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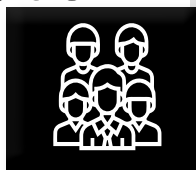
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CORPORATE INFORMATION



BOARD OF DIRECTORS

Chairman, Non-Independent Non-Executive Director

Tan Sri Datuk Amar (Dr) Haji Abdul Aziz
Bin Dato Haji Husain

Deputy Executive Chairman

Mr. Tay Hua Sin

Group Managing Director

Dato' Philip Chan Hon Keong

Independent Non-Executive Director

Encik Nik A. Majid Bin Mohd. Kamil

Independent Non-Executive Director

Ms. Hew Mei Ying

AUDIT COMMITTEE

Ms. Hew Mei Ying (Chairperson)
Tan Sri Datuk Amar (Dr) Haji
Abdul Aziz Bin Dato Haji Husain
Encik Nik A. Majid Bin Mohd. Kamil

NOMINATION COMMITTEE

Encik Nik A. Majid Bin Mohd. Kamil
(Chairman)
Tan Sri Datuk Amar (Dr) Haji
Abdul Aziz Bin Dato Haji Husain
Ms. Hew Mei Ying

REMUNERATION COMMITTEE

Tan Sri Datuk Amar (Dr) Haji
Abdul Aziz Bin Dato Haji Husain
(Chairman)
Encik Nik A. Majid Bin Mohd. Kamil
Ms. Hew Mei Ying

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock code: 9016
Stock name: Eksons

COMPANY SECRETARY

Chua Siew Chuan
(MAICSA 0777689)
(SSM PC NO.
201908002648)
Lim Lih Chau
(LS 0010105)
(SSM PC NO.
201908001454)
Securities Services
(Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.
Tel: 03 - 2084 9000
Fax: 03 - 2094 9940

AUDITORS

Crowe Malaysia PLT
(AF 1018)
Chartered Accountants
Level 16,
Tower C Megan Avenue 2,
12 Jalan Yap Kwan Seng,
50450 Kuala Lumpur,
Wilayah Persekutuan.
Tel: 03 - 2788 9999
Fax: 03 - 2788 9998

REGISTERED OFFICE

TB 4327, Block 31, 2nd Floor,
Fajar Complex, Jalan Haji Karim,
91000 Tawau, Sabah.
Tel: 089 - 757 911
Fax: 089 - 757 008
Website: www.eksons.com.my

CORPORATE OFFICE

B-15-5, Megan Avenue II,
No. 12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.
Tel: 03 - 2161 1223
Fax: 03 - 2161 1213

SHARE REGISTRAR

Metra Management Sdn. Bhd.
35th Floor,
Menara Multi-Purpose
Capital Square,
8, Jalan Munshi Abdullah,
50100 Kuala Lumpur.
Tel: 03 - 2698 3232
Fax: 03 - 2698 0313

PRINCIPAL BANKERS

AmBank (M) Berhad
AmFunds Management Berhad
Bank Islam Malaysia Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad

DIRECTORS' PROFILE

TAN SRI DATUK AMAR (DR) HAJI ABDUL AZIZ BIN DATO HAJI HUSAIN

Chairman, Non-Independent Non-Executive Director



Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain was appointed as a Director of the Company and Chairman of the Board of Directors on 31 May 2007. He is a Non-Independent, Non-Executive Director of the Company. He is a member of the Nomination Committee and the Audit Committee, and the Chairman of the Remuneration Committee.

Tan Sri Datuk Amar (Dr) Haji Abdul Aziz holds a Bachelor in Economics majoring in Business Administration from the University of Malaya (1973) and a Masters in Business Administration majoring in Finance in 1978 from Syracuse University, New York. He also attended various training programmes during his public service career including the Project Planning and Management Course in INTAN (1973), the Financial Management Course in Banff School of Management, Alberta (1981), the Wolfson Course in Cambridge University, England (1991), the Human Resource and Personnel Management, University of Pittsburgh (1993) and the Management Development Program in Harvard University Business School, Boston (1994). He has served in the Sarawak State Government in various capacities since 1973, the last appointment being that of the Sarawak's State Secretary in August, 2000 until his retirement in December 2006.

He also holds directorships in Borneo Housing Mortgage Finance Berhad, Permodalan Satok Berhad, Yayasan Ilmu Sarawak, Cahya Mata Sarawak Bhd and several statutory bodies and private limited companies. He is also the Chairman of the Sarawak Skills Development Centres, Sarawak Economic Development Corporation and the President of the Sarawak Badminton Association.

He does not have any family relationship with any Director and/or major shareholder of the company except for En. Faizal Bin Abdul Aziz and Khairul Arifin Bin Abdul Aziz. He is the father of En. Faizal Bin Abdul Aziz and Khairul Arifin Bin Abdul Aziz. He does not have any conflict of interest with the Company.

He has no conviction for any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

He attended all four (4) Board meetings held during the financial year.

MR. TAY HUA SIN

Executive Deputy Chairman



Mr. Tay Hua Sin was appointed as a Director on 31 March 2000 and was the Group Managing Director of the Company until 30 September 2019. He is now the Executive Deputy Chairman of the Company.

He holds an Honours degree in Business Studies from the United Kingdom and has more than 20 years' of experience in the regional timber industry. He is currently a substantial shareholder of the Company. There are no other business transactions with the Group in which he has a personal interest except as disclosed in the financial statements herein.

He 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 Company.

He has no conviction for any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

He attended all four (4) Board meetings held during the financial year.

DIRECTORS' PROFILE (CONT'D)

DATO' PHILIP CHAN HON KEONG Group Managing Director



Dato' Philip Chan Hon Keong was appointed as a Director of the Company on 31 May 2007. He was a member of the Audit Committee, Remuneration Committee and Nomination Committee. He was also an Independent Director of the Company until 30 September 2019. He is now the Group Managing Director of the Company.

He graduated with a Bachelor of Economics and a Bachelor of Laws from the University of Sydney, Australia. He was formerly a Partner in Skrine, a firm of advocates and solicitors. He also holds directorship in JF Technology Berhad.

He 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 Company.

He has no conviction for any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

He attended all four (4) Board meetings held during the financial year.

ENCIK NIK A. MAJID BIN MOHD. KAMIL Independent Non-Executive Director



Encik Nik A. Majid Bin Mohd. Kamil was appointed as an Independent Director on 1 October 2019. He is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee.

He joined HSBC Bank Malaysia in 1978 as an officer and began his management career in HSBC Bank, Hong Kong as a Management Trainee in 1983. He was posted to various positions in West and East Malaysia and completed his tenor of service in the bank in late 2013. He was the Director of Strategic Business Development (Managing large GLCs, Federal and State Governments and its Agencies) and he also held several other senior positions. Since January 2012, he was appointed to be on the Board of the Selangor State Investment Fund and in 2016 on the Board of the Selangor State Disaster Fund, both are investment arms for the state. He is also a Senior Executive Advisor of ASN Cement since 2014 before being appointed to the Board of ASN Cement Ltd and ASN Cement Sdn Bhd on June 2015 and June 2016 respectively mainly on the development of cement business in Asia. He is also an advisor to GRC Consulting Services, an Audit Risk and Financial Consulting firm established since 2014.

He 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 Company.

He has no conviction for any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

He attended all four (4) Board meetings held during the financial year.

DIRECTORS' PROFILE (CONT'D)

MS. HEW MEI YING

Independent Non-Executive Director



Ms. Hew Mei Ying was appointed as an Independent and Non-Executive Director on 1 November 2021. She is the Chairperson of the Audit Committee and a member of the Nomination Committee and Remuneration Committee.

She holds a Masters in Business Administration (Finance) from University of Southern Queensland, Australia. She is a fellow member of Chartered Institute of Management Accounts (CIMA), a fellow member of the Australia Certified Practising Accountant (CPA Australia), Chartered Accountant (CA) of the Malaysian Institute of Accountants (MIA).

Ms. Hew is currently the Chief Financial Officer of HeveaBoard Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities"). She has over 30 years of experience in manufacturing environment with Public Listed / Multinational companies. She was with Samsung SDI (M) Berhad for 13 years from 1991 to 2003 as Senior Finance Manager.

She 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 Company.

She has no conviction for any offences within the past five (5) years other than traffic offences if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

She attended two (2) out of two (2) Board meetings during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE

MR. SUI UH HING

Executive Director of Plywood Operations

66
Age



MY

Mr. Sui Uh Hing has 46 years of operational experience in the timber industry in Sarawak. He also sits on the Board of various other timber related private companies. He joined Rajang Plywood Sawmill Sdn. Bhd. ("RPS") a wholly owned subsidiary of the company as a Director and then Executive Director from 1990 to 1999 whereafter he resigned to concentrate on his other companies but was then re-appointed to the Boards of Rajang Plywood Sawmill Sdn. Bhd. and Rajang Plywood (Sabah) Sdn. Bhd. on 1 January 2004.

He served as a Director of the company from 27 February 2004 to 13 November 2017.

He has no conviction for any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

MR. LEE PENG BUAN

Executive Director of Plywood Operations

51
Age



MY

Mr. Lee Peng Buan joined RPS, a wholly-owned subsidiary of the company on 9 May 1992. He was then appointed as a Director of RPS on 1 October 2006. He is also a Director for Rajang Plywood (Sabah) Sdn. Bhd.. Mr. Lee is one of the pioneer factory management staff. He is primarily responsible for the overall smooth running and operations of the factory from handling of manpower to technical production processes.

He is the nephew of Mr. Tay Hua Sin, a Director and substantial shareholder of the Company.

He has no conviction for any offences within the past five (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT

“

Ladies and Gentlemen,

With the gradual recovery from the COVID-19 pandemic since the fourth quarter of year 2021, the Malaysian economy is seeing signs of cautious and circumspect revival. While the pandemic has transitioned to an endemic stage, the world economy continues to be affected by the Ukraine war, rising cost of doing business and supply chain disruptions.

Both our property development and plywood operations benefited from the recovering economy and recorded an increase in revenue. The Group will continue with its forward momentum to generate growth, identifying business opportunities and consolidate its financials.

”

The Group recorded a revenue of RM90.8 million (FY2021: RM42.6 million) and a loss after taxation of RM14.6 million (FY2021: profit after taxation of RM4.8 million). The plywood division generated a revenue of RM37.1 million (FY2021: RM15.9 million) whilst the property development division generated a revenue of RM53.7 million (FY2021: RM26.6 million). The Group remains on firm financial standing as at 31 March 2022, with its cash and liquid investments totalling RM218.2 million against bank borrowings of RM8.9 million.

The detailed review of the Group's activities will be at the Management Discussion and Analysis of the Group in the pages that follow.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to convey our deep appreciation and gratitude to our shareholders, business associates, regulatory bodies, financial institutions, suppliers and contractors for their undivided assistance and continued support through out the financial year 2022. My sincere thanks to the management and staff for their contribution and loyalty to the Group.

Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain
Chairman

Revenue (FY2022)
RM90.8 MILLION

(FY2021 : RM42.6 million)

Cash & Liquid Investments
RM218.2 MILLION

(against bank borrowings
of RM8.9 million)

MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP

FINANCIAL REVIEW

YEAR ENDED 31 MARCH	FY2018	FY2019	FY2020	FY2021	FY2022
Operating Results (RM' million)					
Revenue	149.30	67.27	42.37	42.61	90.79
EBITDA	(11.98)	(3.95)	(21.50)	8.25	(6.09)
Profit/(loss) before tax	(18.40)	(6.93)	(31.55)	1.81	(14.07)
Profit/(loss) after tax	(21.53)	(13.24)	(36.24)	4.77	(14.62)
Net profit/(loss) attributable to owners of the Company	(20.10)	(11.52)	(32.78)	5.81	(15.45)
Key Financial Position Data (RM' million)					
Total assets	521.69	496.10	459.90	465.12	439.38
Total borrowings	20.16	18.87	15.51	18.31	8.93
Shareholder's equity	441.55	421.67	388.95	392.77	377.32
Share Information					
Per Share (sen)					
– Earnings (basic)	(12.09)	(7.20)	(20.50)	3.62	(9.57)
– Net assets	277.31	263.74	243.28	244.64	233.66
– Gross dividend paid	-	8.00	-	1.96	-
Share price as at 31 March (RM)	0.810	0.800	0.410	0.675	0.700
Financial Ratios					
Return on total assets (%)	(3.83)	(2.67)	(7.88)	1.03	(3.33)
Return on equity (%)	(4.44)	(3.06)	(8.94)	1.22	(3.80)
Gearing ratio (times)	0.05	0.04	0.04	0.05	0.02
Price earning ratio (times)	(6.70)	(11.11)	(2.00)	18.65	(7.32)
Interest cover (times)	(14.64)	(8.68)	(23.83)	0.33	(15.62)
Gross dividend yield (at par) (%)	-	6.25%	-	1.81%	-

MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP (CONT'D)

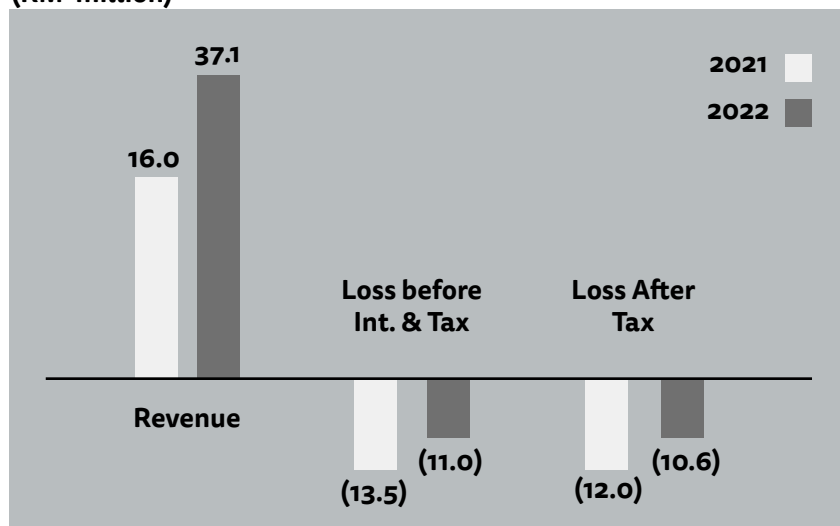
KEY PERFORMANCE INDICATORS



MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP (CONT'D)

REVIEW OF OPERATION

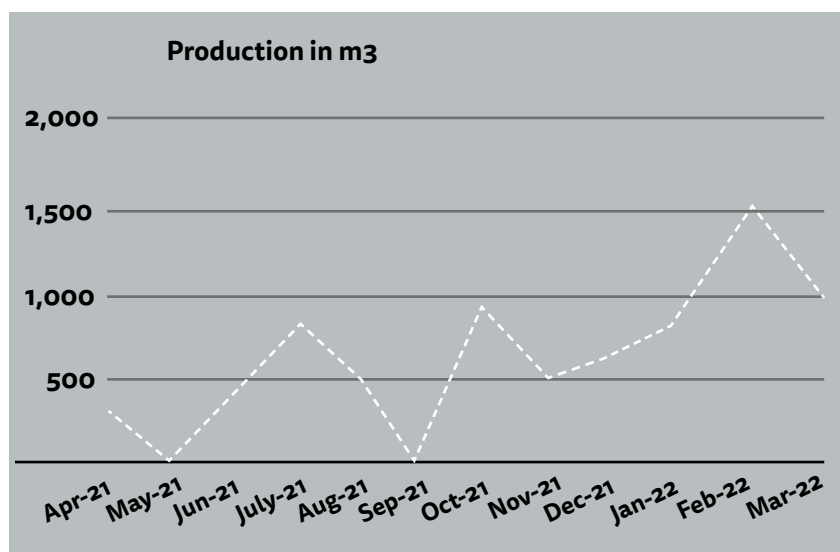
(RM' million)



Plywood Operations

Plywood division's revenue increased by 132% in the current financial year, from RM16.0 million to RM37.1 million. The plywood products saw an increase in demand with a boost in pricing by approximately 30%. Loss after taxation narrowed by 11% from a loss of RM12.0 million to a loss of RM10.6 million in the current financial year.

The division's operations are largely reliant on two major input components which are the supply of logs and also the supply of labour. With an increase in supply of logs and workforce, the division was able to ramp up production in the second half of the financial year in terms of cubic meters.



The prices of plywood currently trade within a range of USD500 to USD600 per cubic meter. We are however cautious as the operating conditions remain challenging, plagued by manpower shortages in the country and inconsistent supply of logs.



MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP (CONT'D)



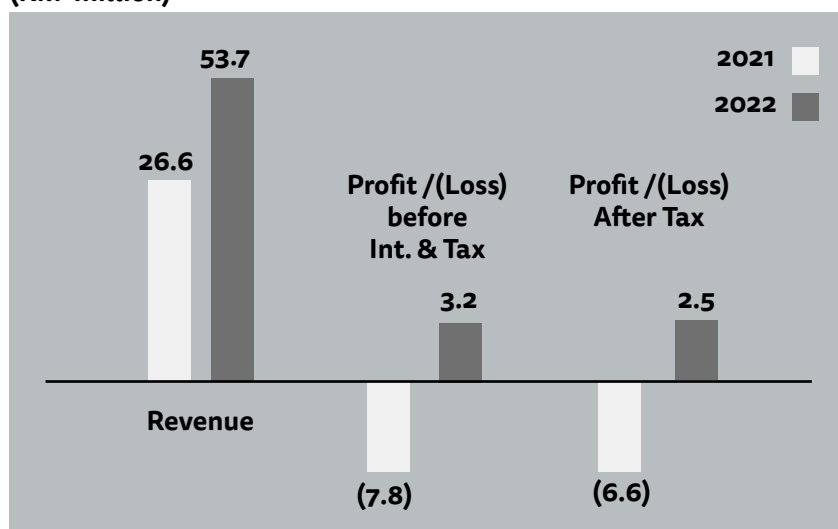
Property Development

The property development division's revenue increased by 102% in the current financial year to RM53.7 million from RM26.6 million. The higher revenue was generated from the sales of commercial units at The Atmosphere and Viva Paradise Sdn Bhd's Affiniti Residence project, which is based on the percentage of completion method.

The division recorded a profit after taxation of RM2.5 million as compared to a RM6.6 million loss after tax for the previous financial year, representing a 138% improvement. An impairment of RM2.4 million in the book value of the property inventories for the financial year was included in deriving the RM2.5 million profit after tax.

The division will continue with its marketing efforts to complete its sales of the Affiniti Residence and to further position The Atmosphere as an education, health and wellness hub and to serve needs of the community living in the vicinity of the development. The impending opening of the Putra Permai MRT station right on the doorstep of the Atmosphere will help in our sales and leasing efforts.

(RM' million)



OUTLOOK & PROSPECTS

The Malaysian economy registered a positive growth of 5.0% on the first quarter of 2022, mainly supported by improving domestic demand as economic activities continue to normalise with easing of containment measures (reference : BNM Economic and Financial Developments report dated 13 May 2022). This backdrop serves as a foundation for the Group's divisions to regain lost ground and to improve their financial performance.

With the Group's continued initiatives in managing costs and intensified sales and leasing efforts, we look forward to an improved financial performance in the financial year ahead.

Dato' Philip Chan Hon Keong
Group Managing Director



SUSTAINABILITY STATEMENT

INTRODUCTION

Sustainability is an integral part of Eksons Corporation Berhad's (Eksons Corporation Bhd is hereinafter referred to as "Eksons" or "Company") vision. Eksons has always adhered to the three pillars of sustainable development, namely, economic, environmental and social considerations while being committed to maintaining high standards of corporate governance in its effort to build a strong and vibrant business community for the long term. Over the years, the Group has undertaken various efforts in our business activities to continuously enhance our social and environmental initiatives.

GOVERNANCE STRUCTURE

The operations of Eksons Group as a whole are under the supervision of the Chairman and Board of Directors. Eksons Group is made up of 2 main divisions, namely, the Plywood Division and Property Development Division overseen by the Deputy Executive Chairman and the Group Managing Director assisted by the management teams of the respective divisions. Aside from the management teams, the Group Audit Committee is formed to conduct assurance assignments to ensure the adequacy and effectiveness of the Group's governance, risk management and internal control system while monitoring compliance with policies and procedures.

Through a systematic governance structure, Eksons is driven to enforce its sustainability strategy across the top management till the operational level from the economic, environmental and social perspectives.

SCOPE OF SUSTAINABILITY STATEMENT AND BASIS FOR THE SCOPE

In line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide, Eksons' sustainability framework is premised upon the evaluation of the economic, environmental and social risk and opportunities coexistent with the Company's corporate governance framework and corporate social responsibilities.

Eksons believes that sustainable corporate success requires the highest standard of corporate behaviour including measuring up to the public expectations on economic, environmental and social responsibilities. By applying a good corporate governance framework, environmentally responsible practices and sound social policies, it would enable Eksons Group to achieve sustainable growth and enhance long-term value for its shareholders.



SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS



Economic

The Eksons Group specialises in the manufacturing of tropical thin plywood and produces veneer and sawn timber, targeted largely for export market. Eksons Group also has investments in property development and property holding. To ensure that Eksons delivers quality products, the Group continuously reviews and develops its core propositions to meet and manage the ever-changing market trends and consumer demands.

We take pride that our products meet international standards in formaldehyde emission. This confirms our commitment to move towards greener products which improves the well being of end users.

For our development projects in Selangor, we take special care to ensure it is family and disabled friendly. We will also ensure that adequate security measures are incorporated in the development's design to ensure the safety of the patrons, business owners, house owners and other stakeholders.

In recognition of the need to make available affordable housing, we are participating in the Selangor state government's Rumah Selangorku scheme whereby approximately 30% of our residential development units will be built in accordance to the scheme.

