	-
Trade and other payables	(112,645)	(112,645)	-
	(641,448)	(641,448)	-

25. Financial instruments (continued)

25.1 Categories of financial instruments (continued)

The table below provides an analysis of financial instruments categorised as follows: (continued)

	Carrying amount RM'000	AC RM'000	FVOCI - EIDUIR RM'000
Group			
2021			
Financial assets			
Other investments	71	-	71
Trade and other receivables*	422,332	422,332	-
Cash and cash equivalents	88,372	88,372	-
	510,775	510,704	71
Financial liabilities			
Loan and borrowings	(489,713)	(489,713)	-
Trade and other payables	(96,271)	(96,271)	-
	(585,984)	(585,984)	-

* Exclude GST receivable and prepayments.

	Carrying amount RM'000	AC RM'000	FVOCI - EIDUIR RM'000
Company			
2022			
Financial assets			
Trade and other receivables	4,863	4,863	-
Financial liabilities			
Trade and other payables	202	202	-

25.2 Net gains and losses from financial instruments

	Group 1.4.2021 to 31.3.2022 RM'000	Group 1.4.2020 to 31.3.2021 RM'000	Company 13.4.2021 to 31.3.2022 RM'000
Net (losses)/gains on:			
Financial assets measured at amortised cost	(3,741)	1,472	-
Financial liabilities at measured at amortised cost	(12,804)	(14,018)	-
	(16,545)	(12,546)	-
Equity instruments designated at fair value through other comprehensive income	(9)	-	-
	(16,554)	(12,546)	-

Notes to the Financial Statements (Cont'd)

25. Financial instruments (continued)

25.3 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

25.4 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from amount due from subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually. Most of the trade receivables are secured by either personal guarantee from directors of its customers or corporate guarantees from its customers' related companies.

The exposures of credit risk for trade receivables as at the end of the current and previous reporting periods by geographic region was mainly domestic.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 120 days. The Group's debt recovery process is that above 90 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team.

The Group uses an allowance matrix to measure ECLs of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

The Group estimates the expected credit losses on trade receivables using a provision matrix with reference to the probability of a receivable progressing through successive stages of delinquency to 90 days past due and by imputing expected delay that potentially will impact the Group.

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

Loss rates are based on actual credit loss experience over a period of one to three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

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

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2022			
Current (not past due)	305,914	(51)	305,863
1 - 30 days past due	13,048	(45)	13,003
31 - 60 days past due	46,501	(221)	46,280
61 - 90 days past due	5,793	(252)	5,541
	371,256	(569)	370,687
Credit impaired			
More than 90 days past due	27,193	(3,656)	23,537
Individually impaired	16,433	(16,433)	-
	414,882	(20,658)	394,224
2021			
Current (not past due)	259,365	(97)	259,268
1 - 30 days past due	43,876	(11)	43,865
31 - 60 days past due	16,656	(78)	16,578
61 - 90 days past due	7,451	(136)	7,315
	327,348	(322)	327,026
Credit impaired			
More than 90 days past due	19,222	(4,092)	15,130
Individually impaired	17,478	(17,478)	-
	364,048	(21,892)	342,156

There are trade receivables where the Group has not recognised any loss allowance although the debts have become past due and exceeded the credit terms granted to the debtors. The Directors are of the opinion that no allowance is necessary in respect of these receivables as there are no indications as of reporting date that the debtors will not meet their payment obligations within the next 12 months.

Notes to the Financial Statements (Cont'd)

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

The movements in the allowance for impairment in respect of trade receivables during the period are shown below.

	Lifetime ECL RM'000	Credit impaired RM'000	Net balance RM'000
Group			
Balance at 1 April 2020	3,643	15,410	19,053
Amount written off	-	(39)	(39)
Net measurement of loss allowance	771	2,107	2,878
Balance at 31 March 2021/1 April 2021	4,414	17,478	21,892
Amount written off	-	(7,799)	(7,799)
Net measurement of loss allowance	(189)	6,754	6,565
Balance at 31 March 2022	4,225	16,433	20,658

Related parties non-trade balances

Risk management objectives, policies and processes for managing the risk

The Group provides credit term and unsecured advances to related parties. The Group does not specifically monitor the ageing of the advances to related parties as the credit risk is deemed to be low.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

Generally, the Group considers advances to related parties have low credit risk. The Group assumes that there is a significant increase in credit risk when a related party's financial position deteriorates significantly. As the Group is able to determine the timing of payments of the related parties' advances when they are payable, the Group considers the advances to be in default when the related parties are not able to pay when demanded. The Group considers related party's advances to be credit impaired when:

- The related party is unlikely to repay its advance to the Group in full; or
- The related party is continuously loss making and is having a deficit shareholders' fund.

The Group determines the probability of default for these advances individually using internal information available.

As at the end of the reporting period, the Group is of the view that the loss allowance is not material due to low probability of default and there was no indication that the advances to related parties are not recoverable, hence it is not provided for.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group provides financial guarantees to suppliers in respect of credit facilities granted to related companies. The Group monitors on an ongoing basis the results and repayment of the related companies.

25. Financial instruments (continued)

25.4 Credit risk (continued)

Financial guarantees (continued)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk consists of the performance guarantees given to suppliers by the Group amounting to RM1,616,000 (2021: RM1,571,000) as at the end of the reporting period.

As at the end of the reporting period, probability of default of the Group is low and no allowance of impairment is recognised. There was no indication that the related company would default on repayment. Consequently, the Group is of the view that the loss allowance is not material and hence, it is not provided for.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Cash and cash equivalents

The bank balances are held with banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from advance payment paid for procurement of materials and deposits paid for utilities and buildings rented. The building deposits will be received at the end of each lease term. The Group manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when subsidiaries' financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when:

- The subsidiary is unlikely to repay its advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

Notes to the Financial Statements (Cont'd)

25. Financial instruments (continued)

25.4 Credit risk (continued)

Inter-company balances (continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances.