As we continue to financially excel and grow, we generate economic value and benefits to our groups of stakeholders for example Shareholders, Customers and Clients, Suppliers, Local Communities, Employees, Federal and State Governments, and Ministries and Agencies.

Shareholders of any company are a company's lifeline since shareholders are stakeholders who believe in the company and have invested their hard-earned monies to support the company. In an effort to preserve shareholders' interest, Eksons strives to maintain high standard of corporate ethics and strict compliance with the laws and regulations. This is because Eksons believes that high standard of integrity, honesty and accountability are fundamental keys to sustainable business.



Environmental

Eksons Group recognises that several of its activities may have an impact on the environment. Consequently, at all plants, Eksons Group continues to ensure strict compliance with the environmental laws governing plant operations and maintenance in areas relating to environmental standards, emission standards, noise level management and treatment of plant effluents and waste water.

As a plywood producer, we naturally have a particular responsibility to contribute to the plywood industry's combined efforts to limit environmental deterioration. Hence, in our sourcing of logs from sources, we at Eksons, will ensure that they are from areas approved by the authorities. Strict adherence to this policy in the long run will ensure a long term and uninterrupted supply of logs for our operation.

Eksons has a three megawatt biomass co-generation power plant for our plywood mill in Tawau which uses the mill's waste wood chip as feedstock to replace the diesel powered generators. This significantly reduces effects of methane emission and harmful by products of fossil fuel to the environment. To this effect, the power plant had generated a total of 941,170 kilowatt-hour of electrical energy in the financial year, which translates to an equivalent avoided carbon emissions of 66 tonnes, the equivalent of 231 tonnes of waste being recycled.

Recognising the importance of contributing back to the environment, we have incorporated green building elements in our development projects. We will continue to incorporate green building elements in the future phases to reduce the carbon footprint of our businesses. This will benefit the owners, tenants and patrons as well as future generations.

In this regard, our Affiniti Residence project comes equipped with the rain water harvesting systems, with a total capacity of 42,927 liters of water for recycled use.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABILITY MATTERS (CONT'D)



Social

Employee

The challenges of the pandemic had enhanced our teamwork spirit and ease of accessibility to our employees. Our employees are at the core of our success and growth. Apart from competitive financial rewards, we provided a supportive working environment and necessary equipment and items such as laptops, Covid-19 self-test kits and masks to our employees, to ensure they are connected and cared for in their well-being.

At our plywood mills, we ensured that the workers at the factory floor were vaccinated and we had adhered to the Covid-19 Standard Operating Procedures as mandated by the Ministry of Health besides providing a clinic within the factory site in the case of any emergency. In recognizing the religious needs of our work force, there is also surau within each of our sites. We have also put in a reverse osmosis water plant in one of our mills as part of our efforts to ensure our mill's employees have access to clean treated water.

Local community

Improving the quality of living in the communities we operate in is tagged as one of Eksons' top social priorities. We find ways to address the community's priorities and concerns and seek to alleviate the community's hardships in any way we can through financial or other contributions. In Tawau, for example, Eksons has provided a generator for the nearby community providing electricity where there was none before. We also provide support in other ways such as participating in the communities' festivities to foster closer ties and build rapport with the residents of the communities.



OUR COMMITMENT

As a socially responsible citizen of the business community, Eksons Group will continue to adopt and apply effective economic approaches, environmentally responsible practices, sound social policies and good corporate governance framework with the objective of enhancing transparency in its corporate disclosure, strengthening its risk management framework and achieving long-term sustainable growth.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

As the protection and enhancement of shareholder value and the financial performance of Eksons Corporation Berhad and its subsidiary companies ("**the Group**") forms a fundamental part of the responsibility of the Board of Directors, the Board of Directors ("**Board**") of Eksons Corporation Berhad ("**Eksons**" or "**Company**") is committed to ensuring that corporate governance is practised throughout the Group.

The Board takes note of the updates on the Malaysian Code on Corporate Governance ("**MCCG**") issued by the Securities Commission Malaysia which took effect on 28 April 2021. The MCCG introduces new practices and additional guidance to strengthen the corporate governance culture of public listed companies.

The Board is pleased to present the following Corporate Governance Overview Statement ("**CG Statement**") that describe the extent of how the Group has applied and complied the three (3) principles which are set out in the MCCG during the financial year ended 31 March 2022 ("**FYE 2022**"):-

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

The CG Statement also serves to comply with Paragraph 15.25 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and is to be read with the Corporate Governance Report ("**CG Report**") which is available and can be downloaded from the Company's website at www.eksons.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

1.1 Roles and Responsibilities of the Board

The Board is responsible for the proper stewardship of the Group to provide reasonable assurance for the success of the Group on sustainable manner. The Board is tasked with realization of long term and sustainable shareholders' value and safeguarding the interests of stakeholders through the discharge of the following duties and responsibilities:-

- (a) reviewing and adopting strategic plans for the Group that enhances long-term value;
- (b) overseeing the conduct of the Group's businesses to evaluate whether the businesses are being properly managed;
- (c) reviewing principal risks and ensuring the implementation of appropriate systems of internal control to manage risks and adoption of relevant mitigation measures;
- (d) reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- (e) reviewing and approving succession planning, including appointing, training, compensating and where appropriate replacing key principal officers; and
- (f) ensuring management develop and implement investor's relations programme and shareholder's communication policy for the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

1.1 Roles and Responsibilities of the Board (Cont'd)

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has established a Board Charter for the Group. The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available on the corporate website at www.eksons.com.my.

1.2 The Chairman

Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain ("**Tan Sri Datuk Amar**") is the Non-Independent Non-Executive Chairman of the Board who is able to provide strong leadership, leading the Board objectively and instilling good corporate governance practices. The Chairman is primarily responsible for running the Board and leading discussions thus enhancing effectiveness at the Board level.

1.3 Separation of the position of the Chairman and Group Managing Director

The positions of Chairman of the Board and the Group Managing Director are held by two (2) different individuals, each with clearly defined scope of duties and responsibilities. Tan Sri Datuk Amar is the Non-Independent Non-Executive Chairman of the Company while Dato' Philip Chan Hon Keong ("**Dato' Philip Chan**") is the Group Managing Director. The distinct and separate roles of the Chairman and Group Managing Director promote accountability and facilitate the division of responsibilities between them.

The Non-Independent and Non-Executive Chairman leads the Board in the oversight of management whereas the Managing Director focuses on the day-to-day operations and management of the Group.

The Group Managing Director, with the assistance and support from the Executive Director and Key Senior Management, is responsible for the day-to-day management of the Company and the Group, implementing the Board's policies and decisions to achieve the short-term and long-term objectives as well as coordinating the development and implementation of business and corporate strategies.

1.4 Chairman of the Board should not be a member of the Audit Committee, Nomination Committee and Remuneration Committee

The Board took note on the recommendation Practice 1.4 of the MCCG 2021 which states that the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

Tan Sri Datuk Amar, the Non-Independent Non-Executive Chairman of the Company also sits as a Chairman of Remuneration Committee ("**RC**") and a member of the Nomination Committee ("**NC**") and Audit Committee ("**AC**") of the Company.

The Board acknowledged the Company has departed from the Practice 1.4 of the MCCG. The NC and the Board (save for Tan Sri Datuk Amar) assessed that Tan Sri Datuk Amar has vast experience, in-depth knowledge and exemplary leadership which adds tremendous value to the effectiveness of the NC, RC and AC and therefore he should remain as the Chairman of RC and member of the NC and AC. In addition, all matters within the NC, RC and AC's purview require the unanimous decision of the Board at the Board level and the NC, RC, AC and the Board were satisfied that there was adequate check and balance during the financial year under review despite the Board Chairman having membership in the NC, RC and AC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

1. Board Responsibilities (Cont'd)

1.5 Qualified and competent Company Secretary

The key role of the Company Secretary is to provide advice and services for the Directors as and when the need arises, to enhance the effective functioning of the Board and to ensure regulatory compliance.

The Board is supported by suitably qualified and competent Company Secretaries in discharging their roles and responsibilities, and every Board member has unrestricted access to the advice and services of the Company Secretaries in ensuring the effective functioning of the Board. The Company Secretaries ensure compliance of MMLR and related statutory obligations and procedures are followed and any deviation minimised.

The Company Secretaries also ensure that all meetings of the Board and Board Committees are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory registers of the Company.

The Company Secretaries have attended training and seminars conducted by Companies Commission of Malaysia, MAICSA and Bursa Securities to keep abreast with the relevant updates and development of the MMLR, to comply with Capital Markets and Services Act 2007 (Amendment 2012), Companies Act 2016 and to ensure the Company's compliance to the Code.

The Company Secretaries also ensure that there is good information flow within the Board and between the Board, Board Committees and Key Senior Management. The Company Secretaries are also entrusted to record the Board's deliberations, in terms of issues discussed, and the conclusions and the minutes of the previous Board and Committees meetings are distributed to the Directors before the meetings for their perusal before confirmation of the minutes at the commencement of the next Board and Committees meetings.

The Board has full and unlimited access to the Company Secretaries who are available at all times to provide the Directors with the appropriate advice and services.

1.6 Access to information and advice

All members of the Board have full and unrestricted access to any information pertaining to the Company, the advice and services of the Company Secretaries, Key Senior Management and external independent professional advisers may be engaged, where necessary, with approval from the Board or the Board Committees, at the Company's expense to enable the Board to discharge their duties. The agenda and Board papers for consideration are circulated to all Directors prior to the Board meetings to enable the Directors to obtain and access further information and clarification in order to be well informed of the matters before the meetings.

The Board is updated with the new amendments and updates on the regulations from the authorities from time to time as and when occurring by circulation through emails, briefing and hard copy, whichever deemed appropriate and applicable.

Besides, the Board are notified of any corporate announcements released to Bursa Securities and is also kept informed of the requirements and updates issued by the various regulatory authorities through the Company Secretaries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

2. Demarcation of Responsibilities

2.1 Board Charter

In compliance with Practice 2.1 of the MCCG, the Board has established and adopted a Board Charter, which sets out the Board's composition, roles, responsibilities and processes of the Board and ensure all Board members acting on behalf of the Group are aware of their duties and responsibilities as Board members.

The Board Charter had been formalised and will be reviewed and updated periodically in accordance with the needs of the Group and any regulations to ensure that it remains current and relevant. The Board Charter is available on Eksons's corporate website at www.eksons.com.my.

3. Good Business Conduct and Corporate Culture

3.1 Code of Conduct and Ethics

The Code of Conduct and Ethics ("**Code**") is applied to all employees, customers and vendors. It establishes ethical standard to ensure that working environment and condition are safe and healthy, workers are treated with respect and dignity, and business operation are conducted ethically.

The fundamental in adopting the Code is to ensure that all business activities are in full compliance with the laws, rules and regulations. If a law of the country conflicts with a rule or policy set out in this Code, affected personnel should comply with the law. Besides, the Code encourages affected personnel to go beyond legal compliance and adopt international recognized standard in order to advance business ethics and control.

The Group is open to receive input from stakeholders in the continuous development and implementation of the Code to adopt the best practice where possible.

This Code has been adopted and reviewed periodically by the Board. It is made available on the Company's website at www.eksons.com.my.

3.2 Whistleblowing Policy

The Whistleblowing Policy provides an avenue for any Director, officer, employees and members of the public to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse and to protect the Whistleblower from detrimental action, to provide for the matters disclosed to be investigated and dealt with as outlined in the Whistleblowing Policy ("**WP**").

This WP has been adopted and reviewed periodically by the Board. It is made available on the Company's website at www.eksons.com.my.

3.3 Anti-Bribery and Anti-Corruption Policy

In support of ethical business practices, the Board has also adopted a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts through the adoption of the Group's Anti-Bribery and Anti-Corruption Policy on 1 June 2020 as additional measures to comply fully with the applicable laws and regulatory requirements on anti-bribery and anti-corruption.

Eksons has put in place adequate procedures to prevent corrupt practices, thereby providing the Group with a measure of assurance and defence against liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

3.3 Anti-Bribery and Anti-Corruption Policy (Cont'd)

The Policy applies to all individuals working for the Group with all of its subsidiaries and affiliates (anywhere in the world) and at all levels and grades. This includes senior managers, officers, directors, employees (whether regular, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home-workers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as “**employees**” in the Policy).

The Chief Financial Officer in charge of Finance and the Human Resource Departments of the Group of the Company are authorised and directed to issue on behalf of the Company all documents necessary or desirable to further the intent of this Anti-Bribery and Anti-Corruption Policy (“**Policy**”) and do such further things or perform such acts as may be necessary to implement the provisions of this Policy, including but not limited to communicating to the employees its expectation on them to comply with the Policy and that any employees who breach any of the terms of the Policy will face disciplinary action, which could result in dismissal for gross misconduct. The Group reserves its right to terminate a contractual relationship with other employees and other associated persons, as the case may be if they breach any of the terms and conditions of the Policy.

The Board will monitor the effectiveness and review the implementation of the Policy, regularly considering its suitability, adequacy and effectiveness. Any improvement identified will be made and incorporated as soon as possible. Internal control systems and procedures will be subject to regular audits to assure that they are effective in countering bribery and corruption.

All employees are responsible for the success of the Policy and should ensure they use it to disclose any suspected danger or wrongdoing. The Policy is made available on the Company's website at www.eksons.com.my as well as being shared via all Group electronic media and the hard copy has been placed at all notice boards and General Office of the Company.

Part II - Board Composition

4. Board's Objectivity

4.1 Composition of the Board

The Board currently consists of five (5) members comprising one (1) Non-Independent Non-Executive Chairman, one (1) Deputy Executive Chairman, one (1) Group Managing Director and two (2) Independent Non-Executive Directors. The Board is led by Tan Sri Datuk Amar, a Non-Independent Non-Executive Chairman, while the executives are led by Dato' Philip Chan, the Group Managing Director. With the Board's composition, the requirement under Paragraph 15.02 of the MMLR of Bursa Securities that at least two (2) Directors or 1/3 of the Board, whichever is higher, must be Independent Director, is fulfilled. The composition of the Board fairly reflects the interest of major as well as minority shareholders in Eksons. The profile of each Director is set out in the Profile of Directors of this Annual Report.

The Board is supported by various sub-committees (namely Nomination Committee, Remuneration Committee, and Audit Committee) as well as unhindered advice and services, when need arises. The respective Terms of Reference of the said Committees are published on the Company website at www.eksons.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part II - Board Composition (Cont'd)

4. Board's Objectivity (Cont'd)

4.2 Tenure of Independent Director

In line with the Code's recommendation and the Constitution of the Company, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years and upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain the Independent Director beyond nine (9) years, the Board will seek annual shareholders' approval through a two-tier voting process in accordance with Practice 5.3 of MCCG.

The Board recognizes the importance of independence and objectivity in its decision-making process.

In order to ensure independent and objective judgment is brought to the Board's deliberation by genuine independence of the independent directors and to ensure conflict of interest or undue influence from interested parties is well taken care of, the Board is committed to ensure the independence of the independent directors are assessed by the NC prior to their appointment based on formal nomination and selection process with the results of the review reported to the Board for consideration and decision.

None of the Independent Directors of Eksons has served more than nine (9) years on the Board as at the date of this CG Statement.

4.3 Policy of Independent Director's Tenure

The Company does not have a policy that limits the tenure of its independent directors to nine (9) years.

4.4 Diverse Board and Senior Management

Appointment of Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills and experience. The Board has in place a set of directors' selection criteria for use in the selection and recruitment process. This set of criteria will be used as a reference by the management for the selection and recruitment of Senior Management of the Group.

4.5 Gender Diversity Policy

The Board does not have a specific policy on setting a quota for female participation on Board. Nevertheless, the Board is committed to providing fair and equal opportunities, through its Nomination Committee, in considering gender diversity to achieve an optimum composition of the Board. Ms. Hew Mei Ying was appointed to the Board on 1 November 2021 as an Independent Non-Executive Director.

For the FYE 2021, the diversity in the race/ethnicity of the existing Directors is as follows:-

Diversity	Race/Ethnicity				Gender		
	Malay	Chinese	Indian	Total	Male	Female	Total
Number of Directors	2	3	0	5	4	1	5

The existing Directors' age distribution falling within the respective age group is as follows:-

Age Group (Years)	51 - 60	61-70	71 - 80	Total
Number of Directors	1	3	1	5

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part II - Board Composition (Cont'd)

4. Board's Objectivity (Cont'd)

4.6 New Candidates for Board Appointment

The Nomination Committee is responsible for identifying, assessing and recommending to the Board suitably qualified candidates for directorship on the Board as well as members of the Board Committees.

The Nomination Committee will assess candidate's suitability based on a set of criteria as set out in the Criteria for Selection of Directors to be established and approved by the Board.

In identifying suitable candidates, the Board does not solely rely on recommendations from existing Board members, management and major shareholders. It is also open to referrals from external independent sources available, such as industry and professional associations and also independent search firms to identify suitably qualified candidates, when necessary.

During the FYE 2022, Ms. Hew Mei Ying was appointed as an Independent Non-Executive Director.

4.7 Nomination Committee ("NC")

The NC is tasked by the Board to, amongst others, identify, assess and recommend to the Board suitably qualified candidates for appointment to the Board and Board Committees, re-election and re-appointment of Directors, and review the independence of Independent Directors, considering the Board's succession planning and training programmes as well as performing a formal assessment of the effectiveness of individual Directors and the annual appraisal of the Executive Directors' performance based on the selected performance criteria. In addition, the NC is also tasked to review the required mix of skills, experience and other qualities, including core competencies of the members of the Board.

The NC comprises a majority of Independent Directors and the members of NC are:

Name of Directors	Directorate	Designation
Nik A. Majid Bin Mohd. Kamil (redesignated from Member to Chairman on 23 February 2021)	Independent and Non-Executive Director	Chairman
Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain	Non-Independent and Non-Executive Director	Member
Hew Mei Ying (appointed on 1 November 2021)	Independent and Non-Executive Director	Member
Koay Kah Ee (redesignated from Chairman to Member on 23 February 2021) (resigned on 31 October 2021)	Independent and Non-Executive Director	Member

The Terms of Reference of the NC is being reviewed, updated and adopted by the Board during the Board meeting held during the financial year. It is made available on the Company's website at www.eksons.com.my.

The main activities carried out by the NC during the financial year under review include the following:-

- Reviewed and confirmed the Minutes of the NC meeting held in financial year ended 31 March 2022;
- Evaluated the effectiveness of the Board and the Committees of the Board as a whole;
- Evaluated the contribution and performance of each Director;
- Reviewed the independence of the Independent Directors;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part II - Board Composition (Cont'd)

4. Board's Objectivity (Cont'd)

4.7 Nomination Committee ("NC") (Cont'd)

The main activities carried out by the NC during the financial year under review include the following (Cont'd):-

- Reviewed and recommended to the Board on the re-election of the Directors on rotation at the forthcoming annual general meeting of the Company; and
- Reviewed the training programmes attended by the Directors for the FYE 2021 and identified the training needs of the Directors for financial year 2022/2023.

5. Overall Board Effectiveness

5.1 Annual Evaluation

The NC upon its recent annual review carried out, is satisfied that the size of the Board is sufficient for the Board to effectively discharge its roles and responsibilities for the benefit of the Company and its business and that there is an appropriate mix of skills and core competencies in the composition of the Board. The NC is satisfied that all the Members of the Board are suitably qualified to hold their positions as Directors of the Company given their respective academic and professional qualifications, experience and qualities. The Directors were evaluated among others on contribution at meetings, objectivity during discussions and decisions.

The NC has also upon its recent annual review carried out, concluded that all the Directors have received relevant updates and training during the FYE 2022, and would serve to enhance their skills to effectively discharge their duties and responsibilities and to participate actively in the Board deliberations.

The Constitution provides that one-third (1/3) of the Board is required to retire at every annual general meeting and be subject to re-election by shareholders and all directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

5.2 Time Commitment of the Board

The Board is satisfied with the time commitment given by the respective Directors in fulfilling their roles and responsibilities. The Board meets quarterly to review its quarterly performance and discuss new strategies. Additional meetings will be called when necessary.

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are obtained via circular resolutions which are supported with information necessary for an informed decision. To facilitate Directors' planning and time management, an annual meeting calendar is discussed during the Board of Directors Meeting before the beginning of each new financial year.

During the FYE 2022, the Board held four (4) meetings to deliberate and decide on various issues and among others are as follows:

- 1) The Group's financial results and audit plans.
- 2) Vision and strategic decisions.
- 3) Investment and disinvestments.
- 4) Recommend dividend to shareholders.
- 5) Approve significant changes to accounting policies.
- 6) Approve terms of reference of membership of board committee.
- 7) Approve policies developed by the management, establish a framework for effective controls on risks.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part II - Board Composition (Cont'd)

5. Overall Board Effectiveness (Cont'd)

5.2 Time Commitment of the Board (Cont'd)

During the FYE 2022, the Board held four (4) meetings to deliberate and decide on various issues and among others are as follows:-

- 8) Approve remuneration of the Non-Executive Directors.
- 9) Recommendation for re-election/re-appointment of Directors at annual general meeting and the direction of the Group.
- 10) Approve Corporate Governance Disclosure in Annual Report.