	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
Company			
2022			
Low credit risk	4,863	-	4,863

25.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

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

Group	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2022							
<i>Non-derivative financial liabilities</i>							
Term loans	30,809	2.61-8.06	40,815	2,703	3,135	8,406	26,571
Bankers' acceptances	390,599	2.02-4.58	391,230	391,230	-	-	-
Hire purchase liabilities	3,292	2.08-9.39	3,674	987	923	1,764	-
Lease liabilities	571	3.75-5.30	608	249	207	152	-
Revolving credit	103,160	2.45-6.59	128,071	21,707	7,447	17,985	80,932
Foreign currency trade financing	943	1.10	946	946	-	-	-
Trade and other payables	112,645	-	112,645	112,645	-	-	-
Financial guarantee	-	-	1,616	1,616	-	-	-
	642,019		679,605	532,083	11,712	28,307	107,503
<i>Derivative financial liabilities</i>							
<i>Forward exchange contracts (gross settled):</i>							
Inflow	-		(13,817)	(13,817)	-	-	-
Outflow	-		13,786	13,786	-	-	-
	642,019		679,574	532,052	11,712	28,307	107,503

25. Financial instruments (continued)

25.5 Liquidity risk (continued)

Maturity analysis (continued)

Group	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2021							
<i>Non-derivative financial liabilities</i>							
Term loans	15,519	2.69-7.58	17,492	2,657	2,521	6,670	5,644
Bankers' acceptances	342,982	2.30-4.05	343,463	343,463	-	-	-
Hire purchase liabilities	557	2.08-3.60	593	227	199	167	-
Lease liabilities	7	5.30	7	7	-	-	-
Revolving credit	111,288	2.37-4.91	136,289	24,084	8,900	18,054	85,251
Foreign currency trade financing	18,743	0.92-1.54	18,946	18,946	-	-	-
Bank overdraft	624	6.64	624	624	-	-	-
Trade and other payables	96,271	-	96,271	96,271	-	-	-
Financial guarantee	-	-	1,571	1,571	-	-	-
	585,991		615,256	487,850	11,620	24,891	90,895
<i>Derivative financial liabilities</i>							
<i>Forward exchange contracts (gross settled):</i>							
Inflow	-	-	(10,975)	(10,975)	-	-	-
Outflow	-	-	10,839	10,839	-	-	-
	585,991		615,120	487,714	11,620	24,891	90,895
Company	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2022							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	202	-	202	202	-	-	-

25.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's and the Company's financial position or cash flows.

25.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases, borrowings and cash and bank balances that are denominated in a currency other than the functional currency of the Group. The currency giving rise to this risk is primarily U.S. Dollar ("USD").

Notes to the Financial Statements (Cont'd)

25. Financial instruments (continued)

25.6 Market risk (continued)

25.6.1 Currency risk (continued)

Risk management objectives, policies and processes for managing the risk

The Group's exposure to foreign currency risk is monitored on an ongoing basis and the Group will use forward exchange contracts to hedge its foreign currency risk when necessary. Forward exchange contracts, if any, would have maturities of less than one year. Where necessary, the forward contracts are rolled over at maturity.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group) risk, based on carrying amounts as at the end of the reporting period was:

Group	Denominated in USD	
	2022 RM'000	2021 RM'000
Cash and cash equivalents	1,342	107
Trade and other receivables	1,070	678
Trade and other payables	(2,591)	(173)
Foreign currency trade financing	(943)	(18,743)
Exposure in the statement of financial position	(1,122)	(18,131)

Currency risk sensitivity analysis

A 10% (2021: 10%) strengthening of the Ringgit Malaysia ("RM") against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

Group	2022 RM'000	2021 RM'000
USD	85	1,378

A 10% (2021: 10%) weakening of Ringgit Malaysia ("RM") against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

25.6.2 Interest rate risk

The Group's fixed rate borrowings and deposits are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group monitors the fluctuation in market interest rate on an ongoing basis and only enters into agreement to obtain borrowings when it is absolutely necessary from banks that offer the most favourable interest rate.

25. Financial instruments (continued)

25.6 Market risk (continued)

25.6.2 Interest rate risk (continued)

Exposure to interest rate risk

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

	Group	
	2022 RM'000	2021 RM'000
Fixed rate instruments		
Financial assets	9,193	9,025
Financial liabilities	(395,534)	(345,561)
Lease liabilities	(571)	(7)
	(386,912)	(336,543)
Floating rate instruments		
Financial assets	-	24,604
Financial liabilities	(133,269)	(144,152)
	(133,269)	(119,548)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss			
	100 bp increase 2022 RM'000	100 bp decrease 2022 RM'000	100 bp increase 2021 RM'000	100 bp decrease 2021 RM'000
Group				
Floating rate instruments	(1,013)	1,013	(909)	909

25.7 Fair value information

The carrying amounts of cash and bank balances, short-term receivables and payables and short-term borrowing approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their values and carrying amounts shown in the statement of financial position.

Group	Fair value of financial instruments				Fair value of financial instruments not				Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
2022									
Financial asset									
Other investment	25	-	16	41	-	-	-	-	41
Financial liabilities									
Term loan	-	-	-	-	-	-	30,393	30,393	30,809
Hire purchase liabilities	-	-	-	-	-	-	2,923	2,923	3,292
Revolving credit	-	-	-	-	-	-	102,487	102,487	103,160
2021									
Financial asset									
Other investment	25	-	46	71	-	-	-	-	71
Financial liabilities									
Term loan	-	-	-	-	-	-	15,327	15,327	15,519
Hire purchase liabilities	-	-	-	-	-	-	533	533	557
Revolving credit	-	-	-	-	-	-	110,222	110,222	111,288



25. Financial instruments (continued)

25.7 Fair value information (continued)

Level 1 fair value

The fair value of quoted shares is derived from quoted price (unadjusted) by reference to the stock exchange which they are listed on.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year and previous year.

Level 3 fair value

Fair values within Level 3 are determined based on the discounted cash flows valuation technique using a rate based on the current market rate of borrowings of the respective Group entities at the reporting date.

26. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

The debt-to-equity ratios at 31 March 2022 and at 31 March 2021 were as follows:

Group	Note	2022 RM'000	2021 RM'000
Total borrowings	15	528,803	489,713
Lease liabilities		571	7
Less: Cash and cash equivalents	12	(95,663)	(88,372)
Net debt		433,711	401,348
Total equity attributable to owners of the Company		230,352	218,364
Debt-to-equity ratio (times)		1.9	1.8

There were no changes in the Group's approach to capital management during the financial year.

27. Capital commitment

	Group 2022 RM'000	2021 RM'000
Plant and equipment		
Contracted but not provided for	3,332	17,114

Notes to the Financial Statements (Cont'd)

28. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors and certain members of senior management of the Group.

The Group has related party relationship with companies in which a Director has financial interest, subsidiaries and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 11 and 16.

	Group 1.4.2021 to 31.3.2022 RM'000	Group 1.4.2020 to 31.3.2021 RM'000	Company 13.4.2021 to 31.3.2022 RM'000
A. Companies in which certain Directors have significant influence			
Sales	973	1,922	-
Interest income	-	975	-
Rental income	-	11	-
Rental expenses	-	(326)	-
Purchase of goods	(600)	(1,998)	-
Purchase of equipment and services	(2,532)	(2,299)	-
Advances to related parties	-	(7,225)	-
B. Subsidiaries			
Advances to a subsidiary	-	-	(4,863)
C. Key management personnel			
Directors' emoluments			
Company's Directors			
Fees	112	700	112
Remuneration	4,937	3,424	4
Benefit-in-kind	56	56	-
	5,105	4,180	116
Rental expenses	925	960	-
Disposal of assets held for sale	4,300	-	-
	10,330	5,140	116
Subsidiaries' directors			
Fees	-	200	-
Remuneration	1,664	1,419	-
Benefit-in-kind	16	28	-
	1,680	1,647	-
Other key management personnel:			
Remuneration	3,062	2,521	-

28. Related parties (continued)

Significant related party transactions (continued)

Other key management personnel comprise persons other than the directors of the Company and subsidiaries, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

29. Comparative figures

No comparative figures are presented as this is the first set of financial statements prepared by the Company since its incorporation on 13 April 2021.

30. Significant events

30.1 Incorporation

The Company was incorporated on 13 April 2021 as a private limited liability company under the name of Unitrade Industries Sdn. Bhd.. On 15 September 2021, the Company was converted to a public limited company under the name of Unitrade Industries Berhad.

30.2 Restructuring exercise

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Securities, the following listing scheme was undertaken by the Company:

Acquisition of SLU, Ricwil Group and USB

On 9 September 2021, the Company entered into conditional share sale agreements to acquire the entire issued share capital of SLU, Ricwil Group and USB for a purchase consideration of RM168,897,576, RM20,739,924 and RM2 respectively. The purchase consideration for the acquisitions of SLU and Ricwil Group was satisfied via issuance of 1,085,459,998 and 133,290,000 new ordinary shares of the Company respectively at an issue price of RM0.1556 per share, which was issued to the shareholders of SLU and Ricwil Group on 25 March 2022.

The acquisition of USB was satisfied via a cash consideration of RM2 on 26 March 2022.

For the purpose of accounting for the restructuring exercise, the Group has applied book value accounting on the basis that the restructuring exercise does not constitute a business combination to which acquisition accounting can be applied. Under book value accounting, the difference between cost of investment recorded by the Company and the share capital of SLU, Ricwil Group and USB is accounted for as merger reserve.

Acquisition of non-controlling interests in Unitrade United

On 21 February 2022, Ricwil (Malaysia) Sdn. Bhd. entered into a conditional share sale and purchase agreement for the acquisition of 400,000 ordinary shares in Unitrade United, representing the remaining 40% interest in Unitrade United from its existing shareholders for a purchase consideration of RM4,862,500. The purchase consideration was satisfied via the issuance of 31,250,000 new ordinary shares of the Company at an issue price of RM0.1556 per share, which was issued to the existing shareholders of Unitrade United on 25 March 2022.

The transaction was completed on 25 March 2022.

Notes to the Financial Statements (Cont'd)

31. Subsequent event

Initial Public Offering ("IPO")

In conjunction with and as an integral part of the listing of the Company's on ACE Market of Bursa Malaysia Securities, the following listing scheme was undertaken by the Company:

- (i) Public issue of 312,500,000 new ordinary shares in the Company at an issue price of RM0.32 per share ("IPO Price") allocated in the following manner:
 - 78,125,000 new shares available for application by the Malaysian Public;
 - 63,500,000 new shares available for applicable by the eligible directors and employees as well as persons who have contributed to the success of the Company;
 - 117,187,500 new shares by way of private placement to Bumiputera investors approved by Ministry of International Trade and Industry of Malaysia; and
 - 53,687,500 new shares by way of private placement to selected investors.
- (ii) Offer for sale of 125,000,000 existing shares in the following manner:
 - 78,125,000 existing shares by way of private placement to Bumiputera investors approved by Ministry of International Trade and Industry of Malaysia; and
 - 46,875,000 existing shares by way of private placement to selected investors.