The details of the attendance of each member of the Board at the Board Meetings are as follows:-

Name of Directors	Attendance of Meetings	Percentage (%)
Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain	4/4	100
Dato' Philip Chan Hon Keong	4/4	100
Tay Hua Sin	4/4	100
Nik A. Majid Bin Mohd. Kamil	4/4	100
Hew Mei Ying (<i>appointed on 1 November 2021</i>)	2/2	100
Koay Kah Ee (<i>resigned on 31 October 2021</i>)	2/2	100
Tang Seng Fatt (<i>resigned on 15 May 2022</i>)	4/4	100

The following are the details of the attendance of Board Committees at the Committee Meeting held during the FYE 2022:-

(i) Audit Committee

Name of Directors	Designation	Attendance of Meetings	Percentage (%)
Hew Mei Ying (<i>appointed on 1 November 2021</i>)	Chairperson	2/2	100
Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain	Member	5/5	100
Nik A. Majid Bin Mohd. Kamil	Member	5/5	100
Koay Kah Ee (<i>resigned on 31 October 2021</i>)	Chairman	3/3	100

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Part II - Board Composition (Cont'd)

5. Overall Board Effectiveness (Cont'd)

5.2 Time Commitment of the Board (Cont'd)

The following are the details of the attendance of Board Committees at the Committee Meeting held during the FYE 2022 (Cont'd):-

(ii) Remuneration Committee

Name of Directors	Designation	Attendance of Meetings	Percentage (%)
Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain	Chairman	2/2	100
Nik A. Majid Bin Mohd. Kamil	Member	2/2	100
Hew Mei Ying (appointed on 1 November 2021)	Member	1/1	100
Koay Kah Ee (resigned on 31 October 2021)	Member	1/1	100

(iii) Nomination Committee

Name of Directors	Designation	Attendance of Meetings	Percentage (%)
Nik A. Majid Bin Mohd. Kamil (redesignated from Member to Chairman on 23 February 2021)	Chairman	1/1	100
Tan Sri Datuk Amar (Dr) Haji Abdul Aziz bin Dato Haji Husain	Member	1/1	100
Hew Mei Ying (appointed on 1 November 2021)	Member	1/1	100

Based on the attendance record of the Board and Board Committee meetings above, the Board is satisfied with the time commitment given by the Directors. The Directors' directorship in other listed issuers is disclosed in their respective profiles of this Annual Report. The Directors must notify the Board promptly before accepting an invitation to serve on the board of another public listed company taking into consideration any actual or apparent conflicts of interest and impairments to independence as well as time and energy necessary to satisfy the requirements of Board and Committees memberships in the other public listed company.

5.3 Assessment of Independent Directors

The Board of Directors assesses the independence of the Independent Directors annually and when new interests or relationships surface between the Independent Directors and the Group. The role of the Independent Directors is important in ensuring that independence of judgement and objectivity is exercised during Board deliberations taking into account the interests of all stakeholders.

The Board is satisfied with the level of independence demonstrated by the Independent Directors and with their different backgrounds and specializations they collectively bring considerable knowledge, judgment and experience which will continue to bring independent and objective judgment to Board deliberations. A brief biography of each Director is presented in their respective profiles of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part II - Board Composition (Cont'd)

5. Overall Board Effectiveness (Cont'd)

5.4 Directors' Training

At the date of this report, all Directors have successfully attended the Mandatory Accreditation Programme ("MAP") as prescribed by Bursa Securities. The Board, through the NC, has undertaken an assessment of the training needs of each director and the Directors will continue to undergo relevant training programmes, seminars, workshops, talks and conferences to keep abreast with new regulatory developments and relevant changes in business environment continuously in compliance with Paragraph 15.08 of the MMLR of Bursa Securities.

During the FYE 2022, the Directors have attended seminars and training as follows:-

Name of Directors	Seminar and Training Programmes	Date
Tay Hua Sin	• TCFD 102: Building experience in climate-related financial reporting	9 March 2022
Dato' Philip Chan Hon Keong	• TCFD 102: Building experience in climate-related financial reporting	9 March 2022
Nik A. Majid Bin Mohd. Kamil	• The updated Malaysian Code on Corporate Governance April 2021 –Implications to Listed Corporations, Directors & Management	26 July 2021
	• The updated Malaysian Code on Corporate Governance April 2021 –Implications to Listed Corporations, Directors & Management	7 October 2021
	• The Accounting and Finance Show Malaysia 2021	12 October 2021
	• Rebuilding a Sustainable Reform	14 October 2021
	• TCFD 102: Building experience in climate-related financial reporting	9 March 2022
Hew Mei Ying	• MAP	15-17 February 2022

Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain did not attend any training for the FYE 2022 due to work commitments. However, he still received timely updates on the changes and amendments to regulatory requirements, laws and accounting standards from the Company Secretaries, Internal Auditors and External Auditors respectively.

The Directors are encouraged to attend other relevant training programmes to enhance the insight of their business, improve their technical knowledge and professionalism in discharging their duties as Directors of the Company. The relevant training, briefing, seminars and conferences, covering topics on governance, risk management, accounting, general management and investor relations were circulated by the management and/or Company Secretaries to the Board members for consideration to keep themselves updated on changes to the legislation and regulation affecting the Group.

Besides, the Directors are updated by the Company Secretaries on any changes to the statutory, corporate and regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors as and when occurred. The external auditors also have briefed the Board on the changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part III – Remuneration

6. Level and Composition of Remuneration

6.1 Remuneration Policy and Procedure (“RPP”)

The Group's RPP sets out the procedure of determining the remunerations of directors and senior management which takes into account the competitiveness, adequacy and are in line with current market practices to attract, retain, motivate and reward the Directors and senior management, thereby having sufficient, experienced and competent manpower on board to achieve the Company's corporate goals and objectives.

The objectives of this RPP are to ensure that the directors and senior management are offered an appropriate level and composition of remuneration and other benefits by taking into account the Group's desire to attract and retain the right talent and expertise to motivate the directors and senior management to achieve the Group's short-term and long-term business objectives.

The Group's RPP is adopted and will be periodically reviewed by the Board to ensure it remains effective, consistent with the Board's objectives and responsibilities and in line with the relevant laws and legislations. This RPP is made available on the Company's website at www.eksons.com.my.

6.2 Remuneration Committee

The Board as a whole determines the remuneration of the Non-Executive Directors, and each Director abstains from the Board deliberations on his remuneration. The Non-Executive Directors are paid annual fees and attendance allowance for each Board and Board Committee meeting that they attend.

The Remuneration Committee will perform a regular review of the competitiveness of the Directors' remuneration structure and policy to keep itself fully informed of the developments and best practices concerning remuneration, to attract and retain directors of high calibre.

The Remuneration Committee met two (2) times during the financial year ended 31 March 2022 to assess the performance and efficiency of Directors and the remuneration packages of Executive Directors and Senior Management of the Group.

The remuneration package of Non-Executive Directors will be a matter to be decided by the Board as a whole with the Directors concerned abstaining from deliberations and voting on decisions in respect of his remuneration. Fees payable to the Directors are determined by the Board with the approval from shareholders at the annual general meeting.

The current Remuneration Committee comprises exclusively of Non-Executive Directors, a majority of Independent Directors, and the members are as follows:-

Name of Directors	Directorate	Designation
Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain	Non-Independent and Non-Executive Director	Chairman
Nik A. Majid Bin Mohd. Kamil	Independent and Non-Executive Director	Member
Hew Mei Ying (appointed on 1 November 2021)	Independent and Non-Executive Director	Member
Koay Kah Ee (resigned on 31 October 2021)	Independent and Non-Executive Director	Member

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part III – Remuneration (Cont'd)

6. Level and Composition of Remuneration (Cont'd)

6.2 Remuneration Committee (Cont'd)

The Terms of Reference of the Remuneration Committee is being reviewed, updated and adopted by the Board during the Board of Directors meeting held during the financial year. It is made available on the Company's website at www.eksons.com.my.

7. Remuneration of Directors and Senior Management

7.1 Directors' remuneration

The Directors' fees paid or payable to each Director of the Company are categorised into appropriate components in respect of the financial year ended 31 March 2022 including the remuneration breakdown of fees, salary, bonus, benefits-in-kind and other emoluments, which are subject to the shareholders' approval at the forthcoming Annual General Meeting, are as follows:-

Name of Directors and Directorate	Salaries RM	Fees RM	Audit Committee Fees RM	Sitting Allowance RM	Total RM
Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain - <i>Non-Independent and Non-Executive Chairman</i>	-	209,160	9,240	6,000	224,400
Tay Hua Sin - <i>Executive Deputy Chairman</i>	541,580	-	-	-	541,580
Dato' Philip Chan Hon Keong - <i>Group Managing Director</i>	334,080	-	-	-	334,080
Tang Seng Fatt - <i>Executive Director (resigned wef 15 May 2022)</i>	192,720	-	-	-	192,720
Hew Mei Ying - <i>Independent Director (appointed wef 1 November 2021)</i>	-	16,500	7,700	3,000	27,200
Koay Kah Ee - <i>Independent and Non-Executive Director (resigned wef 31 October 2021)</i>	-	23,100	10,780	3,000	36,880
Nik A.Majid Bin Mohd. Kamil - <i>Independent and Non-Executive Director</i>	-	39,600	9,240	6,000	54,840
	1,068,380	288,360	36,960	18,000	1,411,700

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part III – Remuneration (Cont'd)

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

7.2 Remuneration of Top Five Senior Management

The remuneration of the top five Senior Management including salaries, benefit-in-kind and other emoluments for the FYE 2022 disclosed in bands of RM50,000 is as follows:-

Range of Remuneration (RM)	Top Five Senior Management
50,001 - 100,000	2
150,001 - 200,000	1
200,001 - 250,000	1
250,001 - 300,000	1
Total	5

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I – Audit Committee

8. Effective and Independent Audit Committee

8.1 Chairman of Audit Committee

The Chairperson of the Audit Committee is Ms. Hew Mei Ying, an Independent and Non-Executive Director, who is not the Chairman of the Board. The profile of the Chairperson of the Audit Committee is set out in the Profile of Directors of this Annual Report.

8.2 Assessment of suitability and independence of external auditors

The Company maintains a transparent relationship with the external auditors in seeking their professional advice and towards ensuring compliance with the accounting standards.

The key features underlying the relationship between the Audit Committee and the external auditors are outlined in the Audit Committee's Terms of Reference made available on the Company's website at www.eksons.com.my whereas a summary of the works of the Audit Committee during the financial year is set out in the Audit Committee Report of this Annual Report.

The external auditors of the Company fulfil an essential role on behalf of the Company in giving an assurance to the shareholders and others, of the reliability of the financial statements of the Company. The external auditors should bring to the attention of the Board, the Audit Committee and the Company's Management any significant deficiency in the Company's systems of reporting, internal control and compliance with approved accounting standards as well as legal and regulatory requirements. The external auditors of the Company are invited to attend at least one meeting of the Audit Committee a year in the absence of the Executive Directors and Management.

During the FYE 2022, there were two sessions during the Audit Committee meeting between the Audit Committee members and the external auditors in the absence of the Executive Directors and Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part I – Audit Committee (Cont'd)

8. Effective and Independent Audit Committee (Cont'd)

8.2 Assessment of suitability and independence of external auditors (Cont'd)

The Audit Committee discusses the nature and scope of the audit, reporting obligations and audit schedule with the external auditors prior to commencement of the audit engagement. It is also the practice of the Audit Committee to respond to auditors' enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.

The Audit Committee is empowered by the Board to review all issues concerning the re-appointment of external auditors. The existing external auditors have expressed their willingness to continue in office and the Audit Committee had undertaken an assessment of the suitability and independence of the external auditors. Having satisfied of the performance of the external auditors during the assessment, the Audit Committee recommended the re-appointment of the external auditors to the Board, upon which the shareholders' approval will be sought at the forthcoming 32nd AGM.

The external auditors have confirmed to the Board that they are, and have been, independent throughout the conduct of audit engagement in accordance with the terms of relevant professional and regulatory requirements. The Board has received a written declaration from the external auditors of their independence throughout the term of their engagement in accordance with the terms of the relevant professional and regulatory requirements including the by-laws of the Malaysian Institute of Accountants.

The Audit Committee and the Board will consider a policy governing the circumstances under which contracts for the provision of non-audit services could be entered into by the external auditors.

To further enhance the process of external auditors' assessment, the Audit Committee is looking into formalising an External Auditors Assessment Policy to be reviewed, deliberated and recommended to the Board for approval.

8.3 Composition of Audit Committee

The Audit Committee comprises majority Independent Directors and the composition and activities carried out by the Audit Committee during the financial year under review are set out in the Audit Committee Report of this Annual Report.

The members of the Audit Committee are as follows:-

Name of Director	Designation	Directorship
Hew Mei Ying (appointed on 1 November 2021)	Chairperson	Independent Non-Executive Director
Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain	Member	Non-Independent Non-Executive Chairman
Nik A. Majid Bin Mohd. Kamil	Member	Independent Non-Executive Director

The members of the Audit Committee possess a variety of industry-specific knowledge and technical as well as commercial experiences and bring to bear objective and independent judgment in discharging their duties. All members of the Committee are financially literate and can understand matters under the purview of the Audit Committee including the financial reporting processes of the Group.

During the FYE 2022, the members of the Audit Committee have undergone various training programs, seminars, workshops and conferences to keep themselves updated with new regulatory developments and changes affecting the Group of which are detailed in Item 5.4 – Directors' Training of this statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part II – Risk Management and Internal Control Framework

9. Effective Risk Management and Internal Control Framework

The Board of Directors acknowledges its responsibility for the Group's system of internal controls, which is designed to identify and manage the risks facing the business in pursuit of its objectives. The system of internal control covers risk management and financial, organizational and compliance controls to safeguard shareholders' investments and the Group's assets. This system can only provide reasonable but not absolute assurance against misstatement or loss.

The Board undertakes ongoing reviews of the key commercial and financial risks facing the Group's businesses together with more general risks such as those relating to compliance with laws and regulations. The monitoring arrangements in place give reasonable assurance that the structure of controls and operations are appropriate to the Company's and the Group's situation and that there is an acceptable level of risk throughout the Group's businesses.

The Company's Statement on Risk Management and Internal Control is presented in this Annual Report.

10. Effective Governance, Risk Management and Internal Control Framework

The Board acknowledged that the overall responsibility in maintaining a sound risk management framework and system of internal control that provides reasonable assurance of effective and efficient operations and compliance with the internal procedures and guidelines.

The outsourced internal audit function provides the Audit Committee with periodic internal audit reports outlining the observations and recommendations to accomplish its goals by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

Tricor Axcelasia Sdn. Bhd., was appointed to conduct the outsourced internal audit function. The Audit Committee assessed the scope of work to be conducted and reviewed their area of competency, resources and independence in discharging their duties of internal audit function of the Group. No further evaluation was carried out by the Audit Committee on the performance of the outsourced internal audit function of the Group due to their new appointment. The Board takes comfort that the outsourced internal auditors have the necessary competency, experience and resources to function effectively and that the outsourced internal audit function is independent of the management of the Group.

Further details of the Group's risk management and internal control framework is provided in the Statement on Risk Management and Internal Control and Audit Committee Report set out in this Annual Report.

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

Part I – Communication with Stakeholders

11. Continuous Communication between the Company and Stakeholders

The Board recognises the importance to promote and maintain market integrity and investor confidence, and to build good investor relations, the Group has taken the initiative in setting up a framework that is in line with the Corporate Disclosure Policy to ensure proper dissemination and disclosure of information to the investing public. This framework will ensure that the Group provide access to material information in an accurate, clear, timely and complete manner and to avoid selective disclosure.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part I – Communication with Stakeholders (Cont'd)

11. Continuous Communication between the Company and Stakeholders (Cont'd)

The Group maintains its corporate website at www.eksons.com.my for shareholders and the public to access information relating to its businesses, financial performance, operations and corporate development through annual reports, quarterly reports, circulars and various announcements in a timely manner. Stakeholders can at any time seek clarification or raise queries through the corporate website, by email or by phone. Primary contact details are set out on the Company's website.

Written communications are attended to within a reasonable time from the day of receipt.

Part II – Conduct of General Meetings

12. Encourage Shareholders' Participation at General Meetings

The Board of Directors acknowledges the need for shareholders to be informed of all material business matters affecting the Company. This is achieved through the various announcements made during the year to Bursa Securities, the timely release of financial results on a quarterly basis and the Company's Annual General Meeting. The notice of the AGM had been given to the shareholders at least 28 days before the meeting to provide sufficient time for shareholders to consider the resolutions that will be discussed and decided at the meeting.

The Annual General Meeting and the Extraordinary General Meeting(s) are the main forum by which the Company provides the opportunity for dialogue between itself, its auditors and the shareholders. Ample time is given for question and answer sessions and for suggestions and comments by shareholders to be noted by management for consideration at the Company's general meetings.

In view of the COVID-19 pandemic, the Company took necessary precautions and preventive measures in complying with the directive issued by Malaysian Ministry of Health. These include the option of remote shareholders' participation at the Annual General Meeting. The Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution in general meeting.

All Directors attended the Thirty-First ("31st") AGM held on 23 September 2021 on a fully virtual basis to engage with shareholders and proxies proactively. The 31st AGM included an avenue for questions by and answers to shareholders and proxies. The Chairman had invited shareholders and proxies to raise their questions on the Company's financial statements and other items for approval at the said AGM.

The Chairman of the Board ensured that sufficient opportunities were given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses were given.

The Company had conducted its 31st AGM virtually and voting on all resolutions at the fully virtual 31st AGM held on 23 September 2021 were by online live polling utilising remote participation and voting facility. The results of the votes were scrutinised by an independent scrutineer and announced by the Company to the Bursa Securities on the same day.

The Board is satisfied with the current Annual General Meeting programme and there have been no major controversial issues noted with shareholders/investors during the Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

KEY FOCUS AREAS AND FUTURE PRIORITIES

Looking ahead to financial year ending 2023, the Board and its respective Board Committees will:-

- Understand the risks associated with strategic decisions and operations, and the processes management has in place to identify, monitor, and manage risk;
- To work with the Management to create a focus on short- and longer-term factors that affect the Company, its reputation, and its ongoing success. They need to focus on the “big picture,” ensuring that Company planning anticipates future marketplace, economic, and technological influences and disruptions; and
- Continue to monitor succession planning for the Board and the senior leadership team, to ensure a healthy pipeline of talent emerging for future Board and senior executive management.

CONCLUSION

The Board is satisfied that for the FYE 2022, it complies substantially with recommendations of the Practices of the MCCG 2021. This CG Overview Statement and the CG Report are made in accordance with the Resolution of the Board of Directors passed on 22 July 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) requires the Board of Directors of public listed companies to include in the Annual Report a “statement on risk management and internal control”. The Board is committed to maintaining a sound system of risk management and internal control in the Group and is pleased to provide the following statement, which outlines the nature and scope of risk management and internal control of the Group during the year.

BOARD RESPONSIBILITY

The Board of Directors is responsible for Eksons Group’s risk management and system of internal control including the establishment of an appropriate governance framework and control environment as well as reviewing its adequacy and effectiveness. The Board has established key policies on the Group’s risk management practices and internal control system, which not only covers financial controls but organisational, operational, and compliance controls. Because of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Thus, it can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is an on-going process for identifying, evaluating, and managing significant risks faced by the Group. The Board through its Audit Committee regularly reviews the results of this process. The Board confirms that this process is in place for the year under review and up to the date of approval of this statement for inclusion in the annual report and that it accords with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (the “Internal Control Guidelines”).

The Management assists the Board in the implementation of the Board’s policies and procedures on risk and control by identifying and assessing the significant risks faced and applying and monitoring appropriate internal controls to mitigate and manage these risks.

The Board is of the view that the Group’s risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and system of internal control of the Group.

RISK MANAGEMENT FRAMEWORK

The Board fully supports the contents of the Internal Control Guidelines. During the financial year, the Board reviewed and updated the Corporate Risk Assessment (CRA) exercise for the Group to identify the nature and extent of risks faced by the Group. The CRA exercise involved due and careful inquiry by the Board with staff at both management and operational levels, not only to identify significant risks but also to assess how such risks are being identified, evaluated, and managed at each level of the Company.

Through the CRA exercise, the Board has identified and evaluated the principal risks that were affecting the achievement of the Group’s business objectives. In tandem, the current measures to identify and monitor risks were also formally identified. Following these findings, the Board has taken the necessary steps to implement various controls to monitor and if required, tighten controls over these risks.

The above exercise is monitored and reviewed by the Audit Committee to ensure the adequacy and integrity of the system of internal control. Emphasis is placed on reviewing and updating the significant risks affecting the business and business continuity and policies and procedures by which these risks are managed, and to determine whether these risks are within the Group’s risk appetite.

The Board undertakes a review of key commercial and financial risks in the Group’s businesses as well as general risks such as those relating to compliance with laws and regulations and considers the recommendations made by the Audit Committee and the auditors. The monitoring arrangements in place give reasonable assurance that the structure of controls and operations is appropriate to the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT FUNCTIONS

The Group has in place an internal audit function, which provides the Board with much of the assurance it requires regarding the adequacy and effectiveness of risk management, internal control, and governance systems. This function is currently outsourced to Tricor Axcelasia Sdn. Bhd., an independent consulting firm.

The internal auditors independently review the internal controls on the key activities of the Group's businesses and present an annual internal audit plan to the Audit Committee for prior approval before carrying out the review and audit. The internal audit function adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the major business units of the Group.

The Audit Committee reviews the results of the risk monitoring and compliance procedure and ensures that an appropriate mix of techniques is used to obtain the level of assurance required by the Board. The Audit Committee considers reports from internal auditors and the Management, before reporting and making recommendations to the Board in strengthening the risk management, internal control, and governance systems. The Committee presents its findings to the Board on quarterly basis or earlier as appropriate.

INTERNAL CONTROL SYSTEM

The Board of Directors recognises the need for continuous improvement to its system of internal control and has taken steps to formalise and enhance the Group's procedures and processes. This includes analysis reporting, identification of authorisation limits with clear lines of accountability and responsibility, steps to formalise Group policies and guidelines and enhance management information systems.