The Company's entire enlarged issued and paid-up share capital comprising 1,562,500,000 ordinary shares were listed on the ACE Market of Bursa Malaysia Securities Berhad on 14 June 2022.

Statement by Directors

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

Unitrade
Industries
Berhad

Annual
Report
2022

In the opinion of the Directors, the financial statements set out on pages 63 to 120 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 of 31 March 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year ended 31 March 2022 and financial period from 13 April 2022 to 31 March 2022 respectively.

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

.....
Sim Keng Chor

Director

.....
Nomis Sim Siang Leng

Director

Kuala Lumpur

Date: 21 July 2022

Statutory Declaration

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

I, **Koh Sui Ming**, the Officer primarily responsible for the financial management of Unitrade Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 63 to 120 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Koh Sui Ming, NRIC: 691006-04-5353, MIA: CA 9352, at Shah Alam in the State of Selangor on 21 July 2022.

.....
Koh Sui Ming

Before me:

KAPT(B) Hj. Saibani Bin Hj. Adnan

Commissioner for Oaths

Selangor, Malaysia.

21 July 2022

Independent Auditors' Report

to the Members of Unitrade Industries Berhad
(Registration No: 202101013724 (1414023-X))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Unitrade Industries Berhad, which comprise the statements of financial position as at 31 March 2022 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 for the year then ended and of the Company for the financial period from 13 April 2021 to 31 March 2022, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 63 to 120.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, and of their financial performance and cash flows for the year and 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 auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current year and of the Company for the current 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.

Valuation of trade receivables	
Refer to Note 1(d) Basis of preparation: Use of estimates and judgements, Note 2(k)(i) - Significant accounting policy: Impairment, Note 11 - Trade and other receivables and Note 25.4 - Financial Instruments - Credit risk - Trade receivables.	
The key audit matter	How the matter was addressed in our audit
As at 31 March 2022, the trade receivables of the Group amounted to RM394.2 million. The Group has significant trade receivables, which comprised of a high volume of individual customers. Some of these individual customers have long outstanding debts, leading to the increase in credit risk exposure to the financial statements. These factors heightened the risk over the recoverability of the Group's trade receivables. Valuation of trade receivables is identified as a key audit matter because it requires us to exercise significant judgement and estimation in assessing the recoverability of the Group's trade receivables.	We performed the following audit procedures, among others: - Assessed the Group's credit evaluation, control and monitoring processes by evaluating the design and implementation of control over the allowance for impairment loss on trade receivables and monitoring of credit limit; - Tested the invoices to their respective age bracket to ascertain the accuracy of trade receivables ageing on a sample basis; - Assessed the recoverability of trade receivables by testing the receipts of cash after year end and considering the historical trend of payments and bad debts record for debts deemed doubtful on a sample basis; and - Challenged the key assumptions applied in determining the allowance for impairment loss on trade receivables by taking into account the historical trend of recoverability of the trade receivables within the Group.

Key Audit Matters (continued)

Valuation of trade receivables (continued)	
Refer to Note 1(d) Basis of preparation: Use of estimates and judgements, Note 2(k)(i) - Significant accounting policy: Impairment, Note 11 - Trade and other receivables and Note 25.4 - Financial Instruments - Credit risk - Trade receivables. (continued)	
The key audit matter	How the matter was addressed in our audit
	For expected credit loss of trade receivables: - Evaluated the judgements and assumptions made by the Group in making the estimate; - Evaluated the completeness, relevance, reliability and accuracy of source data used in making the estimate; - Assessed the adequacy of the expected credit loss on trade receivables by comparing our expectations against the loss allowance made by Group; and - Assessed the adequacy of Group's disclosure on expected credit loss and relevant credit risks of trade receivables.
Valuation of inventories	
Refer to Note 1(d) Basis of preparation: Use of estimates and judgements, Note 2(h) - Significant accounting policy: Inventories and Note 10 - Inventories.	
The key audit matter	How the matter was addressed in our audit
As at 31 March 2022, the inventories of the Group amounted to RM155.1 million. Valuation of inventories is identified as a key audit matter due to the significance of the balance and the level of judgement required to determine the net realisable value as it involved estimating future selling prices and rate of obsolescence of inventories in assessing the amount of impairment needed to record the value of the inventories at the lower of cost and net realisable value and inventories that were slow moving.	We performed the following audit procedures, among others: - Evaluated the completeness, accuracy and relevance of data used by the Group for allowance for inventory written down; - Evaluated the method used by the Group to calculate allowance for inventory write down; - Compared on a sample basis, the carrying amount of inventories against net realisable value determined based on sales transaction subsequent to year end to check that the inventories were measured at the lower of cost and net realisable value; and - Assessed inventory movement to identify potential slow-moving inventories and evaluated the adequacy of allowance for inventory write down provided by the Group.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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 annual report 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 annual report and, in doing so, consider whether the annual report 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 the annual report, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report

to the Members of Unitrade Industries Berhad
(Registration No: 202101013724 (1414023-X))
(Incorporated in Malaysia)
(Cont'd)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- 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.

Independent Auditors' Report
to the Members of Unitrade Industries Berhad
(Registration No: 202101013724 (1414023-X))
(Incorporated in Malaysia)
(Cont'd)

Unitrade
Industries
Berhad

**Annual
Report
2022**

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

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 for the current year and of the Company for the current 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

Other Matter

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

KPMG PLT

(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 21 July 2022

Lam Shuh Siang

Approval Number: 03045/02/2023 J
Chartered Accountant

Analysis of Shareholdings

as at 30 June 2022

Total Number of Issued Shares : 1,562,500,000
 Class of Shares : Ordinary shares
 Voting Rights : One vote for each ordinary share held
 Number of Holders : 6,040

Distribution of Shareholding as at 30 June 2022

Size of Holding	No. of Holdings	%	No. of Shares	%
1-1,000	1,074	17.78%	544,100	0.03%
1,001-5,000	904	14.97%	3,119,600	0.20%
5,001-10,000	1,040	17.22%	9,141,600	0.59%
10,001 AND ABOVE	3,022	50.03%	1,549,694,700	99.18%
TOTAL	6,040	100.00%	1,562,500,000	100.00%

Directors' Interest in Shares as at 30 June 2022

Name of Directors	Holdings	%
DATO' ABDUL MAJID BIN AHMAD KHAN	200,000.00	0.01
RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD FOR SIM KENG CHOR	168,173,000.00	10.76
NOMIS SIM SIANG LENG	39,987,000.00	2.56
MAYBANK NOMINEES (TEMPATAN) SDN BHD FOR SIMSON SIM XIAN ZHI	26,658,000.00	1.71
SIMSON SIM XIAN ZHI	6,200,000.00	0.40
DATO' LOK BAH BAH @ LOH YEOW BOO	200,000.00	0.01
CYNTHIA TOH MEI LEE	200,000.00	0.01
ONG SOO CHAN	200,000.00	0.01

Substantial Shareholders as at 30 June 2022

Name	Holdings	%
UNITRADE SAS SDN BHD	788,654,000	50.47
RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD FOR SIM KENG CHOR	168,173,000	10.76

Top 30 Holders as at 30 June 2022

No.	Name	Holdings	%
1.	UNITRADE SAS SDN BHD	788,654,000	50.47
2.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD SIM KENG CHOR	168,173,000	10.76
3.	TEH BENG KHIM	70,278,000	4.50
4.	NOMIS SIM SIANG LENG	39,987,000	2.56
5.	MAYBANK NOMINEES (TEMPATAN) SDN BHD SIMSON SIM XIAN ZHI (12022241)	26,658,000	1.71
6.	UNITED JAYA SDN. BHD.	14,725,000	0.94
7.	W T STEEL SDN BHD	12,719,000	0.81
8.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KAK SENG (7003247)	12,650,000	0.81
9.	SEAH KWEE BIN	11,880,000	0.76
10.	TAN BOON HOCK	11,000,000	0.70

Analysis of Shareholdings
as at 30 June 2022
(Cont'd)

No.	Name	Holdings	%
11.	CGSCIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BU YAW SENG (MY3086)	10,966,800	0.70
12.	MYCRON STEEL BERHAD	10,000,000	0.64
13.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK	7,406,900	0.47
14.	STELLA INDUSTRIAL SDN BHD	6,906,000	0.44
15.	SIMSON SIM XIAN ZHI	6,200,000	0.40
16.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	6,000,000	0.38
17.	LEONG KOK HOU	5,500,000	0.35
18.	LAU ENG GUANG	5,000,000	0.32
19.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RICKOH CORPORATION SDN. BHD.	5,000,000	0.32
20.	SIM AIK CHOR	5,000,000	0.32
21.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GODWIN TAN PEI POH (7004954)	4,650,000	0.30
22.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM HOCK CHAI (LIM0803C)	4,000,000	0.26
23.	EDWIN TAN PEI SENG	4,000,000	0.26
24.	ISMAIL BIN ABDUL HASSAN	4,000,000	0.26
25.	SOO SZE CHING	4,000,000	0.26
26.	TEO KWEE HOCK	3,973,000	0.25
27.	TEH SOON POH @ TEH SOON CHYE	3,300,000	0.21
28.	TAY AH HENG	3,200,000	0.20
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN SEONG LIAM (7001349)	3,000,000	0.19
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM YUNG CHI (7003941)	3,000,000	0.19

List of Properties

No.	Location	Existing Use	Tenure	Land Area/ Built-up Area (sq. ft.)	Approximate Age of Building	Net Book Value as at 31 March 2022 (RM'000)	Date of Last Revaluation (R)/ Acquisition (A)
(a)	Freehold Industrial Land and Buildings No. 2, Jalan Astaka U8/87, Bukit Jelutong, Seksyen U8, 40150 Shah Alam, Selangor	- Headquarters of the Group (4-storey) - Factory (1-storey) - Open shed warehouse (1-storey) - Open shed warehouse (1-storey with mezzanine office) - Warehouse (1-storey with mezzanine office)	Freehold	529,703/ 327,171	0 - 19 years	134,561	5 January 2022 (R)
(b)	Freehold Industrial Land and Building No. 1, Jalan Tiang U8/92, Section U8, Bukit Jelutong Industrial Park, Shah Alam	Rented out (3-storey building with enclosed warehouse and open sided warehouse)	Freehold	231,887/ 143,864	17 years	13,831	22 July 2004 (A)
(c)	Freehold Industrial Land and Building No. 2, Jalan Pemaju U1/15, Section U1, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor	Rented out (3-storey building with detached warehouse)	Freehold	51,602/ 27,055	28 years	2,378	9 August 1993 (A)
(d)	Ilham Apartment No. 24-13-05, Tingkat 13, Blok 24, Jalan U2/1, Pangsapuri Ilham, Taman TTDI Jaya, Seksyen U2, 40150 Shah Alam	Workers' accommodation	Freehold	Not applicable/ 786	16 years	59	20 May 2005 (A)
(e)	Ilham Apartment No. 26-15-3, Tingkat 15, Blok 26, Jalan U2/1, Pangsapuri Ilham, Taman TTDI Jaya, Seksyen U2, 40150 Shah Alam	Workers' accommodation	Freehold	Not applicable/ 786	13 years	58	1 July 2008 (A)
(f)	Ilham Apartment No. 24-12-2, Tingkat 12, Blok 24, Jalan U2/1, Pangsapuri Ilham, Taman TTDI Jaya, Seksyen U2, 40150 Shah Alam	Workers' accommodation	Freehold	Not applicable/ 786	16 years	59	26 April 2005 (A)
(g)	St. Regis Condominium No. 26-7, Level 26, St Regis, The Residence, No.6, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 WP Kuala Lumpur	Vacant	Freehold	Not applicable/ 1,541	4 years	2,867	30 March 2018 (A)