Broadly, the Group's internal control system includes the following key elements:-

- a) organisational structures with authority limits and responsibilities;
- b) defined functions and responsibilities of committees of the Board;
- c) establishment of a system of governance through Whistle Blowing Policy, Anti-Bribery and Anti-Corruption Policy, Remuneration Policy for Directors and Management and Board Charter;
- d) documented internal policies and procedures which are the subject to regular review and improvement;
- e) review of material contracts and related party transactions, if any;
- f) regular and comprehensive information provided to the Management, covering both financial and non-financial performance and key business indicators; and
- g) regular visits to operating units by Board members and senior management.

As part of a continuing process, the Group will be reviewing and updating the methodologies and documentation of procedures through internal discussions as well as recommendations from Internal and External Auditors where applicable.

OTHER RISK AND CONTROL PROCESSES

Scheduled meetings are held at operational and management levels to identify, discuss and resolve business and operational issues. These include management meetings at the individual company level and departmental meetings. The Executive Directors are aware of and involved when necessary in resolving any significant issues identified at these meetings. The Group is structured such that the heads of each operating unit have clear reporting lines. The Board has established and formalised clear authorisation limits to management's authority for key aspects of the businesses.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

OTHER RISK AND CONTROL PROCESSES (CONT'D)

The Group Managing Director also reports to the Board on significant changes in the business and the external environment. The Executive Director in charge of finance provides the Board with financial information on a quarterly basis. This also includes, among others, the information on performance, outlook, and management action to address changes in the operating environment and other operating issues that may arise, where necessary. Where areas for improvement in the system are identified, the Board considers the recommendations made by the Audit Committee and the Management before approving the same for implementation.

THE BOARD'S COMMITMENT

The Board remains committed towards maintaining a sound system of risk management and internal control and believes that a balanced achievement of the Group's business objectives and operational efficiency can be attained.

The Board is not aware of any material losses incurred during the current financial year as a result of weaknesses in internal control.

The process of identifying, evaluating, and managing the significant risks faced by the Group is on-going as part of a continuous improvement programme.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the MMLR of Bursa Securities, 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 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG 3") 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 causes them to believe that the statement intended to be included in the annual report of the Group, in all material respects: 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 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 Directors and management thereon. The report from the external auditors was made solely for, and directed solely to the Board in connection with their compliance with the listing requirements of Bursa Securities and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the board of directors in respect of any aspect of this report.

THE AUDIT COMMITTEE REPORT

The Audit Committee ("AC") of Eksons Corporation Berhad ("Eksons" or "the Company") is pleased to present the AC Report for the financial year ended 31 March 2022.

MEMBERS

The AC consists of the following members:-

Chairperson	- Hew Mei Ying (Independent Non-Executive Director)
Members	- Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain (Non-Independent Non-Executive Director) - Nik A. Majid Bin Mohd. Kamil (Independent Non-Executive Director)

ATTENDANCE OF MEETINGS

During the financial year ended 31 March 2022, the AC held a total of five (5) meetings. The details of attendance of the AC members are as follows:-

Members	Attendance
Hew Mei Ying (appointed on 1 November 2021)	2/2
Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain	5/5
Nik A. Majid Bin Mohd. Kamil	5/5
Koay Kah Ee (resigned on 31 October 2021)	3/3

TERMS OF REFERENCE

The Term of Reference for the AC is available at the company's website, www.eksons.com.my.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The AC carried out the following activities during the financial year ended 31 March 2022:-

1. FINANCIAL REPORTING

Reviewed the financial statements pertaining thereto and made recommendations to the Board of Directors for approval of the same as follows:-

DATE OF MEETING	REVIEW OF FINANCIAL STATEMENT
23 June 2021	Fourth-quarter results for the financial year ended 31 March 2021.
28 July 2021	Audited Financial Statements for the financial year ended 31 March 2021.
26 August 2021	First-quarter results for the financial year ended 31 March 2022.
22 November 2021	Second-quarter results for the financial year 31 March 2022
23 February 2022	Third-quarter results for the financial year ended 31 March 2022

The above review was focused particularly on significant changes in or implementation of accounting policies and practices, significant adjustments arising from the audit, if any, the going concern assumption, significant and unusual events, compliance with the relevant accounting standards and other statutory requirements to ensure that the financial statements presented a true and fair view of the company's financial performance.

THE AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

The AC carried out the following activities during the financial year ended 31 March 2022 (cont'd) :-

2. INTERNAL AUDIT

- (a) Reviewed the internal audit reports presented by the internal auditors at the quarterly AC meetings to ensure that appropriate actions had been taken to implement the audit recommendations;
- (b) Reviewed and approved the risk-based audit plan to ensure adequate scope and comprehensive coverage over the activities of the Group and adequate resources within the internal audit team to carry out audit works;
- (c) Reviewed and monitored the scope functions and competency of internal audit functions, considered various internal audit findings and recommendations to improve internal controls and operational efficiencies; and
- (d) Monitor management's implementation of recommended mitigating action plans by the Internal Auditors to ensure key risks are being addressed.

3. EXTERNAL AUDIT

- a) Reviewed the Audit Planning Memorandum on the audit strategy, approach, and audit scope presented by the External Auditors prior to the commencement of the annual audit and other audit issues and recommendations raised by them from the audit;
- b) Reviewed the Audited Financial Statements presented by the External Auditors, audit findings, disclosures, critical areas relating to the audit, the representation letter issued, and management responses arising from the audit before recommending to the Board for adoption;
- c) Reviewed the proposed audit fees for FY 2021 before recommending them to the Board for approval after considering the audit process and approach, the engagement team's credentials and experience, and their ability to provide valuable advice and perform the audit work within the Group's timeline
- d) Discussions were held on 23 June 2021 and 23 February 2022, with the External Auditors in the absence of the Executive Directors and Management to discuss on areas of audit emphasis, issues that may have arisen from the audit and co-operation received from Management during the course of the audit.

4. RISK MANAGEMENT

- (a) Reviewed the Group's strategic plan and make recommendations to the Board of Directors.
- (b) Reviewed the Group's corporate risk assessment update and presented it to the Board of Directors.
- (c) The Group has in place a Whistleblower Policy providing a mechanism to report concerns on any suspected misconduct, wrongdoing, corruption, or fraud.
- (d) The Group adopted a zero-tolerance policy against all forms of bribery and corruption via its Anti-Bribery and Anti-Corruption Policy.

THE AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

The AC carried out the following activities during the financial year ended 31 March 2022 (cont'd) :-

5. RELATED PARTY TRANSACTIONS

- (a) Reviewed and monitored the Group's Related Parties Transactions and Recurrent Related Parties Transaction of a Revenue or Trading Nature for the financial year on a quarterly basis to ensure compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and
- (b) Reviewed and recommended to the Board of Directors for approval, the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of revenue or trading nature.

6. ANNUAL REPORTING

Reviewed and recommended to the Board of Directors for approval the Audit Committee Report, Statement on Risk Management and Internal Control for inclusion in the Annual Report.

THE INTERNAL AUDIT FUNCTION AND SUMMARY OF ITS ACTIVITIES

The internal audit function of the Group is outsourced to independent accounting firm, Tricor Axcelasia Sdn. Bhd.. The Group Internal Auditors' scope of work includes the review and evaluation of the adequacy and effectiveness of the internal control system to anticipate any potential risks and recommend improvements if any. The Internal Auditors also assess:-

- (a) The Group's compliance with its established policies, procedures, and guidelines;
- (b) Reliability and integrity of financial and operational information;
- (c) Safeguarding of assets;
- (d) Operational effectiveness and efficiency;
- (e) Recommending improvements to the existing systems of internal control; and
- (f) Recommending improvements to operational effectiveness and efficiencies.

The internal audit reports are discussed with management and relevant plans of action are agreed upon and implemented. Significant internal audit findings are presented to the AC for consideration and reporting to the Board of Directors.

In addition, the internal auditors also provide the necessary assistance and manpower for any special assignments or investigations, which the management may request from time to time, with the approval of the AC.

This AC Report was approved by the Board of Directors on 22 July 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Main Market Listing Requirements of Bursa Malaysia Securities Berhad, paragraph 15.26 (a), requires the Directors to issue a statement explaining its responsibility for preparing the annual audited financial statements.

The Board is responsible to ensure that the financial statements are properly drawn up in accordance with the Approved Accounting Standards and the provisions of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the state of affairs of the Group and of the Company as at the financial year end, and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group and of the Company, have adopted and consistently applied the appropriate accounting policies, made reasonable and prudent judgments and estimates, and that all applicable Approved Accounting Standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Company maintains adequate accounting records and sufficient internal controls to safeguard the assets of the Group and the Company.

This Statement of Directors' Responsibility was approved by the Board of Directors on 22 July 2022.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management services to the subsidiaries. The principal activities of the subsidiaries are set out in Note 16 to the financial statements.

RESULTS

	The Group RM	The Company RM
Loss after taxation for the financial year	(14,624,797)	(3,515,178)
Attributable to:-		
Owners of the Company	(15,448,196)	(3,515,178)
Non-controlling interests	823,399	-
	(14,624,797)	(3,515,178)

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

TREASURY SHARES

There were no purchase or sale of treasury shares during the financial year. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 31 March 2022, the Company held a total of 2,733,334 treasury shares out of the total of 164,213,000 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM 3,355,903.

The details on the treasury shares are disclosed in Note 29 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year 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 when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

ITEMS OF AN UNUSUAL NATURE (CONT'D)

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain
 Tay Hua Sin
 Dato' Philip Chan Hon Keong
 Nik A. Majid Bin Mohd. Kamil
 Hew Mei Ying (Appointed on 1 November 2021)
 Koay Kah Ee (Resigned on 31 October 2021)
 Tang Seng Fatt (Resigned on 15 May 2022)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Lee Peng Buan
 Dato' Sri Faizal Bin Abdul Aziz
 Choong Soo Onn
 Sui Uh Hing
 Tan Meng Seng

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	Number of ordinary shares			
	At 1.4.2021	Bought	Sold	At 31.3.2022
The Company				
<i>Direct Interests</i>				
Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain	1,102,314	-	-	1,102,314
Tay Hua Sin	9,161,933	-	-	9,161,933
Dato' Philip Chan Hon Keong	303,000	-	-	303,000
<i>Indirect Interests</i>				
Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain*	20,467,383	-	-	20,467,383
Tay Hua Sin^	66,251,960	-	-	66,251,960

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

- * Deemed interest by virtue of Section 8 and 197 of the Companies Act 2016 through Serira Sdn. Bhd. and through his children.
- ^ Deemed interest by virtue of Section 8 of the Companies Act 2016 through Darujasa Sdn. Bhd. and Kesturi Suria Sdn. Bhd.

By virtue of their shareholdings in the Company, Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain and Tay Hua Sin are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 31(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	325,320	182,160
Salaries and other emoluments	1,088,819	18,000
Contributions to defined contribution plan	80,558	-
	1,494,697	200,160

INDEMNITY AND INSURANCE COST

During the financial year, the total amounts of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM5,000,000 and RM15,910 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 16 to the financial statements.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022 (CONT'D)

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM170,000 and RM55,000 respectively.

Signed in accordance with a resolution of the directors dated 22 July 2022.

Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain

Dato' Philip Chan Hon Keong

STATEMENT BY DIRECTORS

AND STATUTORY DECLARATION

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain** and **Dato' Philip Chan Hon Keong**, being two of the directors of **Eksons Corporation Berhad**, state that, in the opinion of the directors, the financial statements set out on pages 51 to 129 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 their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 22 July 2022.

**Tan Sri Datuk Amar (Dr) Haji Abdul Aziz
Bin Dato Haji Husain**

Dato' Philip Chan Hon Keong

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **Lim Fung Sern**, MIA Membership Number: 21288, being the officer primarily responsible for the financial management of **Eksons Corporation Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 51 to 129 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 abovementioned
at Kuala Lumpur
in the Federal Territory
on this 22 July 2022

Lim Fung Sern

Before me,

**Datin Hajah Raihela Wanchik (No. W-275)
Commissioner for Oaths**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EKSONS CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Eksons Corporation 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 and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 51 to 129.

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 their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Other Matter

The financial statements of the Group and of the Company for the preceding financial year were audited by another firm of auditors whose report dated 18 August 2021, expressed an unmodified opinion on those statements.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition and Inventories - Property Development Cost Refer to Notes 5 and 15(b) to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>The Group recognises revenue and costs from property development activities based on the stage of completion method. The stage of completion is measured using the input method, by reference to the proportion of actual cost incurred for work performed to date to the estimated total cost for the project.</p> <p>The recognition of revenue and costs are therefore dependent on the Group's budgeted property development costs, which require significant estimates and judgements by management on costs to be incurred for property development projects.</p> <p>This is a key audit matter as evaluating the accuracy of the budgeted costs and the determination of the percentage of completion of property development projects require significant judgement and estimates.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> Reviewed the budgets prepared by management for property development projects; Assessed the estimated total costs to complete through enquiries with management; Inspected documentation which supports cost estimates made including contract variations and contingency costs; Assessed the reliability of contract budgets by comparing to actual costs incurred; Verified sales of properties to signed Sale and Purchase Agreements and billings raised to property buyers; and Performed recomputation of the revenue recognised and checked calculation of the percentage of completion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EKSONS CORPORATION BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

Key Audit Matters (Cont'd)

Valuation of Inventories - Completed Units Refer to Note 21 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As at 31 March 2021, the carrying amount of completed properties stood at RM48.9 million, which represents approximately 13% of the Group's total current assets and RM2.4 million of inventories were written down during the year. Completed properties are classified as inventories and are carried at the lower of cost or net realisable value. Management's annual assessment of the realisable value of completed properties is significant to our audit as significant degree of judgement is required to determine the assumptions used in the valuation of the completed properties.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> Assessed the objectivity, independence, reputation, experience and expertise of the independent valuer; Reviewed the methodology adopted by the independent valuer in estimating the fair value of the completed properties and assessed whether such methodology is consistent with those used in the industry; and Evaluated the appropriateness of the data used by the independent valuer as input into their assessment. We interviewed the independent valuer, discussed and challenged the significant estimates and assumptions applied in the valuation process.
Impairment review of property, plant and equipment Refer to Note 14 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As at 31 March 2022, the carrying value of property, plant and equipment of the Group stood at RM43.3 million, representing approximately 71% of the total non-current assets of the Group.</p> <p>The Group assessed that there were indications of impairment on the Group's property, plant and equipment as the entities within the plywood operations were loss making as at 31 March 2022. Accordingly, the Group performed impairment assessments to determine the recoverable amounts of the cash generating units ("CGUs") relating to the property, plant and equipment of the Group. These involve comparing the recoverable amounts of the related CGUs to the carrying amounts of these property, plant and equipment. The Group estimated the recoverable amounts of the respective CGUs based on their fair value less costs to sell or value-in-use, whichever is higher.</p> <p>We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management judgement about future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amounts of the CGUs.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> Evaluated the appropriateness of the methodology and approach applied; For impairment assessment based on fair value less costs to sell, to the extent that management relied on valuation reports provided by independent professional valuers, we have: <ul style="list-style-type: none"> Assessed the objectivity, independence, reputation, experience and expertise of the independent valuer; Reviewed the methodology adopted by the independent valuer in estimating the fair value of the assets and assessed whether such methodology is consistent with those used in the industry; and Evaluated the appropriateness of the data used by the independent valuer as input into the valuation. We interviewed the external valuer, discussed and challenged the significant estimates and assumptions applied in the valuation process.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EKSONS CORPORATION BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EKSONS CORPORATION BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

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

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 (cont'd) :-

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

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

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

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

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

22 July 2022

Ngiam Mia Teck
03000/07/2024 J
Chartered Accountant

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

		The Group		The Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
REVENUE	5	90,792,585	42,613,747	10,000,020	-
COST OF SALES	6	(81,573,092)	(43,434,923)	-	-
GROSS PROFIT/(LOSS)		9,219,493	(821,176)	10,000,020	-
INTEREST INCOME		2,753,108	2,562,905	3,354,769	2,062,059
OTHER INCOME	7	6,069,000	17,620,490	4,016,270	15,449,026
ADMINISTRATIVE EXPENSES		(8,864,279)	(9,597,595)	(1,112,722)	(715,281)
MARKETING AND DISTRIBUTION EXPENSES		(3,028,846)	(2,021,201)	-	-
OTHER EXPENSES		(18,836,590)	(9,937,303)	(19,569,277)	(3,298,381)
INTEREST EXPENSES		(1,012,070)	(1,131,254)	-	(3,398)
NET (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS	11	(368,252)	5,133,877	54,433	(828,348)
(LOSS)/PROFIT BEFORE TAXATION	8	(14,068,436)	1,808,743	(3,256,507)	12,665,677
INCOME TAX EXPENSE	12	(556,361)	2,965,602	(258,671)	(437,556)
(LOSS)/PROFIT AFTER TAXATION/ TOTAL COMPREHENSIVE (EXPENSES)/INCOME		(14,624,797)	4,774,345	(3,515,178)	12,228,121
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		(15,448,196)	5,811,243	(3,515,178)	12,228,121
Non-controlling interests		823,399	(1,036,898)	-	-
		(14,624,797)	4,774,345	(3,515,178)	12,228,121
TOTAL COMPREHENSIVE (EXPENSES)/ INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(15,448,196)	5,811,243	(3,515,178)	12,228,121
Non-controlling interests		823,399	(1,036,898)	-	-
		(14,624,797)	4,774,345	(3,515,178)	12,228,121
(LOSS)/EARNINGS PER SHARE (SEN)					
- Basic	13	(10)	4		
- Diluted	13	(10)	4		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2022

		The Group		The Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	14	43,319,296	53,813,930	2,411,498	3,067,316
Land held for property development	15	17,296,968	17,296,968	-	-
Investments in subsidiaries	16	-	-	152,356,036	142,237,411
Deferred tax assets	18	-	1,313,298	-	-
Goodwill	19	-	-	-	-
Other receivables	20	-	-	23,310,432	35,223,418
		60,616,264	72,424,196	178,077,966	180,528,145
CURRENT ASSETS					
Property development costs	15	32,536,934	43,741,735	-	-
Inventories	21	85,618,885	104,831,506	-	-
Trade and other receivables	20	18,064,465	4,964,060	1,149,697	23,997
Other current assets	22	23,266,028	20,226,811	651,924	25,670
Current tax assets		1,090,998	948,292	-	-
Investment securities	23	190,304,860	163,493,307	190,258,518	163,378,444
Fixed deposits with licensed banks	24	18,975,274	46,839,106	1,753,454	5,610,035
Cash and bank balances	24	8,910,630	7,653,534	263,875	291,983
		378,768,074	392,698,351	194,077,468	169,330,129
TOTAL ASSETS		439,384,338	465,122,547	372,155,434	349,858,274

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2022 (CONT'D)

		The Group		The Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	29	131,370,400	131,370,400	131,370,400	131,370,400
Treasury shares	29	(3,355,903)	(3,355,903)	(3,355,903)	(3,355,903)
Retained profits		249,305,616	264,753,812	188,497,128	192,012,306
Equity attributable to the owners of the Company		377,320,113	392,768,309	316,511,625	320,026,803
Non-controlling interests	16	21,144,121	20,320,722	-	-
TOTAL EQUITY		398,464,234	413,089,031	316,511,625	320,026,803
NON-CURRENT LIABILITIES					
Loan and borrowings	25	4,056,011	6,390,311	-	-
Deferred tax liabilities	18	7,195,689	9,150,194	-	-
		11,251,700	15,540,505	-	-
CURRENT LIABILITIES					
Loan and borrowings	25	4,875,919	11,921,646	-	-
Trade and other payables	26	10,461,332	9,443,824	55,275,141	29,417,458
Other current liabilities	27	13,130,357	14,719,665	321,524	264,033
Current tax liabilities		1,164,268	362,870	12,302	114,959
Lease liabilities	28	36,528	45,006	34,842	35,021
		29,668,404	36,493,011	55,643,809	29,831,471
TOTAL LIABILITIES		40,920,104	52,033,516	55,643,809	29,831,471
TOTAL EQUITY AND LIABILITIES		439,384,338	465,122,547	372,155,434	349,858,274

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Share Capital RM	Treasury Shares RM	Retained Profits RM	Attributable to the Owners of the Company RM	Non-Controlling Interests RM	Total Equity RM
The Group							
Balance at 1 April 2020		131,370,400	(5,318,902)	262,903,427	388,954,925	26,059,761	415,014,686
Profit/(loss) after taxation/Total comprehensive income/(expense) for the financial year		-	-	5,811,243	5,811,243	(1,036,898)	4,774,345
Contribution by and distribution to owners of the Company:							
- Dividend	29	-	1,962,999	(1,962,999)	-	-	-
- Acquisition of non-controlling interest in a subsidiary	16	-	-	(1,997,859)	(1,997,859)	(4,702,141)	(6,700,000)
Total transactions with owners		-	1,962,999	(3,960,858)	(1,997,859)	(4,702,141)	(6,700,000)
Balance at 31 March 2021		131,370,400	(3,355,903)	264,753,812	392,768,309	20,320,722	413,089,031
Balance at 1 April 2021		131,370,400	(3,355,903)	264,753,812	392,768,309	20,320,722	413,089,031
(Loss)/profit after taxation/Total comprehensive (expenses)/income for the financial year		-	-	(15,448,196)	(15,448,196)	823,399	(14,624,797)
Balance at 31 March 2022		131,370,400	(3,355,903)	249,305,616	377,320,113	21,144,121	398,464,234

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

	Note	Share Capital RM	Tresury Shares RM	Retained Profits RM	Total Equity RM
The Company					
Balance at 1 April 2020		131,370,400	(5,318,902)	181,747,184	307,798,682
Profit after taxation/Total comprehensive income for the financial year		-	-	12,228,121	12,228,121
Distribution to owners of the Company:					
- Dividend	29	-	1,962,999	(1,962,999)	-
Balance at 31 March 2021/1 April 2021		131,370,400	(3,355,903)	192,012,306	320,026,803
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(3,515,178)	(3,515,178)
Balance at 31 March 2022		131,370,400	(3,355,903)	188,497,128	316,511,625