List of Properties (Cont'd)

Unitrade
Industries
Berhad

Annual
Report
2022

No.	Location	Existing Use	Tenure	Land Area/ Built-up Area (sq. ft.)	Approximate Age of Building	Net Book Value as at 31 March 2022 (RM'000)	Date of Last Revaluation (R)/ Acquisition (A)
(h)	Forest City Service Apartment C-22-10, Laman Perkasa, Jalan Forest City 5, Pulau Satu, Forest City, 81550, Gelang Patah Johor	Vacant	Freehold	Not applicable/ 517	3 years	530	29 March 2022 (A)
(i)	Medium Cost Town House 2-02-12, Jalan Sigma U6/14, Seksyen U6, Taman Subang Permata, 40150, Shah Alam, Selangor	Rented out (3-storey)	Leasehold for 99 years, expiring on 21 August 2105	Not applicable/ 833	9 years	98	28 March 2013 (A)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the First Annual General Meeting (“1st AGM”) of Unitrade Industries Berhad (“Unitrade” or “Company”) will be conducted virtually at Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 1 September 2022 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

- | | |
|--|-------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon. | Please refer to Note 1 |
| 2. To approve the payment of a first and final single tier dividend of 0.82 sen per ordinary share in respect of the financial year ended 31 March 2022. | Ordinary Resolution 1 |
| 3. To approve the payment of Directors’ fees of Dato’ Abdul Majit bin Ahmad Khan amounting to RM48,000 per annum only for the period from 1 April 2022 until the conclusion of the next Annual General Meeting (“AGM”) of the Company. | Ordinary Resolution 2 |
| 4. To approve the payment of Directors’ fees of Dato’ Lok Bah Bah @ Loh Yeow Boo amounting to RM48,000 per annum only for the period from 1 April 2022 until the conclusion of the next AGM of the Company. | Ordinary Resolution 3 |
| 5. To approve the payment of Directors’ fees of Ms Cynthia Toh Mei Lee amounting to RM48,000 per annum only for the period from 1 April 2022 until the conclusion of the next AGM of the Company. | Ordinary Resolution 4 |
| 6. To approve the payment of Directors’ fees of Ms Ong Soo Chan amounting to RM48,000 per annum only for the period from 1 April 2022 until the conclusion of the next AGM of the Company. | Ordinary Resolution 5 |
| 7. To approve the payment of the meeting allowance of RM1,000 per meeting day for the Independent Non-Executive Directors for the period from 1 April 2022 until the conclusion of the next AGM of the Company. | Ordinary Resolution 6 |
| 8. To re-elect the following Directors who retire in accordance with Clause 119 of the Constitution of the Company: | |
| (a) Dato’ Abdul Majit bin Ahmad Khan | Ordinary Resolution 7 |
| (b) Dato’ Lok Bah Bah @ Loh Yeow Boo | Ordinary Resolution 8 |
| (c) Mr Sim Keng Chor | Ordinary Resolution 9 |
| (d) Mr Nomis Sim Siang Leng | Ordinary Resolution 10 |
| (e) Mr Simson Sim Xian Zhi | Ordinary Resolution 11 |
| (f) Ms Cynthia Toh Mei Lee | Ordinary Resolution 12 |
| (g) Ms Ong Soo Chan | Ordinary Resolution 13 |
| 9. To re-appoint KPMG PLT as auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 14 |

As Special Business

To consider and, if thought fit, to pass the following resolutions:

10. Authority under Section 76 of the Companies Act 2016 (“the Act”) for the Directors to allot and issue shares

“THAT pursuant to Section 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM after the approval was given or at the expiry of the period within which the next AGM 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, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to be approval of all relevant regulatory bodies being obtained for such allotment and issuance.”

Ordinary Resolution 15

11. Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"**THAT** approval be and is hereby given to the Company and its subsidiaries ("Group") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature particulars which are set out in Section 2.4 and with the specified classes of related parties as specified in Section 2.4 of the Circular to Shareholders dated 29 July 2022, provided that:

Ordinary Resolution 16

- (a) such arrangements and/or transactions are necessary for the Group's day-to-day operations;
- (b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;
- (c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and
- (d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:
 - (i) the related transacting parties and their respective relationship with the Company; and
 - (ii) the nature of the recurrent transactions.

THAT such authority shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM"), unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT all Recurrent Related Party Transactions entered into by its subsidiary(ies) from 14 June 2022, being the date of listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad, up to the date of this Ordinary Resolution, particulars which are set out in Section 2.4 be and are hereby approved, confirmed and ratified;

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

Any Other Business

12. To transact any other business that may be transacted at the 1st AGM of which due notice shall have been given in accordance with the Act and the Constitution of the Company.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the First AGM, a first and final single tier dividend of 0.82 sen per ordinary share in respect of the financial year ended 31 March 2022 will be paid on 4 October 2022 to Depositors whose names appear in the Record of Depositors at the close of business on 19 September 2022.