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

		The Group		The Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(14,068,436)	1,808,743	(3,256,507)	12,665,677
Adjustments for:-					
Depreciation on property, plant and equipment		5,960,998	7,762,753	71,316	118,246
Dividend income from a subsidiary		-	-	(10,000,020)	-
Dividend income from short term funds		(1,484)	(2,439)	-	-
Interest expenses		1,012,070	1,131,254	-	3,398
Gain on disposal of property, plant and equipment		(732,050)	(89,657)	(596,073)	-
Interest income		(2,753,108)	(2,562,905)	(3,354,769)	(2,062,059)
Inventories written down		2,417,710	7,397,528	-	-
Inventories written off		165,905	-	-	-
Impairment loss on trade and other receivables		368,252	51,127	-	5,828,348
Impairment loss on property, plant and equipment		3,759,430	111,956	-	-
Impairment loss on investments in subsidiaries		-	-	7,173,017	1,235,209
Reversal of impairment loss on other receivables		-	(5,185,004)	(54,433)	(5,000,000)
Property, plant and equipment written off		25,008	735	-	-
Unrealised loss/(gain) on investment securities		8,605,411	(15,414,526)	8,605,411	(15,414,526)
Unrealised (gain)/loss on foreign exchange		(3,398,496)	2,071,102	(3,394,997)	2,063,172
Operating profit/(loss) before working capital changes		1,361,210	(2,919,333)	(4,807,055)	(562,535)
Decrease/(Increase) in property development costs		11,204,801	(2,826,315)	-	-
Decrease in inventories		16,629,006	9,602,079	-	-
(Increase)/Decrease in trade and other receivables		(13,465,386)	10,159,849	(5,442,549)	18,114,505
Increase in other current assets		(3,039,217)	(10,840,818)	(626,254)	(8,048)
Increase in trade and other payables		1,017,508	3,746,578	25,857,683	5,638,891
(Decrease)/Increase in other current liabilities		(1,589,308)	2,727,515	57,491	37,353
CASH FROM OPERATIONS		12,118,614	9,649,555	15,039,316	23,220,166
Income tax paid, net		(538,876)	(464,158)	(361,328)	(217,958)
Interest paid		(1,012,070)	(1,130,660)	-	(2,804)
NET CASH FROM OPERATING ACTIVITIES		10,567,668	8,054,737	14,677,988	22,999,404

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

		The Group		The Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Dividend received from a subsidiary		-	-	10,000,020	-
Dividend received from investment securities		1,484	2,439	-	-
Interest received		416,465	2,562,905	2,347,395	2,062,059
Additional investment in an existing subsidiary		-	-	-	(6,700,000)
Acquisition of investment securities		(29,685,324)	(16,001,432)	(32,090,488)	(15,998,993)
Proceeds from disposal of property, plant and equipment		1,615,199	253,590	1,200,000	-
Acquisitions of property, plant and equipment	14(a)	(133,951)	(136,521)	(19,425)	-
NET CASH FOR INVESTING ACTIVITIES		(27,786,127)	(13,319,019)	(18,562,498)	(20,636,934)
CASH FLOWS FOR FINANCING ACTIVITIES					
Acquisition of non-controlling interest in a subsidiary		-	(6,700,000)	-	-
Proceeds from bridging loan	30	8,000,000	11,640,611	-	-
Repayments of term loan	30	(489,945)	(3,165,098)	-	-
Repayments of bridging loan	30	(16,537,252)	(5,478,879)	-	-
Repayment of lease liabilities, net	30	(8,478)	(42,541)	(179)	(32,937)
Withdrawal/(Placement) of fixed deposit pledged for bank guarantees		2,000	(384,000)	-	-
NET CASH FOR FINANCING ACTIVITIES		(9,033,675)	(4,129,907)	(179)	(32,937)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(26,252,134)	(9,394,189)	(3,884,689)	2,329,533
EFFECT OF EXCHANGE DIFFERENCES		228	(623)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		49,557,197	58,952,009	5,902,018	3,572,485
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		24 23,305,291	49,557,197	2,017,329	5,902,018

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : TB 4327, Block 31, 2nd Floor,
Fajar Complex, Jalan Haji Karim,
91000 Tawau, Sabah.

Principal place of business : B-15-5, Megan Avenue II,
No 12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 22 July 2022.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 16 to the financial statements.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendment to MFRS 16: Covid-19-Related Rent Concessions

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17 Insurance Contracts

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of
Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 –
Comparative Information

Amendment to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

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

Effective Date

1 January 2023

1 January 2022

Deferred

1 January 2023

1 January 2023

1 January 2023

1 January 2023

1 January 2023

1 January 2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year (Cont'd):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments) (Cont'd)	Effective Date
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Property, Plant and Equipment

The Group determines whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 14 to the financial statements.

(c) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 21 to the financial statements.

(d) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 20 and 22 to the financial statements.

(e) Impairment of Non-trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount due from subsidiaries as at the reporting date are disclosed in Note 20 to the financial statements.

(f) Revenue and Cost Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with customer and the applicable laws governing the contract.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(f) Revenue and Cost Recognition of Property Development Activities (Cont'd)

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists. The carrying amount of contract assets as at the reporting date is disclosed in Note 22 to the financial statements.

(g) Provision for Affordable Housing

The provision for affordable housing represents the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the purchasers of affordable housing in the development of affordable housing on involuntary basis. This provision is capitalised in the form of common costs for the development of premium housing. In determining the provision for affordable housing, estimates and assumptions are made by the Group on the structure and construction costs in constructing the affordable housing. In making those judgements, the Group evaluates the provisions based on past experience.

(h) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made. The carrying amounts of current tax assets and current tax liabilities as at the reporting date are as follows:-

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current tax assets	1,090,998	948,292	-	-
Current tax liabilities	1,164,268	362,870	12,302	114,959

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, 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.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

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

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

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss.

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

Equity Instruments classified as equity are measured at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

(d) 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 when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

(e) Financial Guarantee Contract

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 specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(e) Financial Guarantee Contract (Cont'd)

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

The principal annual rates used for this purpose are:-

Buildings	2% - 5%
Plant and machinery	5% - 20%
Motor vehicles	20%
Furniture, fittings and office equipment	10% - 33 1/3%
Other assets	4% - 33 1/3%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4.8 LAND HELD FOR PROPERTY DEVELOPMENT

Land held for property development represents land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development is stated at the lower of cost and net realisable value.

The cost comprises cost associated with the purchase of land, conversion fees and other relevant levies.

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the land held for property development will be the best available measure of the net realisable value.

Land held for property development is transferred to property development cost category when development activities have commenced and are expected to be completed within the normal operating cycle.

4.9 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset 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 the right-of-use assets are determined on the same basis as those property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 LEASES (CONT'D)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.10 CONTRACT COSTS ASSETS

(a) Incremental Costs of Obtaining Contracts

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

(b) Costs to Fulfil A Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract costs assets are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

4.11 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.12 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or fair value through other comprehensive income, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flow using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost and net realisable value are determined as below:-

(a) Property Development

(i) Property Under Development for Sale

The cost comprises specifically identified cost, including cost associated to the purchase of land, conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of common infrastructure costs.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

(ii) Completed Properties Held for Sale

The cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. The cost of completed properties held for sale comprises cost associated with the acquisition of land, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary in selling the completed property.

(b) Trading

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

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

4.14 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.

4.15 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 INCOME TAXES (CONT'D)

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.17 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be 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 interest expense in profit or loss.

4.18 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 EMPLOYEE BENEFITS (CONT'D)

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.19 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefit is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.20 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction 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.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical asset or liability that the entity can access at the measurement date;

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

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.21 EARNINGS PER ORDINARY SHARE

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

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.22 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Rendering of Services

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, the Group recognises revenue on a straight-line method over the period of service.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(c) Property Development Activities

Revenue is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. The Group recognise revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

(d) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

4.24 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. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

5. REVENUE

The Group	Plywood Operations RM	Properties RM	Total RM
2022			
Revenue from contracts with customers	37,077,022	53,715,563	90,792,585
(a) Disaggregation of revenue from contracts with customers:			
- Sale of goods	37,077,022	-	37,077,022
- Sale of properties under construction	-	47,555,563	47,555,563
- Sale of completed properties	-	6,160,000	6,160,000
	37,077,022	53,715,563	90,792,585
(b) Timing of revenue recognition from contracts with customers:			
- At a point in time	37,077,022	6,160,000	43,237,022
- Over time	-	47,555,563	47,555,563
	37,077,022	53,715,563	90,792,585
2021			
Revenue from contracts with customers	15,952,616	26,661,131	42,613,747
(a) Disaggregation of revenue from contracts with customers:			
- Sale of goods	15,681,985	-	15,681,985
- Sale of properties under construction	-	25,257,131	25,257,131
- Sale of completed properties	-	1,350,000	1,350,000
- Transportation services	270,631	-	270,631
- Rental income	-	54,000	54,000
	15,952,616	26,661,131	42,613,747
(b) Timing of revenue recognition from contracts with customers:			
- At a point in time	15,681,985	1,350,000	17,031,985
- Over time	270,631	25,311,131	25,581,762
	15,952,616	26,661,131	42,613,747

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

5. REVENUE (CONT'D)

(c) Transaction prices allocated to the remaining performance obligation:-

	2022 RM	2021 RM
<u>Sales of properties under construction</u>		
- Within one year	9,927,008	35,195,617

The Company	2022 RM	2021 RM
Revenue from other sources		
- Dividend from a subsidiary	10,000,020	-

The information on the disaggregation of revenue by geographical market is disclosed in Note 32.2 to the financial statements.

6. COST OF SALES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cost of inventories sold				
- plywood operations	39,182,869	23,009,966	-	-
- properties	42,384,147	20,418,622	-	-
Cost of letting properties	6,076	6,335	-	-
	81,573,092	43,434,923	-	-

7. OTHER INCOME

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Bad debts recovered	42,314	-	-	-
Gain on disposal of property, plant and equipment	732,050	89,657	596,073	-
Rental income	1,301,728	1,304,715	25,200	34,500
Gain on foreign exchange:-				
- realised	8,581	73,424	-	-
- unrealised	3,398,496	-	3,394,997	-
Unrealised gain on investment securities	-	15,414,526	-	15,414,526
Dividend income from short term funds	1,484	2,439	-	-
Miscellaneous income	584,347	735,729	-	-
	6,069,000	17,620,490	4,016,270	15,449,026

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

8. (LOSS)/PROFIT BEFORE TAXATION

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(Loss)/Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:-				
- audit fee:				
- statutory audit for the financial year	159,000	134,500	50,000	55,000
- underprovision in the previous financial year	6,000	-	-	-
- non-audit fee	5,000	12,000	5,000	12,000
Depreciation of property, plant and equipment	5,960,998	7,762,753	71,316	118,246
Impairment loss on:-				
- investment in subsidiaries (Note 16)	-	-	7,173,017	1,235,209
- property, plant and equipment (Note 14)	3,759,430	111,956	-	-
Interest expense	1,012,070	1,131,254	-	3,398
Interest income on financial assets measured at amortised cost:-				
- fixed deposits with licensed banks	(368,011)	(2,562,905)	(10,752)	(1,311,588)
- amount owing by a subsidiary	-	-	(1,007,374)	(750,471)
- others	(48,454)	-	-	-
Interest income on financial assets measured at fair value through profit or loss:				
- investment securities	(2,336,643)	-	(2,336,643)	-
Inventories written down	2,417,710	7,397,528	-	-
Inventories written off	165,905	-	-	-
Management fee expense	281,809	404,978	-	-
Property, plant and equipment written off	25,008	735	-	-
Expenses relating to low value assets (Note 14(b))	660	660	-	-
Expenses relating to short term leases (Note 14(b))	83,160	84,088	-	-
Loss on foreign exchange:-				
- realised	377,728	-	377,728	-
- unrealised	-	2,071,102	-	2,063,172
Loss on investment securities:-				
- realised	3,413,121	-	3,413,121	-
- unrealised	8,605,411	-	8,605,411	-

9. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries and wages	6,280,771	4,824,253	200,160	198,160
Employees Provident Fund contributions	422,741	355,511	-	-
Other benefits	-	127,600	-	-
	6,703,512	5,307,364	200,160	198,160

Included in staff costs of the Group and of the Company are directors' remuneration amounting to RM2,114,219 (2021: RM2,075,034) and RM200,160 (2021: RM198,160) as disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

10. DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by directors of the Group and of the Company during the financial year are as follows:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors of the Company				
Executive:-				
Salaries and other emoluments	1,070,226	1,033,440	-	-
Contributions to defined contribution plan	63,278	62,878	-	-
Total executive directors' remuneration	1,133,504	1,096,318	-	-
Non-executive:-				
Fees	325,320	288,360	182,160	145,200
Other emoluments	18,593	52,960	18,000	52,960
Contributions to defined contribution plan	17,280	17,873	-	-
Total non-executive directors' remuneration	361,193	359,193	200,160	198,160
Total directors' remuneration	1,494,697	1,455,511	200,160	198,160
Directors of the Subsidiaries				
Executive:-				
Salaries and other emoluments	516,399	513,960	-	-
Contributions to defined contribution plan	61,752	64,192	-	-
Total executive directors' remuneration	578,151	578,152	-	-
Non-executive:-				
Fees	36,000	36,000	-	-
Contributions to defined contribution plan	5,371	5,371	-	-
Total non-executive directors' remuneration	41,371	41,371	-	-
Total directors' remuneration	619,522	619,523	-	-
Total directors' remuneration (Note 31(c))	2,114,219	2,075,034	200,160	198,160

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

11. NET (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Impairment losses:				
- trade receivables (Note 20)	(13,500)	(12,455)	-	-
- other receivables (Note 20)	(354,752)	(38,672)	-	(5,828,348)
Reversal of impairment loss:				
- other receivables (Note 20)	-	5,185,004	54,433	5,000,000
	(368,252)	5,133,877	54,433	(828,348)

12. INCOME TAX EXPENSE

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current tax expense:				
- for the financial year	955,251	510,042	-	478,014
- under/(over)provision in the previous financial year	124,634	(40,043)	140,988	(40,458)
	1,079,885	469,999	140,988	437,556
Real property gains tax	117,683	-	117,683	-
	1,197,568	469,999	258,671	437,556
Deferred tax expense (Note 18):				
- relating to originating and recognition of temporary differences	(2,005,263)	(1,890,301)	-	(477)
- recognition of previously unrecognised tax losses	-	(1,546,068)	-	-
- underprovision in the previous financial year	1,364,056	768	-	477
	(641,207)	(3,435,601)	-	-
	556,361	(2,965,602)	258,671	437,556

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

12. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory tax rates to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
(Loss)/Profit before taxation	(14,068,436)	1,808,743	(3,256,507)	12,665,677
Tax at the statutory tax rate of 24% (2021 - 24%)	(3,376,425)	434,099	(781,562)	3,039,763
Tax effects of:-				
Non-deductible expenses	4,885,522	766,621	10,244,846	2,569,831
Non-taxable gains	(1,502,372)	(5,182,173)	(9,463,284)	(5,132,057)
Deferred tax assets not recognised during the financial year	632,582	2,601,194	-	-
Utilisation of deferred tax assets not recognised in the previous financial year	(1,689,319)	-	-	-
Recognition of previously unrecognised tax losses	-	(1,546,068)	-	-
Real property gains tax arising from disposal of building	117,683	-	117,683	-
Under/(Over)provision of current tax in the previous financial year	124,634	(40,043)	140,988	(40,458)
Underprovision of deferred taxation in the previous financial year	1,364,056	768	-	477
	556,361	(2,965,602)	258,671	437,556

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

The temporary differences attributable to the deferred tax assets which are not recognised in the financial statements are as follows:-

	The Group	
	2022	2021
	RM	RM
Deferred tax assets:		
- unutilised tax losses	107,429,660	109,874,150
- unabsorbed capital allowances	54,833,998	53,729,920
- unabsorbed reinvestment allowances	13,946,316	13,946,316
- unabsorbed investment tax allowances	47,277,302	47,277,302
- depreciation in excess of capital allowance	113,330	249,937
- property development cost	4,937,832	7,866,354
- others	20,188	17,716
	228,558,626	232,961,695

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

12. INCOME TAX EXPENSE (CONT'D)

Pursuant to Section 44(5F) of the Act, the unutilised tax losses can only be carried forward until the following years of assessment:

	The Group	
	2022	2021
	RM	RM
Unutilised tax losses to be carried forward until:		
- Year of assessment 2025	65,777,603	68,397,766
- Year of assessment 2026	4,158,896	5,186,851
- Year of assessment 2027	12,239,427	12,677,454
- Year of assessment 2028	21,417,989	21,417,989
- Year of assessment 2030	1,114,725	1,114,725
- Year of assessment 2031	1,079,365	1,079,365
- Year of assessment 2032	1,641,655	-
	107,429,660	109,874,150

For unutilised reinvestment allowances accumulated prior to and up to YA 2019, such unutilised reinvestment allowances can only be carried forward until YA 2025, pursuant to the transitional provision provided in the Act. Other allowances may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

13. (LOSS)/EARNINGS PER SHARE

	The Group	
	2022	2021
Basic (loss)/earnings per share		
(Loss)/Profit attributable to owners of the Company (RM)	(15,448,196)	5,811,243
Number of shares in issue as of 31 March	164,213,000	164,213,000
Effects through:		
- treasury shares	(2,733,334)	(3,665,973)
Weighted average number of ordinary shares in issue for basic earnings per share	161,479,666	160,547,027
Basic (loss)/earnings per ordinary share attributable to owners of the Company (sen)	(10)	4

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per shares is equal to the basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Other assets RM	Total RM
Cost							
At 1 April 2021	12,058,662	70,127,013	216,871,620	1,636,680	5,562,947	7,720,034	313,976,956
Additions	-	-	90,000	-	43,951	-	133,951
Disposals	-	(628,000)	(1,103,268)	-	(1,473)	-	(1,732,741)
Written off	-	-	(165,694)	-	(4,188)	-	(169,882)
At 31 March 2022	12,058,662	69,499,013	215,692,658	1,636,680	5,601,237	7,720,034	312,208,284
Accumulated depreciation and impairment							
At 1 April 2021	4,334,589	46,094,770	195,455,742	1,608,888	5,327,429	7,341,608	260,163,026
Charge for the year (Note 8)	155,971	1,050,387	4,621,135	6,337	57,779	69,389	5,960,998
Disposals	-	(24,073)	(824,046)	-	(1,473)	-	(849,592)
Written off	-	-	(140,686)	-	(4,188)	-	(144,874)
Impairment (Note 8)	-	3,036,573	670,702	-	-	52,155	3,759,430
At 31 March 2022	4,490,560	50,157,657	199,782,847	1,615,225	5,379,547	7,463,152	268,888,988
Analysed as:-							
Accumulated depreciation	4,490,560	46,640,705	191,053,145	1,615,225	5,355,470	7,410,997	256,566,102
Accumulated impairment losses	-	3,516,952	8,729,702	-	24,077	52,155	12,322,886
At 31 March 2022	4,490,560	50,157,657	199,782,847	1,615,225	5,379,547	7,463,152	268,888,988
Net carrying amount							
At 31 March 2022	7,568,102	19,341,356	15,909,811	21,455	221,690	256,882	43,319,296

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Leasehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Other assets RM	Total RM
Cost							
At 1 April 2020	12,058,662	69,917,836	217,466,325	1,611,680	5,615,685	7,720,034	314,390,222
Additions	-	209,177	-	25,000	1,210	-	235,387
Disposals	-	-	(594,705)	-	(1,626)	-	(596,331)
Written off	-	-	-	-	(52,322)	-	(52,322)
At 31 March 2021	12,058,662	70,127,013	216,871,620	1,636,680	5,562,947	7,720,034	313,976,956
Accumulated depreciation and impairment							
At 1 April 2020	4,177,119	44,011,271	190,448,746	1,607,053	5,274,641	7,253,472	252,772,302
Charge for the year (Note 8)	157,470	1,995,620	5,438,757	1,835	80,935	88,136	7,762,753
Disposals	-	-	(431,761)	-	(637)	-	(432,398)
Written off	-	-	-	-	(51,587)	-	(51,587)
Impairment (Note 8)	-	87,879	-	-	24,077	-	111,956
At 31 March 2021	4,334,589	46,094,770	195,455,742	1,608,888	5,327,429	7,341,608	260,163,026
Analysed as:-							
Accumulated depreciation	4,334,589	45,614,391	187,396,742	1,608,888	5,303,352	7,341,608	251,599,570
Accumulated impairment losses	-	480,379	8,059,000	-	24,077	-	8,563,456
At 31 March 2021	4,334,589	46,094,770	195,455,742	1,608,888	5,327,429	7,341,608	260,163,026
Net carrying amount							
At 31 March 2021	7,724,073	24,032,243	21,415,878	27,792	235,518	378,426	53,813,930

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

During the financial year, the Group has carried out a review of the recoverable amount of the certain property, plant and equipment. An impairment loss of RM3,759,430 (2021: RM111,956), representing the write-down of the certain property, plant and equipment to the recoverable amount was recognised in "Other Expenses" line item of the consolidated statement of profit or loss and other comprehensive income as disclosed in Note 8 to the financial statements. The recoverable amount was based on its fair value less costs to sell.

	Buildings RM	Furniture fittings and office equipment RM	Total RM
The Company			
Cost			
At 1 April 2020	3,000,000	985,866	3,985,866
Addition	79,278	-	79,278
At 31 March 2021/1 April 2021	3,079,278	985,866	4,065,144
Addition	-	19,425	19,425
Disposal	(628,000)	-	(628,000)
At 31 March 2022	2,451,278	1,005,291	3,456,569
Accumulated depreciation			
At 1 April 2020	15,000	864,582	879,582
Charge for the year (Note 8)	105,302	12,944	118,246
At 31 March 2021/1 April 2021	120,302	877,526	997,828
Charge for the year (Note 8)	57,942	13,374	71,316
Disposal	(24,073)	-	(24,073)
At 31 March 2022	154,171	890,900	1,045,071
Net carrying amount			
At 31 March 2021	2,958,976	108,340	3,067,316
At 31 March 2022	2,297,107	114,391	2,411,498

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Acquisitions of property, plant and equipment

Acquisitions of property, plant and equipment during the financial year were by the following means:

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash	133,951	136,521	19,425	-
Lease arrangements	-	98,866	-	79,278
	133,951	235,387	19,425	79,278

(b) Right-of-use assets

	Leasehold Land RM	Building RM	Total RM
The Group			
At 1 April 2020	7,881,543	-	7,881,543
Addition	-	98,866	98,866
Depreciation charge for the year	(157,470)	(55,096)	(212,566)
At 31 March 2021/1 April 2021	7,724,073	43,770	7,767,843
Depreciation charge for the year	(155,971)	(10,332)	(166,303)
At 31 March 2022	7,568,102	33,438	7,601,540
The Company			
At 1 April 2020			-
Addition			79,278
Depreciation charge for the year			(45,302)
At 31 March 2021/1 April 2021			33,976
Depreciation charge for the year			(2,129)
At 31 March 2022			31,847

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Right-of-use assets (Cont'd)

The Group and the Company have leases for land and buildings used in their operations.

The table below describes the nature of the Group's and the Company's leasing activities by type of right-of-use asset recognised on the statements of financial position:

	Leasehold Land	Building
The Group		
2022/2021		
No. of right-of-use assets leased	8	2
No. of leases with extension option	-	-
No. of leases with purchase option	-	-
No. of leases with variable lease payments	-	-
No. of leases with termination option	-	-

	Building
The Company	
2022/2021	
No. of right-of-use assets leased	1
No. of leases with extension option	-
No. of leases with purchase option	-
No. of leases with variable lease payments	-
No. of leases with termination option	-

The expenses relating to payments not included in the measurement of right-of-use assets are as follows:

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Expenses relating to leases of low value assets (Note 8)	660	660	-	-
Expenses relating to short term leases (Note 8)	83,160	84,088	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

15. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COST

(a) Land held for property development (Non-current)

	The Group	
	2022 RM	2021 RM
Freehold land		
At 1 April 2021/2020 and 31 March 2022/2021	17,296,968	17,296,968

(b) Property development costs (Current)

	The Group	
	2022 RM	2021 RM
At beginning of the year	43,741,735	40,915,420
Costs incurred during the year	25,950,406	22,382,350
Foreseeable losses for affordable housing	(918,323)	862,587
Costs recognised in profit or loss	(36,236,884)	(20,418,622)
At end of the year	32,536,934	43,741,735

A parcel of freehold land held under GM478, Lot 574, Mukim Petaling, Selangor is pledged as security for the banking facilities of a subsidiary as disclosed in Note 25.

16. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2022 RM	2021 RM
Unquoted shares, at cost		
- Ordinary shares	153,393,649	153,393,649
- Non-cumulative redeemable preference shares ("NCRPS")	36,684,271	36,684,271
- Redeemable preference shares ("RPS")	40,935,900	-
	231,013,820	190,077,920
Accumulated impairment losses	(78,657,784)	(47,840,509)
	152,356,036	142,237,411

The movements in the accumulated impairment losses in respect of investment in subsidiaries during the year are shown below:-

	The Company	
	2022 RM	2021 RM
At 1 April 2021/2020	47,840,509	46,605,300
Addition during the financial year (Note 8)	7,173,017	1,235,209
Reclassification of allowance on investment in subsidiaries from allowance on other receivables (Note 20)	23,644,258	-
At 31 March	78,657,784	47,840,509

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

16. INVESTMENTS IN SUBSIDIARIES (CONT'D)

In respect of the NCRPS and RPS, the salient terms and conditions are disclosed in Note 17.

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held By Parent		Principal Activities
		2022 %	2021 %	
Subsidiaries of the Company				
Rajang Plywood Sawmill Sdn. Bhd.	Malaysia	100	100	Manufacture and trading of sawn timber, veneer and plywood
Rajang Plywood (Sabah) Sdn. Bhd.	Malaysia	100	100	Manufacture and trading of sawn timber, veneer and plywood
Eksons Biomass Energy Sdn. Bhd.	Malaysia	100	100	Generation and provision of electricity and steam
Chongai Properties Sdn. Bhd.	Malaysia	100	100	Trading and rental of properties
Vibrant Hub Sdn. Bhd.	Malaysia	68	68	Investment holding
Uomo Donna (Malaysia) Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Knit-Whizz Corporation Sdn. Bhd.	Malaysia	100	100	Manufacture and sale of knitwear (ceased operation)
Subsidiaries of Vibrant Hub Sdn. Bhd.				
The Atmosphere Sdn. Bhd.	Malaysia	68	68	Property development
Oval Rock Sdn. Bhd.	Malaysia	68	68	Property development and investment holding
Viva Paradise Sdn. Bhd.	Malaysia	68	68	Property development and investment holding
Subsidiary of The Atmosphere Sdn. Bhd.				
Russella Teguh Sdn. Bhd.	Malaysia	68	68	Property development and investment holding

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

16. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) On 28 July 2021, the Company acquired 409,359 preference shares in Uomo Donna (Malaysia) Sdn. Bhd. ("UDMSB") by way of capitalisation of the amount owing by UDMSB of RM40,935,900.
- (b) In the previous financial year, the Company acquired for an additional 99,964 ordinary shares and 1,420,977 preference shares in Vibrant Hub Sdn. Bhd. ("VHSB") for a total cash consideration of RM6,700,000, as follows:

	RM
Cash consideration paid to non-controlling shareholders	6,700,000
Less : Carrying value of the additional interest in VHSB	(4,702,141)
Difference recognised in retained earnings	1,997,859

- (c) The impairment loss of RM30,817,275 (2021: RM1,235,209) represents the write down of cost of investment in subsidiaries engaged in plywood operations, property development and investment holding to the recoverable amount as a result of continuing losses. This amount was recognised in the statement of profit or loss as other expenses. The recoverable amount was determined based on fair value less costs of disposal.
- (d) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2022	2021	2022	2021
	%	%	RM	RM
VHSB Group	32	32	21,144,121	20,320,722

- (e) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	VHSB Group	
	2022	2021
	RM	RM
At 31 March		
Total assets	125,568,025	129,766,812
Total liabilities	59,373,328	66,149,883
Net assets	66,194,697	63,616,929

Financial Year Ended 31 March

Revenue	53,715,563	26,607,131
Profit/(loss) for the financial year/Total comprehensive income /(expenses)	2,577,768	(2,731,118)
Net cash from/(for) operating activities	11,048,278	(3,463,196)
Net cash from/(for) investing activities	71,851	(85,703)
Net cash (for)/from financing activities	(9,027,196)	2,996,634

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

17. INVESTMENT IN NCRPS AND RPS

- (a) Investment in NCRPS of Vibrant Hub Sdn. Bhd. ("Vibrant Hub")

The salient features of the NCRPS acquired by the Company are as follows:

- (i) The holders of the NCRPS shall be entitled to a non-cumulative preferential dividend at a rate to be determined by the directors of Vibrant Hub from the net profit after tax of Vibrant Hub for the year and in the event a loss is incurred for a particular year or years, then the holder of such NCRPS shall not be entitled to receive any dividend. The net profit after tax of Vibrant Hub is based on current year and not on an accumulated loss or profit basis. The payment of preferential dividend shall rank in priority to any payment of dividend on any other shares or classes of shares. The payment and amount of such dividend shall be non-cumulative and payable at such time, place and in such manner as the directors may determine.
- (ii) If there is a surplus of profits of Vibrant Hub in respect of any year after paying the non-cumulative preferential dividend as aforesaid to the close of that year and such dividends as may be declared for such year on the ordinary shares, the holders of the NCRPS shall not be entitled to share in the surplus.
- (iii) In the event of a winding up or on a reduction of capital involving a return of capital of Vibrant Hub, the holders of the NCRPS shall rank in priority to all the others shares or classes of shares in Vibrant Hub for the payment of capital on the NCRPS and any preferential dividend declared yet remain unpaid and thereafter the holders of the NCRPS shall not be entitled to any further or other participation in the profits or assets of Vibrant Hub.
- (iv) Vibrant Hub may create and issue further preference shares ranking in all respects *pari passu* with, but not in priority to the NCRPS.
- (v) Holders of the NCRPS shall have the same rights as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending general meetings of Vibrant Hub provided always that holders of the NCRPS shall not have the right to vote or to move or second any resolution at any general meeting of Vibrant Hub except on each of the following circumstances:
 - when the dividend or part of the dividend on the share is in arrears for more than six months;
 - on a proposal to reduce Vibrant Hub's share capital;
 - on a proposal for the disposal of the whole of Vibrant Hub's property, business and undertaking;
 - on a proposal that directly or indirectly varies or affects rights, privileges or conditions attached to the NCRPS, or the exercise of any of those rights, privileges or conditions;
 - on a proposal to wind up Vibrant Hub; and
 - during the winding up of Vibrant Hub.

In any such case a holder shall have one (1) vote for each NCRPS held.

- (vi) The NCRPS shall be redeemed in the following manner and terms:
 - Vibrant Hub may at any time from the date of issue of the NCRPS, apply any profits or monies which may be lawfully applied or out of the proceeds of a fresh issue of shares made for the purpose of the redemption of NCRPS at par. For this purpose, Vibrant Hub shall give not less than seven (7) days' notice in writing to the holders of NCRPS of its intention to redeem such shares.
 - In the event of Vibrant Hub determining to redeem a part only of the NCRPS, the same shall be redeemed in proportion to the shareholdings held by the existing holders of the NCRPS.
 - Each such holder shall be bound to surrender to Vibrant Hub the certificate for his NCRPS to be redeemed and Vibrant Hub shall pay him the amount payable in respect of such redemption and where such certificate comprises any NCRPS which have not been drawn for redemption, Vibrant Hub shall issue to the holder thereof a fresh certificate thereof.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

17. INVESTMENT IN NCRPS AND RPS (CONT'D)

- (b) Investment in RPS of Uomo Donna (Malaysia) Sdn. Bhd. ("Uomo Donna")

The salient features of the RPS acquired by the Company are as follows:

- (i) In the event of the winding up/liquidation or on a reduction of capital involving a return of capital of Uomo Donna, the holders of RPS shall rank in priority to all the others shares or classes of shares of Uomo Donna for the payment of capital on the RPS.
- (ii) Uomo Donna may create and issue further preference shares ranking in all respects pari passu with, but not in priority to the RPS.
- (iii) Holders of the RPS shall have the same rights as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending general meetings of Uomo Donna provided always that the registered holders of the RPS shall not entitled to vote at any general meeting of Uomo Donna except on each of the following circumstances:
 - on a proposal to reduce the capital of Uomo Donna;
 - on a proposal to dispose of the whole of Uomo Donna's property, business and undertaking;
 - on a proposal to wind up Uomo Donna;
 - during the winding up of Uomo Donna; and
 - when the dividend or part of the dividend on the RPS is in arrears for more than six months after it has been declared, if applicable.

The registered holder of the RPS shall be entitled to vote at any class of meeting of the registered holders of the RPS concerning any proposal by Uomo Donna to vary or abrogate the rights of the registered holder of the RPS.

Every registered holder of the RPS who is present in person at such class meeting will have one vote on a show of hands and on a poll, every registered holder of the RPS who is present in person or by proxy will have one vote for every RPS of which it/he/she is the registered holder.

- (iv) The RPS shall be redeemed in the following manner and terms:
 - Uomo Donna may at any time from the date of issue of the RPS, apply any profits or monies which may be lawfully applied (subject to solvency statement) or out of the proceeds of a fresh issue of shares made for the purpose of the redemption of RPS at price to be determined by the Board. For this purpose, Uomo Donna shall give not less than seven (7) days' notice in writing to the holders of NCRPS of its intention to redeem such shares.
 - In the event of Uomo Donna determining to redeem a part only of the RPS, the same shall be redeemed in proportion to the shareholdings held by the existing holders of the RPS.
 - Each such holder shall sign a letter of redemption for his RPS to be redeemed and Uomo Donna shall pay him the amount payable in respect of such redemption and where such letter of redemption comprises any RPS which have not been drawn for redemption, Uomo Donna shall issue to the holder thereof an extract of his register of member thereof.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

18. DEFERRED TAX LIABILITIES/(ASSETS)

	The Group	
	2022	2021
	RM	RM
At 1 April 2021/2020	7,836,896	11,272,497
Recognised in profit or loss (Note 12)	(641,207)	(3,435,601)
As at 31 March 2022/2021	7,195,689	7,836,896

Presenting after appropriate offsetting as follows:

	The Group	
	2022	2021
	RM	RM
Deferred tax assets	-	(1,313,298)
Deferred tax liabilities	7,195,689	9,150,194
	7,195,689	7,836,896

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

	The Group	
	2022	2021
	RM	RM
Deferred tax assets	(107,370)	(1,326,623)
Deferred tax liabilities	7,303,059	9,163,519
	7,195,689	7,836,896

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:-

Deferred tax liabilities of the Group:

	Property, plant and equipment	Inventories	Total
	RM	RM	RM
At 1 April 2021	1,483,374	7,680,145	9,163,519
Recognised in profit or loss	(371,049)	(1,489,411)	(1,860,460)
At 31 March 2022	1,112,325	6,190,734	7,303,059
At 1 April 2020	1,908,556	9,376,634	11,285,190
Recognised in profit or loss	(425,182)	(1,696,489)	(2,121,671)
At 31 March 2021	1,483,374	7,680,145	9,163,519

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

18. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows (cont'd):-

Deferred tax assets of the Group:

	Unutilised tax losses RM	Unabsorbed capital allowance RM	Others RM	Total RM
At 1 April 2021	(792,832)	(12,882)	(520,909)	(1,326,623)
Recognised in profit or loss	731,832	(33,433)	520,854	1,219,253
At 31 March 2022	(61,000)	(46,315)	(55)	(107,370)
At 1 April 2020	-	(12,693)	-	(12,693)
Recognised in profit or loss	(792,832)	(189)	(520,909)	(1,313,930)
At 31 March 2021	(792,832)	(12,882)	(520,909)	(1,326,623)

19. GOODWILL

	The Group	
	2022 RM	2021 RM
Cost	26,824,257	26,824,257
Accumulated impairment losses	(26,824,257)	(26,824,257)
	-	-

Property development division:-

The recoverable amount of goodwill of the property development division CGU was determined based on fair value less costs-to-sell. The following describes each key assumption on which management had based their fair value and costs of disposal to undertake impairment testing of goodwill:

(i) Fair value

The fair value is derived from the market price of similar properties in the immediate vicinity.

(ii) Costs-to-sell

Legal fees, stamp duties and commission paid form part of the management's estimate of costs-to-sell.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

20. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Non-current:-				
Other receivables:				
Amount due from subsidiaries	-	-	36,863,267	72,474,944
Allowance for impairment losses	-	-	(13,552,835)	(37,251,526)
	-	-	23,310,432	35,223,418
Current:-				
Trade receivables:				
Third parties	15,398,335	3,296,967	-	-
Allowance for impairment losses	(25,955)	(12,455)	-	-
	15,372,380	3,284,512	-	-
Other receivables:				
Third parties	2,705,914	1,505,047	1,136,869	11,169
Refundable deposits	362,955	514,211	12,828	12,828
Allowance for impairment losses	3,068,869	2,019,258	1,149,697	23,997
	(376,784)	(339,710)	-	-
	2,692,085	1,679,548	1,149,697	23,997
	18,064,465	4,964,060	1,149,697	23,997
Total trade and other receivables	18,064,465	4,964,060	24,460,129	35,247,415

(a) Credit risk

The Group's trading terms with its customers are mainly on credit. The credit period is generally between 14 to 45 days (2021: 14 to 45 days). Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

20. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Trade receivables

The movement in the allowance for impairment losses in respect of trade receivables during the year are shown below:

	The Group	
	2022	2021
	RM	RM
At 1 April 2021/2020	12,455	-
Charge for the year (Note 11)	13,500	12,455
At 31 March	25,955	12,455

(c) Other receivables

The movements in the allowance for impairment losses in respect of other receivables during the year are shown below:

	The Group	
	2022	2021
	RM	RM
At 1 April 2021/2020	339,710	5,486,042
Charge for the year (Note 11)	354,752	38,672
Reversal of allowance on other receivables (Note 11)	-	(5,185,004)
Written off during the year	(317,678)	-
At 31 March	376,784	339,710

(d) Amount due from subsidiaries

Apart from an amount of RM19 million (2021: RM14 million) owing by a subsidiary which earns interest at the rate of 5.40% (2021: 5.40% to 6.15%) per annum, the other amounts due from subsidiaries are unsecured, interest free and are repayable upon demand.

The movements in the allowance for impairment losses in respect of amount due from subsidiaries during the year are shown below:

	The Company	
	2022	2021
	RM	RM
At 1 April 2021/2020	37,251,526	36,423,178
Charge for the year (Note 11)	-	5,828,348
Reversal of allowance on other receivables (Note 11)	(54,433)	(5,000,000)
Reclassification of allowance on other receivables to allowance on investment in subsidiaries (Note 16)	(23,644,258)	-
At 31 March	13,552,835	37,251,526

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

21. INVENTORIES

	The Group	
	2022	2021
	RM	RM
Property division		
Unsold properties at cost	21,681,425	25,815,466
Unsold properties at net realisable value	27,263,956	31,694,888
	<hr/>	<hr/>
	48,945,381	57,510,354
	<hr/>	<hr/>
Plywood operations and trading division		
At cost:		
Trading and finished goods	30,184,177	40,356,153
Work-in-progress	-	1,068,194
Raw materials	417,071	533,808
Consumable stores	5,184,233	5,188,469
Goods in transit	888,023	174,528
	<hr/>	<hr/>
	36,673,504	47,321,152
	<hr/>	<hr/>
	85,618,885	104,831,506
	<hr/>	<hr/>
Recognised in profit or loss:-		
Inventories recognised as cost of sales	45,044,007	14,468,823
Amount written down to net realisable value	2,417,710	7,397,528
	<hr/>	<hr/>

Included in unsold properties are twenty-one (21) units of shop lots (from the project known as "The Atmosphere" located along Jalan Putra Permai, within Bandar Putra Permai, Seri Kembangan) erected on a piece of land held under H.S.(D) 251945 for Lot PT 78698 in Mukim and District of Petaling, State of Selangor, which are pledged as security for bank overdraft and term loan facilities of a subsidiary (Note 25).

22. OTHER CURRENT ASSETS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Prepaid operating expenses	860,886	235,004	651,924	25,670
Contract assets (a)	21,901,342	18,551,152	-	-
Costs to obtain a contract	503,800	1,440,655	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	23,266,028	20,226,811	651,924	25,670
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

22. OTHER CURRENT ASSETS (CONT'D)

(a) Contract assets

	The Group	
	2022 RM	2021 RM
At 1 April 2021/2020	18,551,152	6,856,173
Revenue recognised during the year	47,555,563	26,607,131
Progress billings during the year	(44,205,373)	(14,912,152)
At 31 March	21,901,342	18,551,152

Contract assets relate to sale of properties under construction that are initially recognised for revenue earned from construction as receipt of consideration is conditional on certain successful percentage of construction. Upon completion of these percentages, the amount recognised as contract assets are reclassified to trade receivables.

23. INVESTMENT SECURITIES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<i>Financial assets at fair value through profit or loss</i>				
Equity instruments (unquoted outside Malaysia)	190,258,518	163,378,444	190,258,518	163,378,444
Unit trust funds (quoted in Malaysia)	46,342	114,863	-	-
	190,304,860	163,493,307	190,258,518	163,378,444

24. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed deposits with licensed banks	18,975,274	46,839,106	1,753,454	5,610,035
Cash and bank balances	8,910,630	7,653,534	263,875	291,983
	27,885,904	54,492,640	2,017,329	5,902,018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

24. CASH AND CASH EQUIVALENTS (CONT'D)

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash and bank balances	27,885,904	54,492,640	2,017,329	5,902,018
Bank overdraft (Note 25)	(4,198,613)	(4,551,443)	-	-
Less: Fixed deposit pledged for bank guarantees	(382,000)	(384,000)	-	-
	23,305,291	49,557,197	2,017,329	5,902,018

Cash at banks earn interest at floating rates based on daily bank deposits rates.

The average interest rates of fixed deposits of the Group and the Company at reporting date are 1.50% to 2.00% per annum (2021: 1.40% to 2.80% per annum) and 1.65% to 1.85% per annum (2021: 1.40% to 2.65% per annum), respectively.

The maturities of deposits of the Group and of the Company at reporting date range from 30 to 92 days (2021: 30 to 92 days) and 31 days (2021: 31 days), respectively.

Included in the cash and bank balances of the Group is an amount of RM1,803,753 (2021: RM798,022) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulation, 2002. The amount is held at call with bank and is available only to the subsidiary involved in property development activities.