A depositor shall qualify for entitlement to the dividend only in respect of the following:

- (a) Shares transferred into the Depositor's Securities Account on or before 4.30 p.m. on 19 September 2022 in respect of transfers; and

Notice of Annual General Meeting (Cont'd)

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA7009143) (SSM PC No.: 202008001023)
TAN AI NING (MAICSA7015852) (SSM PC No.: 202008000067)
COMPANY SECRETARIES

SELANGOR DARUL EHSAN
29 July 2022

Explanatory Notes

(A) Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders. Hence, this item is not put forward for voting.

(B) Ordinary Resolution 7 to 13 – Re-election of Directors

Pursuant to Malaysian Code of Corporate Governance 2021, the profiles of the Directors who are standing for re-election as per Agenda item no. 8 are set out in the Board of Directors' profile of the Annual Report 2022.

Based on the recommendation of the Nomination Committee, the Board is satisfied with the performance and contributions of the following Directors and supports the re-election based on the following justifications:-

Ordinary Resolution 7 – Re-election of Dato' Abdul Majit bin Ahmad Khan as Senior Independent Non-Executive Chairman

1. Dato' Abdul Majit bin Ahmad Khan fulfils the requirements of independence set out in the ACE Market Listing Requirements of Bursa Securities. He remains objective and independent in expressing his view and participating in Board's deliberations and decision-making process.
2. Dato' Abdul Majit bin Ahmad Khan has exercised due care and carried out his professional duties during his tenure as Senior Independent Non-Executive Chairman of the Company.

Ordinary Resolution 8 – Re-election of Dato' Lok Bah Bah @ Loh Yeow Boo as Senior Independent Non-Executive Director

1. Dato' Lok Bah Bah @ Loh Yeow Boo fulfils the requirements of independence set out in the ACE Market Listing Requirements of Bursa Securities. He remains objective and independent in expressing his view and participating in Board's deliberations and decision-making process.
2. Dato' Lok Bah Bah @ Loh Yeow Boo has exercised due care and carried out his professional duties during his tenure as Senior Independent Non-Executive Director of the Company.

Ordinary Resolution 9 – Re-election of Mr Sim Keng Chor as Executive Vice Chairman

1. Mr Sim Keng Chor proactively provides advisory guidance on the strategic business direction to the Group.
2. Mr Sim Keng Chor shows exemplary leadership in building businesses and creating value, he has contributed significantly to the Group by providing inputs and steered the Group forward with notable achievements during his tenure as Executive Vice Chairman of the Company.

Ordinary Resolution 10 – Re-election of Mr Nomis Sim Siang Leng as Managing Director

1. Mr Nomis Sim Siang Leng oversees and manages the day-to-day operation of the Group.
2. Mr Nomis Sim Siang Leng shows exemplary leadership in building business and creating value, he has contributed significantly to the Group by providing valuable inputs and steered the Group forward with notable achievements during his tenure as a Managing Director of the Company.

Ordinary Resolution 11 – Re-election of Mr Simson Sim Xian Zhi as Executive Director

1. Mr Simson Sim Xian Zhi oversees the overall operations and business direction of the rental business of the Group.
2. Mr Simson Sim Xian Zhi shows exemplary leadership in building business and creating value, he has contributed significantly to the Group by providing valuable inputs and steered the Group forward with notable achievements during his tenure as an Executive Director of the Company.

Ordinary Resolution 12 – Re-election of Ms Cynthia Toh Mei Lee as Independent Non-Executive Director

1. Ms Cynthia Toh Mei Lee fulfils the requirements of independence set out in the ACE Market Listing Requirements of Bursa Securities. She remains objective and independent in expressing her view and participating in Board's deliberations and decision-making process.
2. Ms Cynthia Toh Mei Lee has exercised due care and carried out professional duties during her tenure as Independent Non-Executive Director of the Company.

Ordinary Resolution 13 – Re-election of Ms Ong Soo Chan as Independent Non-Executive Director

1. Ms Ong Soo Chan fulfils the requirements of independence set out in the ACE Market Listing Requirements of Bursa Securities. She remains objective and independent in expressing her view and participating in Board's deliberations and decision-making process.
2. Ms Ong Soo Chan has exercised due care and carried out her professional duties during her tenure as Independent Non-Executive Director of the Company.

(C) Ordinary Resolution 15 – Authority pursuant to Section 76 of the Act for the Directors to Allot and Issue Shares

The Ordinary Resolution 15 proposed under item 10 of the Agenda is to obtain a general mandate for issuance of shares by the Company under Section 76 of the Act. The Ordinary Resolution 12, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for purpose of working capital or provide funding for future investments or undertakings. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM or at the expiry of the period within the next AGM is required to be held after the approval the approval was given, whichever is earlier.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

(D) Ordinary Resolution 16 – Proposed Shareholders' Ratification and Proposed Shareholders' Mandate for Unitrade Industries Berhad and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

For further information on Ordinary Resolution 16, please refer to the Circular to Shareholders dated 29 July 2022 accompanying the Annual Report of the Company for the financial year ended 31 March 2022.

Notes:

1. As part of the continuing measures to curb the spread of (COVID-19, the Company will conduct the 1st AGM on a virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV") facilities which are available on the online meeting platform of LUMI AGM provided by Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my>. Please refer to the Administrative Guide for Shareholders for the 1st AGM on the procedures to register, participate and vote remotely via the RPEV facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which specifies that the Chairman of the Meeting shall be present at the main venue of the 1st AGM and is in accordance with Clause 74 of the Company's Constitution which allows a meeting of members to be held at more than one (1) venue, using any technology or method so that all members of the Company can participate and be able to exercise their rights to participate and vote at the general meeting. No shareholder or proxy from the public should be physically present nor admitted at the Broadcast Venue on the day of the 1st AGM.
3. Members may submit questions relating to resolutions to be tabled at the 1st AGM or financial performance/prospect of the Company to the Board via Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> no later than 10.00 a.m. on Tuesday, 30 August 2022. Alternatively, members may transmit questions to the Board via RPEV facilities during the live streaming of the 1st AGM.

Notice of Annual General Meeting (Cont'd)

4. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
5. A member of the Company may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
7. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Alternatively, the instrument appointing proxy may be electronically submitted to Boardroom Share Registrars Sdn. Bhd. via Boardroom Smart Investor Online Portal (applicable to individual shareholder only) at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for further information on electronic submission of Proxy Forms.
9. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
10. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 18 August 2022 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Proxy Form



UNITRADE

UNITRADE INDUSTRIES BERHAD

(Registration No.: 202101013724 (1414023-X))
(Incorporated in Malaysia)

No. of Shares Held	
CDS Account No.	

I/We* _____ (full name of shareholder, in capital letters) NRIC No./Passport No./Company No.*)

_____ of _____

_____ (full address) telephone no. _____

and email address _____ being a member/members* of UNITRADE INDUSTRIES BERHAD hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

*and/or

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the First Annual General Meeting of the Company to be conducted virtually at Broadcast Venue at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 1 September 2022 at 10.00 a.m. or at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

NO.	RESOLUTION		FOR	AGAINST
1.	To approve the payment of a first and final single tier dividend of 0.82 sen per ordinary share in respect of the financial year ended 31 March 2022.	Ordinary Resolution 1		
2.	To approve the payment of Directors' fees of Dato' Abdul Majit bin Ahmad Khan amounting to RM48,000 per annum only for the period from 1 April 2022 until the conclusion of the next Annual General Meeting ("AGM") of the Company.	Ordinary Resolution 2		
3.	To approve the payment of Directors' fees of Dato' Lok Bah Bah @ Loh Yeow Boo amounting to RM48,000 per annum only for the period from 1 April 2022 until the conclusion of the next AGM of the Company.	Ordinary Resolution 3		
4.	To approve the payment of Directors' fees of Ms Cynthia Toh Mei Lee amounting to RM48,000 per annum only for the period from 1 April 2022 until the conclusion of the next AGM of the Company.	Ordinary Resolution 4		
5.	To approve the payment of Directors' fees of Ms Ong Soo Chan amounting to RM48,000 per annum only for the period from 1 April 2022 until the conclusion of the next AGM of the Company.	Ordinary Resolution 5		
6.	To approve the payment of the meeting allowance of RM1,000 per meeting day for the Independent Non-Executive Directors for the period from 1 April 2022 until the conclusion of the next AGM of the Company.	Ordinary Resolution 6		
7.	To re-elect Dato' Abdul Majit bin Ahmad Khan as Director.	Ordinary Resolution 7		
8.	To re-elect Dato' Lok Bah Bah @ Loh Yeow Boo as Director.	Ordinary Resolution 8		
9.	To re-elect Mr Sim Keng Chor as Director.	Ordinary Resolution 9		
10.	To re-elect Mr Nomis Sim Siang Leng as Director.	Ordinary Resolution 10		
11.	To re-elect Mr Simson Sim Xian Zhi as Director.	Ordinary Resolution 11		
12.	To re-elect Ms Cynthia Toh Mei Lee as Director.	Ordinary Resolution 12		
13.	To re-elect Ms Ong Soo Chan as Director.	Ordinary Resolution 13		
14.	To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 14		
15.	To approve the authority pursuant to Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.	Ordinary Resolution 15		
16.	To approve the Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 16		

*Strike out whichever is not desired.

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Signature/Common Seal of Member/(s)

Number of shares held: _____

Date : _____

Fold this flap for sealing

Notes:-

1. As part of the continuing measures to curb the spread of (COVID-19, the Company will conduct the First AGM ("1st AGM") on a virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV") facilities which are available on the online meeting platform of LUMI AGM provided by Boardroom Share Registrars Sdn. Bhd. at <https://meeting.boardroomlimited.my>. Please refer to the Administrative Guide for Shareholders for the 1st AGM on the procedures to register, participate and vote remotely via the RPEV facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which specifies that the Chairman of the Meeting shall be present at the main venue of the 1st AGM and is in accordance with Clause 74 of the Company's Constitution which allows a meeting of members to be held at more than one (1) venue, using any technology or method so that all members of the Company can participate and be able to exercise their rights to participate and vote at the general meeting. No shareholder or proxy from the public should be physically present nor admitted at the Broadcast Venue on the day of the 1st AGM.
3. Members may submit questions relating to resolutions to be tabled at the 1st AGM or financial performance/prospect of the Company to the Board via Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> no later than **10.00 a.m. on Tuesday, 30 August 2022**. Alternatively, members may transmit questions to the Board via RPEV facilities during the live streaming of the 1st AGM.
4. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
5. A member of the Company may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
7. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Alternatively, the instrument appointing proxy may be electronically submitted to Boardroom Share Registrars Sdn. Bhd. via Boardroom Smart Investor Online Portal (applicable to individual shareholder only) at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for further information on electronic submission of Proxy Forms.
9. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
10. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at **18 August 2022 (Thursday)** and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 1st AGM dated 29 July 2022.

Then fold here

AFFIX STAMP

The Share Registrar
UNITRADE INDUSTRIES BERHAD
(Registration No.: 202101013724 (1414023-X))

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

First fold here

www.unitrade.com.my

UNITRADE INDUSTRIES BERHAD

202101013724 (1414023-X)

No. 2, Jalan Astaka U8/87, Seksyen U8

Bukit Jelutong, 40150 Shah Alam, Selangor, Malaysia

Tel: +603-7843 2828

Fax: +603-7845 6366