25. LOAN AND BORROWINGS

	Maturity	The Group	
		2022	2021
		RM	RM
Current			
Secured:			
Bank overdraft (Note 24)	On demand	4,198,613	4,551,443
Term loan:			
- RM loan at BLR + 1.5%	2022/2021	525,206	489,945
Bridging loan	2022/2021	152,100	6,880,258
		4,875,919	11,921,646
Non-current			
Secured:			
Term loans:			
- RM loan at BLR + 1.5%	2023 - 2026	2,156,979	2,682,185
Bridging loan	2023 - 2024	1,899,032	3,708,126
		4,056,011	6,390,311
Total loan and borrowings		8,931,930	18,311,957

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

25. LOAN AND BORROWINGS (CONT'D)

The remaining maturity of the loan and borrowings are as follows:

	The Group	
	2022	2021
	RM	RM
On demand or within one year	4,875,919	11,921,646
More than one year and less than five years	4,056,011	6,390,311
	8,931,930	18,311,957

Bank overdraft

Bank overdrafts of subsidiaries bear interest rate at 6.70% (2021: 6.45% to 7.22%) per annum and are secured by a corporate guarantee from the Company, twenty-one (21) units of shop lots from the project known as "The Atmosphere" located along Jalan Putra Permai, within Bandar Putra Permai, Seri Kembangan, erected on land held under H.S.(D) 251945 for Lot PT 78698 in the Mukim and District of Petaling, State of Selangor and a parcel of freehold land held under GM478, Lot 574, Mukim Petaling, Selangor, as disclosed in Note 21.

Term loan

BLR + 1.5%

Term loan of a subsidiary bears interest rate at 6.97% (2021: 6.97%) per annum and is secured by a corporate guarantee from the Company and a third party first legal charge over twenty-one (21) units of shop lots from the project known as "The Atmosphere" located along Jalan Putra Permai, within Bandar Putra Permai, Seri Kembangan, erected on land held under H.S.(D) 251945 for Lot PT 78698 in the Mukim and District of Petaling, State of Selangor, as disclosed in Note 21 to the financial statements. The term loan is to be repaid over 120 months from 5 February 2016.

Bridging loan

Bridging loan of a subsidiary bears interest rates ranging from 6.70% to 7.20% (2021: 6.45% to 7.20%) per annum and is secured by a corporate guarantee from the Company and a parcel of freehold land held under GM478, Lot 574, Mukim Petaling, Selangor, as disclosed in Note 15. The bridging loan is to be repaid over 30 months from the date of first drawdown.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

26. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Trade payables				
Third parties	9,294,520	8,078,696	-	-
Other payables				
Advances received	5,500	-	-	-
Sundry payables	312,668	1,010,521	-	-
Refundable deposits	588,456	96,891	-	-
Provision for accrued annual leave	20,188	17,716	-	-
Amount due to subsidiaries	-	-	55,275,141	29,417,458
Amount due to director	240,000	240,000	-	-
	1,166,812	1,365,128	55,275,141	29,417,458
Total trade and other payables	10,461,332	9,443,824	55,275,141	29,417,458

(a) Trade payables

These amounts are non-interest bearing. The normal credit terms granted to the Group range from 30 to 150 days (2021: 30 to 150 days).

Included in trade payables of the Group at the end of the reporting period is an amount of RM2,805,064 (2021: RM2,605,192) being project retention sums to be settled in accordance with the term of the respective contracts.

(b) Sundry payables

These amounts are non-interest bearing. Sundry payables are normally settled on an average term of six months (2021: average term of six months).

(c) Amount due to subsidiaries

The amount due to subsidiaries is unsecured, interest free and is repayable on demand. The amount due is to be settled by cash.

(d) Amount due to director

The amount due to director is unsecured, interest free and is repayable on demand. The amount due is to be settled by cash.

27. OTHER CURRENT LIABILITIES

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Accrued operating expenses	13,130,357	14,719,665	321,524	264,033

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

28. LEASE LIABILITIES

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
At 1 April 2021/1 April 2020	45,006	-	35,021	-
Additions	-	98,866	-	79,278
Interest expenses recognised in profit or loss	1,865	3,958	-	3,398
Repayment of principal	(8,478)	(42,541)	(179)	(32,937)
Repayment of interest expense	(1,865)	(3,363)	-	(2,804)
Accrued rental payment	-	(11,914)	-	(11,914)
At 31 March	36,528	45,006	34,842	35,021
Analysed by:-				
Current liabilities	36,528	45,006	34,842	35,021

There were no leases with residual value guarantee or leases not yet commenced to which the Group and the Company are committed.

29. SHARE CAPITAL

	The Group/The Company			
	Number Of Shares	Amount		
	Share capital (Issued and fully paid)	Treasury Shares	Share capital (Issued and fully paid)	Treasury Shares
At 1 April 2020	164,213,000	(4,332,143)	131,370,400	(5,318,902)
Share dividend distribution	-	1,598,809	-	1,962,999
At 31 March 2022/2021	164,213,000	(2,733,334)	131,370,400	(3,355,903)

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

Treasury shares

In the previous financial year, the Company declared a share dividend distribution of 1,598,809 treasury shares on the basis of 1 treasury share for every 100 ordinary shares held in the Company totaling RM1,962,999.

As at 31 March 2022, the Company held a total of 2,733,334 (2021: 2,733,334) ordinary shares as treasury shares out of its total issued and paid-up share capital of 164,213,000 ordinary shares. Such treasury shares are recorded at a carrying amount of RM3,355,903 (2021: RM3,355,903).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

30. CASH FLOW INFORMATION

The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Bridging Loan RM	Term Loan RM	Lease Liabilities RM	Total RM
2022				
At 1 April 2021	10,588,384	3,172,130	45,006	13,805,520
<u>Changes in Financing Cash Flows</u>				
Drawdown of bridging loan	8,000,000	-	-	8,000,000
Repayment of bridging loan	(16,537,252)	-	-	(16,537,252)
Repayment of term loans	-	(489,945)	-	(489,945)
Repayment of lease obligation	-	-	(8,478)	(8,478)
	(8,537,252)	(489,945)	(8,478)	(9,035,675)
At 31 March 2022	2,051,132	2,682,185	36,528	4,769,845
2021				
At 1 April 2020	4,426,652	6,337,228	-	10,763,880
<u>Changes in Financing Cash Flows</u>				
Drawdown of bridging loan	11,640,611	-	-	11,640,611
Repayment of bridging loan	(5,478,879)	-	-	(5,478,879)
Repayment of term loans	-	(3,165,098)	-	(3,165,098)
Repayment of lease obligation	-	-	(42,541)	(42,541)
	6,161,732	(3,165,098)	(42,541)	2,954,093
<u>Non-cash Changes</u>				
Acquisition of new leases (Note 14(a))	-	-	98,866	98,866
Accrued rental payment	-	-	(11,914)	(11,914)
Interest expenses	-	-	595	595
	-	-	87,547	87,547
At 31 March 2021	10,588,384	3,172,130	45,006	13,805,520

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

30. CASH FLOW INFORMATION (CONT'D)

The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	2022 Lease Liabilities RM	2021 Lease Liabilities RM
The Company		
At 1 April 2021/1 April 2020	35,021	-
<u>Changes in Financing Cash Flows</u>		
Repayment of lease obligation	(179)	(32,937)
<u>Non-cash Changes</u>		
Acquisition of new leases (Note 14(a))	-	79,278
Accrued rental payment	-	(11,914)
Interest expenses	-	594
	-	67,958
At 31 March	34,842	35,021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

31. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

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 party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, associates, key management personnel and entities within the same group of companies.

(b) Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Subsidiaries:				
- interest income	-	-	1,007,372	750,470
- advances	-	-	4,000,000	-
Related parties:				
- management fee expense paid to: Tempo Properties Sdn. Bhd.*	779,136	811,479	-	-
- Management fee income from: Topaz Blue Sdn. Bhd.*	(549,823)	(406,569)	-	-
- Rental of premises paid to: Quantum Heritage Sdn. Bhd.**	47,655	35,741	47,655	35,741

* The directors of Tempo Properties Sdn. Bhd. and Topaz Blue Sdn. Bhd., namely Choong Soo Onn and Tan Meng Seng are directors of Vibrant Hub Sdn. Bhd. and its subsidiaries.

** The directors of Quantum Heritage Sdn. Bhd. include Tay Hua Sin and Choong Soo Onn.

The outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

(c) Key Management Personnel Compensation

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2022	2021	2022	2021
Directors	RM	RM	RM	RM
Short term employee benefits	1,966,538	1,924,720	200,160	198,160
Post-employment benefits: Defined contribution plan	147,681	150,314	-	-
	2,114,219	2,075,034	200,160	198,160

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

32. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main reportable segments as follows:-

- (i) Plywood operations - manufacturing and sale of sawn timber, veneer and plywood and generation and supply of power and steam;
- (ii) Property and Investment holdings – rental of properties, investment holding and provision of management services; and
- (iii) Property development - the development of commercial and residential properties.

The Group Managing Director (the chief operating decision maker) review internal management report at least on a quarterly basis.

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

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Income taxes were managed on a group basis and were not allocated to operating segments.

Assets, liabilities, and expenses which were common and cannot be meaningfully allocated to the operating segments were presented under Notes 32.1(d) and 32.1(e). Unallocated items comprise mainly current tax assets, current tax liabilities, deferred tax assets and deferred tax liabilities.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS

2022	Plywood Operations RM	Property and Investment Holdings RM	Property Development RM	Total Segments RM	Consolidation Adjustment RM	The Group RM
Revenue						
External sales	37,077,022	-	53,715,563	90,792,585	-	90,792,585
Inter-segment sales	458,500	10,000,020	-	10,458,520	(10,458,520)	-
Total revenue	37,535,522	10,000,020	53,715,563	101,251,105	(10,458,520)	90,792,585

2022	Plywood Operations RM	Property and Investment Holdings RM	Property Development RM	Total Segments RM	Consolidation Adjustment RM	Note	The Group RM
Results							
Segment/(loss) profit	(1,807,867)	(2,014,241)	8,066,237	4,244,129	(2,881,435)		1,362,694
Depreciation	(5,810,323)	(74,516)	(76,159)	(5,960,998)	-		(5,960,998)
Other non-cash income	139,476	3,991,070	-	4,130,546	-	(a)	4,130,546
Other non-cash expenses	(3,950,343)	(8,618,911)	(2,772,462)	(15,341,716)	-	(b)	(15,341,716)
Interest income	397,851	3,549,939	102,360	4,050,150	(1,297,042)		2,753,108
Interest expense	(1,865)	(198,198)	(2,109,049)	(2,309,112)	1,297,042		(1,012,070)
Consolidated loss before taxation							(14,068,436)
Income tax expense							(556,361)
Consolidated loss after taxation							(14,624,797)

32.1 BUSINESS SEGMENTS (CONT'D)

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

2021	Plywood Operations RM	Property and Investment Holding RM	Property Development RM	Total Segments RM	Consolidation Adjustment RM	Note	The Group RM
Results							
Segment/(loss) profit	(8,590,640)	(7,673,369)	2,941,087	(13,322,922)	10,406,028		(2,916,894)
Depreciation	(7,559,401)	(118,452)	(84,900)	(7,762,753)	-		(7,762,753)
Other non-cash income	89,657	20,414,526	185,004	20,689,187	-	(a)	20,689,187
Other non-cash expenses	(96,544)	(1,859,732)	(7,676,172)	(9,632,448)	-	(b)	(9,632,448)
Interest income	1,226,709	2,418,280	24,606	3,669,595	(1,106,690)		2,562,905
Interest expense	-	(265,678)	(1,972,266)	(2,237,944)	1,106,690		(1,131,254)
Consolidated profit before taxation							1,808,743
Income tax expense							2,965,602
Consolidated profit after taxation							4,774,345
2021							
Assets							
Additions to non-current assets	45,798	239,278	-	285,076	(49,689)	(c)	235,387
Segment assets	170,521,376	396,565,443	192,683,644	759,770,463	(294,647,916)	(d)	465,122,547
Liabilities							
Segment liabilities	6,481,252	16,223,384	155,358,691	178,063,327	(126,029,811)	(e)	52,033,516

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

(a) Non-cash income consist of the following:-

	The Group	
	2022	2021
	RM	RM
Gain on disposal of property, plant and equipment	732,050	89,657
Unrealised gain on foreign exchange	3,398,496	-
Unrealised gain on investment securities	-	15,414,526
Reversal of impairment loss on other receivables	-	5,185,004
	4,130,546	20,689,187

(b) Non-cash expenses consist of the following:-

	The Group	
	2022	2021
	RM	RM
Property, plant and equipment written off	25,008	735
Impairment loss on property, plant and equipment	3,759,430	111,956
Impairment loss on trade and other receivables	368,252	51,127
Inventory written down	2,417,710	7,397,528
Inventory written off	165,905	-
Unrealised loss on investment securities	8,605,411	-
Unrealised loss on foreign exchange	-	2,071,102
	15,341,716	9,632,448

(c) Additions to non-current assets consist of the following:-

	The Group	
	2022	2021
	RM	RM
Buildings	-	209,177
Plant and machinery	90,000	-
Motor vehicles	-	25,000
Furniture, fittings and office equipment	43,951	1,210
	133,951	235,387

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.1 BUSINESS SEGMENTS (CONT'D)

- (d) The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	The Group	
	2022	2021
	RM	RM
Inter-segment balances	(297,121,556)	(296,909,506)
Deferred tax assets	-	1,313,298
Current tax assets	1,090,998	948,292
	(296,030,558)	(294,647,916)

- (e) The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:-

	The Group	
	2022	2021
	RM	RM
Inter-segment balances	(60,635,106)	(135,542,875)
Deferred tax liabilities	7,195,689	9,150,194
Current tax liabilities	1,164,268	362,870
	(52,275,149)	(126,029,811)

32.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

	Revenue	
	2022	2021
	RM	RM
Malaysia	75,337,418	35,084,628
United States of America	8,412,363	-
Mexico	6,091,826	6,141,771
Hong Kong	-	840,042
Thailand	382,773	547,306
Virginia	498,825	-
Japan	69,380	-
	90,792,585	42,613,747

The information by geographical segment for non-current assets is not presented as the non-current assets relating to the countries other than Malaysia is immaterial to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

32. OPERATING SEGMENTS (CONT'D)

32.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group revenue:-

	Segment	Revenue	
		2022 RM	2021 RM
Customer A	Plywood operations	19,283,722	6,141,771

33. CONTINGENT LIABILITY

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group	
	2022 RM	2021 RM
Performance and tender bond granted to third parties	1,968,500	1,968,500

34. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

34.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk is primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

	The Group	
	2022	2021
	RM	RM
USD		
<u>Financial Assets</u>		
Investment securities	190,258,518	163,378,444
Cash and bank balances	236,841	247,882
Net financial assets/current exposure	190,495,359	163,626,326

	The Company	
	2022	2021
	RM	RM
USD		
<u>Financial Assets</u>		
Investment securities	190,258,518	163,378,444
Cash and bank balances	319	487
Net financial assets/current exposure	190,258,837	163,378,931

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2022	2021
	RM	RM
Effects on Profit After Taxation		
USD/RM		
- strengthened by 10%	19,050,000	16,363,000
- weakened by 10%	(19,050,000)	(16,363,000)

	The Company	
	2022	2021
	RM	RM
Effects on Profit After Taxation		
USD/RM		
- strengthened by 10%	19,026,000	16,338,000
- weakened by 10%	(19,026,000)	(16,338,000)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed deposits with licensed banks and lease liabilities are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to the interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 25 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate loans at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted and unquoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk (Cont'd)

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted and unquoted investment at the end of the reporting period, with all other variables held constant:-

	The Group	
	2022	2021
	RM	RM
Effects on Profit After Taxation		
Increase of 10%	19,030,000	16,349,000
Decrease of 10%	(19,030,000)	(16,349,000)

	The Company	
	2022	2021
	RM	RM
Effects on Profit After Taxation		
Increase of 10%	19,026,000	16,338,000
Decrease of 10%	(19,026,000)	(16,338,000)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investment and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 120 days past due.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts. The Group has identified the unemployment rate as the key macroeconomic factor of the forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

For property development, purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The Group	Gross Amount RM	Collective Impairment RM	Individual Impairment RM	Carrying Amount RM
2022				
Current (not past due)	2,120,072	-	-	2,102,072
1 to 30 days past due	1,564,780	-	-	1,564,780
31 to 60 days past due	2,341,508	-	-	2,341,508
61 to 90 days past due	734,330	-	-	734,330
More than 90 days past due	8,637,645	-	(25,955)	8,611,690
Trade receivables	15,398,335	-	(25,955)	15,372,380
Contract assets	21,901,342	-	-	21,901,342
	37,299,677	-	(25,955)	37,273,722
2021				
Current (not past due)	1,740,874	-	-	1,740,874
1 to 30 days past due	287,155	-	-	287,155
31 to 60 days past due	526,528	-	-	526,528
61 to 90 days past due	-	-	-	-
More than 90 days past due	742,410	-	(12,455)	729,955
Trade receivables	3,296,967	-	(12,455)	3,284,512
Contract assets	18,551,152	-	-	18,551,152
	21,848,119	-	(12,455)	21,835,664

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The movements in the loss allowances in respect of trade receivables is disclosed in Note 20 to the financial statements.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 120 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts. The Group has identified the unemployment rate as the key macroeconomic factor of the forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Allowance for Impairment Losses

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Group			
2022			
Credit impaired	2,705,914	(376,784)	2,329,130
2021			
Credit impaired	1,505,047	(339,710)	1,165,337

The movements in the loss allowances in respect of other receivables is disclosed in Note 20 to the financial statements.

The Company

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owed By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Subsidiaries (Non-trade Balances) (Cont'd)

Allowance for Impairment Losses

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Company			
2022			
Low credit risk	7,396	-	7,396
Credit impaired	36,855,871	(13,552,835)	23,303,036
2021			
Low credit risk	262	-	262
Credit impaired	72,474,682	(37,251,526)	35,223,156

The movements in the loss allowances are disclosed in Note 20 to the financial statements.

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	2-5 Years RM
2022				
<u>Non-derivative Financial Liabilities</u>				
Trade payables and other payables	9,867,376	9,867,376	9,867,376	-
Other current liabilities	13,130,357	13,130,357	13,130,357	-
Loan and borrowings	8,931,930	9,687,049	5,329,888	4,357,161
Lease liabilities	36,528	37,435	37,435	-
	31,966,191	32,722,217	28,365,056	4,357,161
2021				
<u>Non-derivative Financial Liabilities</u>				
Trade payables and other payables	9,346,933	9,346,933	9,346,933	-
Other current liabilities	14,719,665	14,719,665	14,719,665	-
Loan and borrowings	18,311,957	19,917,607	12,862,615	7,054,992
Lease liabilities	45,006	47,778	47,778	-
	42,423,561	44,031,983	36,976,991	7,054,992

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2022			
<u>Non-derivative Financial Liabilities</u>			
Trade payables and other payables	55,275,141	55,275,141	55,275,141
Other current liabilities	321,524	321,524	321,524
Lease liabilities	34,842	35,741	35,741
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	57,000,000	57,000,000
	55,631,507	112,632,406	112,632,406
2021			
<u>Non-derivative Financial Liabilities</u>			
Trade payables and other payables	29,417,458	29,417,458	29,417,458
Other current liabilities	264,033	264,033	264,033
Lease liabilities	35,021	35,920	35,920
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	57,500,000	57,500,000
	29,716,512	87,217,411	87,217,411

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

The Group is also required to comply with certain loan covenants, failing which, the banks may call an event of default. The Group has complied with this requirement. There was no change in the Group's approach to capital management during the financial year.

34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2022	
	The Group RM	The Company RM
Financial Assets		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Investment securities	190,304,860	190,258,518
<u>Amortised Cost</u>		
Trade and other receivables	17,701,510	24,447,301
Fixed deposits with licensed banks	18,975,274	1,753,454
Cash and bank balances	8,910,630	263,875
	45,587,414	26,464,630
Financial Liability		
<u>Amortised Cost</u>		
Trade and other payables	9,867,376	55,275,141
Other current liabilities	13,130,357	321,524
Loans and borrowings	8,931,930	-
	31,929,663	55,596,665

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2021	
	The Group RM	The Company RM
Financial Assets		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Investment securities	163,493,307	163,378,444
<u>Amortised Cost</u>		
Trade and other receivables	4,449,849	35,234,587
Fixed deposits with licensed banks	46,839,106	5,610,035
Cash and bank balances	7,653,534	291,983
	58,942,489	41,136,605
Financial Liability		
<u>Amortised Cost</u>		
Trade and other payables	9,346,933	29,417,458
Other current liabilities	14,719,665	264,033
Loan and borrowings	18,311,957	-
	42,378,555	29,681,491

34.4 GAINS OR (LOSSES) ARISING FROM FINANCIAL INSTRUMENTS

	2022	
	The Group RM	The Company RM
Financial Assets		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Dividend income	1,484	-
Interest income	2,336,643	2,336,643
Loss on investment securities:		
- realised	(3,413,121)	(3,413,121)
- unrealised	(8,605,411)	(8,605,411)
Loss on foreign exchange - realised	(377,728)	(377,728)
Gain on foreign exchange - unrealised	3,394,997	3,394,997
<u>Amortised Cost</u>		
Bad debts recovered	42,314	-
Impairment losses on trade and other receivables	(368,252)	-
Reversal on impairment losses on other receivables	-	54,433
Interest income	416,465	1,018,126
Gain on foreign exchange - realised	8,581	-
Gain on foreign exchange - unrealised	3,499	-
Financial Liability		
<u>Amortised Cost</u>		
Interest expenses	(1,010,205)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.4 GAINS OR (LOSSES) ARISING FROM FINANCIAL INSTRUMENTS (CONT'D)

	The Group RM	2021 The Company RM
Financial Assets		
<u>Mandatorily at Fair Value Through Profit or Loss</u>		
Dividend income	2,439	-
Loss on foreign exchange - unrealised	(2,063,172)	(2,063,172)
Unrealised gain on investment securities	15,414,526	15,414,526
<u>Amortised Cost</u>		
Impairment losses on trade and other receivables	(51,127)	(5,828,348)
Reversal of impairment losses on other receivables	5,185,004	5,000,000
Interest income	2,562,905	2,062,059
Gain on foreign exchange - realised	73,424	-
Loss on foreign exchange - unrealised	(7,930)	(7,930)
Financial Liability		
<u>Amortised Cost</u>		
Interest expenses	(1,127,296)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
2022								
<u>Financial Assets</u>								
Equity instruments (unquoted outside Malaysia)	-	-	190,258,518	-	-	-	190,258,518	190,258,518
Unit trust funds (quoted in Malaysia)	46,342	-	-	-	-	-	46,342	46,342
<u>Financial Liabilities</u>								
Term loan	-	-	-	-	2,682,185	-	2,682,185	2,682,185
Bridging loan	-	-	-	-	2,051,132	-	2,051,132	2,051,132

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 FAIR VALUE INFORMATION (CONT'D)

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
2021								
<u>Financial Assets</u>								
Equity instruments (unquoted outside Malaysia)	-	-	163,378,444	-	-	-	163,378,444	163,378,444
Unit trust funds (quoted in Malaysia)	114,863	-	-	-	-	-	114,863	114,863
<u>Financial Liabilities</u>								
Term loan	-	-	-	-	3,172,130	-	3,172,130	3,172,130
Bridging loan	-	-	-	-	10,588,384	-	10,588,384	10,588,384
The Company								
2022								
<u>Financial Asset</u>								
Equity instruments (unquoted outside Malaysia)	-	-	190,258,518	-	-	-	190,258,518	190,258,518
2021								
<u>Financial Asset</u>								
Equity instruments (unquoted outside Malaysia)	-	-	163,378,444	-	-	-	163,378,444	163,378,444

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

34. FINANCIAL INSTRUMENTS (CONT'D)

34.5 FAIR VALUE INFORMATION (CONT'D)

The fair values which are for disclosure purpose, have been determined using the following basis:-

Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair value of the unquoted equity instruments is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
- (ii) The fair value of the unit trust funds is determined at their quoted closing bid prices at the end of the reporting period.

Fair Value of Financial Instruments Not Carried at Fair Value

The fair value of the Group's term loan and bridging loan that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting period.

35. COMPARATIVE FIGURES

- (a) The following figures have been reclassified to conform with the presentation of the current financial year:-

	The Group		The Company	
	As		As	
	Previously	As Restated	Previously	As Restated
	Reported	RM	Reported	RM
	RM	RM	RM	RM
Statement of Profit or Loss and Other Comprehensive Income (Extract):				
Cost of Sales	(35,223,572)	(43,434,923)	-	-
Other income	22,805,494	17,620,490	20,449,026	15,449,026
Administrative expenses	(17,808,946)	(9,597,595)	-	-
Other expenses	(9,988,430)	(9,937,303)	(9,126,729)	(3,298,381)
Net (Impairment Losses)/Reversal of Impairment Losses on Financial Assets	-	5,133,877	-	(828,348)

- (b) The comparative figures for the financial year ended 31 March 2021 were audited by another firm of Chartered Accountants other than Crowe Malaysia PLT.

PROPERTIES OF THE GROUP

AS AT 31 MARCH 2022

			Land area (build-up area)		Age of building (years)	Net book value as at 31.03.2022 RM
Location	Date	Description	sq meters	Tenure		
Rajang Plywood Sawmill Sdn. Bhd.						
Engkilo Land Lot No. 1634, Block 11 Engkilo Land District, Sungai Dasan, Sibu	Revalued on 31.3.2000	Hostel & canteen	14,364	Leasehold expiring year 2062	25 to 29	1,335,768
Engkilo Land Lot No. 1634, Block 11 Engkilo Land District, Sungai Dasan, Sibu		Plywood processing mill, sawmill, workshop & main administrative office	157,131	Leasehold expiring year 2062	26 to 29	4, 956,458
Rajang Plywood (Sabah) Sdn. Bhd.						
Merotai, District of Tawau, Sabah Title No. CL 105486762 Ref. No. LA94100174 LS 1001.1.1973 Geocode : 4889817517	Acquired on 30.3.2001	Factory office, plywood processing mill, sawmill & workshop	101,094 (43,024)	Leasehold expiring year 2094	4.5 to 20	13,043,405
Merotai, District of Tawau, Sabah Title No. CL 105486771 Ref. No. LA94100175 LS 1001.1.1965 Geocode : 4889814589	Acquired on 30.3.2001	Sawmill, workshop, hostel & canteen	101,201 (2,493)	Leasehold expiring year 2094	12 to 20	
Eksons Biomass Energy Sdn. Bhd.						
Merotai, District of Tawau, Sabah Title No. CL 105486762 Ref. No. LA94100174 LS 1001.1.1973 Geocode : 4889817517	Acquired on 30.3.2001	Building for biomass power plant	101,094 (2,304)	Leasehold expiring year 2094	13 years 9-10 months	1,783,000

PROPERTIES OF THE GROUP

AS AT 31 MARCH 2022 (CONT'D)

Location	Date	Description	Land area (build-up area) sq meters	Tenure	Age of building (years)	Net book value as at 31.03.2022 RM
The Atmosphere Sdn. Bhd						
No. 1 to 3 Jalan Prima Tropika Barat 2 Taman Prima Tropika 47100 Puchong Selangor	Acquired on 10.9.2008	Sales and project site office	436.42 (1,253.32)	Leasehold expiring year 2106	12	2,529,088
13 units, Block E Jalan Atmosphere 8 Pusat Perniagaan The Atmosphere 43300 Seri Kembangan Selangor	Acquired on 29.10.2014	Shop office for sale	2,286	Leasehold expiring year 2097	8	8,220,000
Russealla Teguh Sdn. Bhd.						
11 units, Block B Jalan Atmosphere 5 Pusat Perniagaan The Atmosphere 43300 Seri Kembangan Selangor	Acquired on 10.1.2013	Shop office for sale	1,912	Leasehold expiring year 2097	9	4,011,545
25 units, Block C Jalan Atmosphere 6 Pusat Perniagaan The Atmosphere 43300 Seri Kembangan Selangor	Acquired on 10.1.2013	Shop office for sale	4,958	Leasehold expiring year 2097	9	10,199,455
18 units, Block D Jalan Atmosphere 7 Pusat Perniagaan The Atmosphere 43300 Seri Kembangan Selangor	Acquired on 8.5.2013	Shop office for sale	4,641	Leasehold expiring year 2097	9	7,568,888
28 units, Block E Jalan Atmosphere 8 Pusat Perniagaan The Atmosphere 43300 Seri Kembangan Selangor	Acquired on 29.10.2014	Shop office for sale	4,641	Leasehold expiring year 2097	8	18,442,052

PROPERTIES OF THE GROUP

AS AT 31 MARCH 2022 (CONT'D)

Location	Date	Description	Land area (build-up area) sq meters	Tenure	Age of building (years)	Net book value as at 31.03.2022 RM
Uomo Donna (Malaysia) Sdn. Bhd.						
8 parcels of land for Lot No. 12398, 12399, 12400, 12402, 12403, 12404, 12405 and 12407 Mukim of Rasah, District of Seremban, Negeri Sembilan	Acquired on 4.12.2012	Land for development	270,433	Freehold	-	17,296,968
Chongai Properties Sdn. Bhd.						
Lot No. G01 and G02 Jalan Arumugam Pillai 14000 Bukit Mertajam Pulau Pinang	Acquired on 8.8.1995	Shoplots for sale	140	Freehold	-	503,441
Eksons Corporation Berhad						
5 units, Block D Jalan Atmosphere 7 Pusat Perniagaan The Atmosphere 43300 Seri Kembangan Selangor	Acquired on 8.12.2019	Shop office for sale	844	Leasehold expiring year 2097	9	2,265,260
Vibrant Hub Sdn. Bhd.						
1 unit, Block D Jalan Atmosphere 7 Pusat Perniagaan The Atmosphere 43300 Seri Kembangan Selangor	Acquired on 8.3.2021	Shop office for sale	152	Leasehold expiring year 2097	9	156,594

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

The details of recurrent related party transactions conducted during the financial year ended 31 March 2022 pursuant to the shareholders' mandate are disclosed as follows :-

Transacting company in the Eksons Group	Mandated Related Party	Nature of transactions by the Mandated Related Party	Amount transacted during the financial year (RM)
Viva Paradise Sdn. Bhd. ("Viva Paradise")	Tempo Properties Sdn. Bhd. ("TPSB")	Project management services by TPSB to Viva Paradise for the property development project at Bukit Serdang, Selangor.	RM 281,809

Notes:

1. Viva Paradise Sdn. Bhd. is a wholly-owned subsidiary of Vibrant Hub Sdn. Bhd.
2. Vibrant Hub Sdn. Bhd., a 68.06%-owned subsidiary of Eksons Corporation Berhad. The balance 31.94% of Vibrant Hub Sdn. Bhd. is owned by Topaz Blue Sdn. Bhd. (13.12%), a subsidiary of TPSB and Zenith Joy Sdn. Bhd. (18.82%).
3. The management fee paid to TPSB includes Sales and Service Tax of RM33,245.
4. The amount disclosed represents the amount paid of RM773,395 after deducting the portion amounting to RM491,586 to be borne by Topaz Blue Sdn. Bhd. pursuant to the Second Supplemental Project Management Agreement between Viva Paradise Sdn. Bhd. and Tempo Properties Sdn. Bhd. dated 30 July 2020.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2022

SHARE CAPITAL

Issued and Paid-Up Share Capital : RM131,370,400.00 divided into 164,213,000 ordinary shares (including 2,733,334 treasury shares)

Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of holdings	No. of holders	(%)	No. of Shares	(%)
less than 100	100	4.75	4,192	0.00
100 - 1,000	283	13.45	84,160	0.05
1,001 - 10,000	1,149	54.61	3,787,597	2.30
10,001 - 100,000	488	23.19	12,430,037	7.57
100,001 to less than 5% of issued shares	79	3.75	42,840,585	26.09
5% and above of issued shares	5	0.24	105,066,429	63.99
Total	2,104	100.00	164,213,000	100.00

DIRECTORS' SHAREHOLDINGS

Names	Shareholding		Shareholding		Note
	Direct	(%)	Indirect	(%)	
1. Tay Hua Sin	9,161,933	5.58	66,251,960	40.35	(i)
2. Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain	1,102,314	0.67	20,467,383	12.46	(ii)
3. Dato' Philip Chan Hon Keong	303,000	0.18	-	-	-

Notes :

- Indirect interest pursuant to Section 8 of the Companies Act 2016 ("Act") by virtue of his interest in Darujasa Sdn. Bhd. (33,125,980 shares) and Kesturi Suria Sdn. Bhd. (33,125,980 shares).
- Indirect interest pursuant to Section 8 of the Act by virtue of his interest in Serira Sdn. Bhd. (19,457,383 shares) and his son, Dato' Sri Faizal Bin Abdul Aziz's shareholding (1,010,000 shares) in the Company.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2022 (CONT'D)

SUBSTANTIAL SHARES SHAREHOLDERS

Names	Shareholding		Shareholding		Note
	Direct	(%)	Indirect	(%)	
1. Darujasa Sdn. Bhd.	33,125,980	20.17	-	-	
2. Kesturi Suria Sdn. Bhd.	33,125,980	20.17	-	-	
3. Serira Sdn. Bhd.	19,457,383	11.85	-	-	
4. Tay Hua Sin	9,161,933	5.58	66,251,960	40.35	(i)
5. Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain	1,102,314	0.67	20,467,383	12.46	(ii)
6. Dato' Sri Faizal Bin Abdul Aziz	1,010,000	0.62	19,457,383	11.85	(iii)
7. Khairul Arifin Bin Abdul Aziz	-	-	19,457,383	11.85	(iii)

Notes :

- i) Indirect interest pursuant to Section 8 of the Act by virtue of his interest in Darujasa Sdn. Bhd. (33,125,980 shares) and Kesturi Suria Sdn. Bhd. (33,125,980 shares).
- ii) Indirect interest pursuant to Section 8 of the Act by virtue of his interest in Serira Sdn. Bhd. (19,457,383 shares) and his son, Dato' Sri Faizal Bin Abdul Aziz's shareholding (1,010,000 shares) in the Company.
- iii) Indirect interest pursuant to Section 8 of the Act by virtue of his interest in Serira Sdn. Bhd. (19,457,383 shares).

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2022 (CONT'D)

LIST OF TOP 30 SHAREHOLDERS

Names	Shareholding	Percentage of Shareholding (%)
1. DARUJASA SDN BHD	33,125,980	20.1726
2. KESTURI SURIA SDN BHD	33,125,980	20.1726
3. SERIRA SDN BHD	19,457,383	11.8489
4. UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C Clients)	10,195,153	6.2085
5. KENANGA NOMINEES (ASING) SDN BHD TAY HUA SIN (PCS)	9,161,933	5.5793
6. LIM PEI TIAM @ LIAM AHAT KIAT	6,761,142	4.1173
7. ADDEEN PRINTERS SDN BHD	5,236,951	3.1891
8. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN MENG SENG (8075975)	2,151,855	1.3104
9. LO, WU-HSIUNG	2,079,186	1.2662
10. RAFAZJAYA SDN BHD	1,797,800	1.0948
11. CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	1,611,281	0.9812
12. ZULKIFLI BIN HUSSAIN	1,281,286	0.7803
13. LOW HAN KEE	1,159,278	0.7060
14. CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABDUL AZIZ BIN HUSAIN (KUCHING)	1,102,314	0.6713
15. FAIZAL BIN ABDUL AZIZ	1,010,000	0.6151
16. LING WENNA	739,000	0.4500
17. TAY WAH SENG	707,000	0.4305
18. TEH SENG HOCK	585,000	0.3562
19. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOONG SOO ONN	561,055	0.3417
20. UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	531,591	0.3237
21. KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN MENG SENG	510,000	0.3106
22. NGUI MEU CHUONG	504,541	0.3072
23. LEE SEE JIN	498,536	0.3036
24. TEO KWEE HOCK	479,630	0.2921
25. CHEN, YI-HSIN	404,000	0.2460
26. LIM PAY KAON	388,850	0.2368
27. CHIENG NGEE ONG	374,912	0.2283
28. SOW TIAP	363,000	0.2214
29. WONG KAM SENG	354,000	0.2156
30. CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG AH KOW @ LEANG LEAN YOW (MY2707)	352,000	0.2144

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Second (“32nd”) Annual General Meeting (“AGM”) of the Company will be held at LA Hotel, Jalan St. Patrick (Off Jalan Belunu) 91033 Tawau, Sabah on Thursday, 22 September 2022 at 3:00 p.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and the Auditors thereon. (Please refer to Note (b))
2. To approve the payment of Directors’ fees payable to the Directors of the Company amounting to RM325,320 in respect of the financial year ended 31 March 2022. (Resolution 1)
3. To approve the payment of Directors’ benefits payable up to an amount of RM27,000 from the conclusion of the AGM until the next AGM of the Company. (Resolution 2)
4. To re-elect Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain who is retiring in accordance with Clause 23.3 of the Company’s Constitution and being eligible, has offered himself for re-election. (Resolution 3)
5. To re-elect Hew Mei Ying who is retiring in accordance with Clause 23.12 of the Company’s Constitution and being eligible, has offered herself for re-election. (Resolution 4)
6. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (Resolution 5)

As Special Business

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

7. **Ordinary Resolution** (Resolution 6)
Authority to Issue Shares Pursuant to the Companies Act 2016

“**THAT** subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. **Ordinary Resolution**

(Resolution 7)

Proposed Renewal of Existing Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature

"**THAT** subject to the provisions of the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given for the renewal of the existing shareholders' mandate for the Company and/or its subsidiaries ("**EKSONS Group**") to enter into recurrent related party transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 2.5 of the Circular to Shareholders dated 29 July 2022 which are necessary for the day-to-day operations of the Eksons Group, to be entered by the EKSONS Group in the ordinary course of business and are on terms which are not more favourable to the parties with which such recurrent transactions to be entered into than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until the earlier of: -

- (i) the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Act but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) is revoked or varied by resolution passed by the shareholders in a general meeting before the next AGM;

AND THAT the Directors of the Company be authorised to complete and do such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to this resolution."

9. **Ordinary Resolution**

(Resolution 8)

Proposed Renewal of Authority for the Company to Purchase Its Own Shares ("Proposed Renewal of Share Buy-Back Authority")

"**THAT**, subject to the Act, the Constitution of the Company, Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

9. **Ordinary Resolution**

(Resolution 8)

Proposed Renewal of Authority for the Company to Purchase Its Own Shares ("Proposed Renewal of Share Buy-Back Authority") (Cont'd)

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (i) to cancel all the shares so purchased; and/or
- (ii) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; and/or
- (iii) to retain part thereof as treasury shares and cancel the remainder; or
- (iv) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until: -

- (a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

- 10. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)/ SSM PC NO.: 201908002648
LIM LIH CHAU (LS 0010105)/ SSM PC NO.: 201908001454
 Company Secretaries

Sabah
 Dated: 29 July 2022

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

(a) Appointment of Proxy

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **15 September 2022 ("General Meeting Record of Depositors")** shall be eligible to participate, speak and vote at the Meeting.
2. A member entitled to participate and vote at the Meeting shall be entitled to appoint more than one (1) proxy to participate, speak and vote in his stead. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy, failing which the appointments shall be invalid.
3. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate, speak and vote at the Meeting of the Company shall have the same rights as the member to speak at the Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the member/ appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") 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. Where a shareholder is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at TB4327, Block 31, 2nd Floor, Fajar Complex, Jalan Haji Karim, 91000 Tawau, Sabah not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof. All resolutions set out in the Notice of Meeting are to be voted by poll.

(b) Audited Financial Statement for the financial year ended 31 March 2022

Agenda 1 is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes:-

(i) **Resolutions 1 and 2 – Payment of Directors' fees and benefits**

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval at the 32nd AGM on the two (2) separate resolutions as below: -

- **Resolution 1** on payment of Directors' fees in respect of the financial year ended 31 March 2022.
- **Resolution 2** on payment of Directors' benefits from the conclusion of the AGM until the next AGM of the Company.

(ii) **Resolutions 3 and 4 - Re-election of Directors who are retiring in accordance with of the Company's Constitution**

In determining the eligibility of the Directors to stand for re-election at the forthcoming 32nd AGM, the Nomination Committee ("NC"), guided by the requirements of Paragraph 2.20A of the Main Market Listing Requirements of Bursa Securities and recommended Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain, for re-election as Director pursuant to Clause 23.3 of the Constitution of the Company, and Hew Mei Ying for re-election as Director pursuant to Clause 23.12 of the Constitution of the Company ("**Retiring Directors**"). The Board of Directors ("**Board**") has conducted a separate assessment and being satisfied with the performance/contribution of the Retiring Directors. Therefore, the Board recommended the same be tabled to the shareholders for approval at the forthcoming 32nd AGM of the Company under Ordinary Resolutions 3 and 4 respectively.

The evaluation criteria adopted as well as the process of assessment by the Board have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2022 of the Company. All the Retiring Directors have consented to their re-election, and abstained from deliberations and voting in relation to their individual re-election at the NC and Board Meetings, respectively.

(iii) **Resolution 5 – Re-appointment of Auditors**

The Audit Committee and the Board have assessed the suitability and independence of the External Auditors and recommended the re-appointment of Messrs. Crowe Malaysia PLT as External Auditors of the Company for the financial year ending 31 March 2023.

(iv) **Resolution 6 – Authority to issue shares pursuant to Companies Act 2016**

The proposed resolution is for the purpose of seeking a renewal for the general mandate to empower the Directors of the Company pursuant to the Companies Act 2016, from the date of the 32nd AGM, to issue and allot ordinary shares of not more than ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors of the Company consider would be in the best interest of the Company. This authority will, unless revoked or varied at a General Meeting, expire at the conclusion of the next Annual General Meeting of the Company. This authority will provide flexibility and enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placement of shares for purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

As at the date of this Notice, no new shares in the Company were issued under the provision of the general mandate granted to the Directors at the Thirty-First Annual General Meeting held on 23 September 2021, which will lapse at the conclusion of the 32nd AGM.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(v) Resolution 7 - Proposed Renewal of Existing Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Resolution 7 is intended to enable the Company and its affiliated companies ("**the Group**") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations to facilitate transactions in the normal course of business of the Group with the specified classes of related parties, provided that they are carried out on arms' length basis and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular/Statement to Shareholders dated 29 July 2022 for further information.

(vi) Resolution 8- Proposed Renewal for Share Buy-Back Authority

The proposed Resolution 8 is intended to allow the Company to purchase its own shares up to 10% of the total number of issued shares in the ordinary share capital of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

Please refer to the Circular/Statement to Shareholders dated 29 July 2022 for further information.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 32nd 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.

FORM OF PROXY

[Registration No. 199001014145 (205814-V)]
(Incorporated in Malaysia)

CDS ACCOUNT NUMBER

NUMBER OF SHARES HELD

*I / We _____ NRIC No./Company No. _____
of (full address) _____

being a member/members of EKSONS CORPORATION BERHAD, hereby appoint:

PROXY "A"

FULL NAME (IN BLOCK)	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
FULL ADDRESS			

And/or failing *him/her,

PROXY "B"

FULL NAME (IN BLOCK)	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
FULL ADDRESS			

#to put a separate sheet where there are more than two (2) proxies.

Or failing *him/her, the CHAIRMAN OF THE MEETING, as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Thirty-Second ("32nd") Annual General Meeting ("AGM") of the Company will be held at LA Hotel, Jalan St. Patrick (Off Jalan Belunu) 91033 Tawau, Sabah on Thursday, 22 September 2022 at 3:00 p.m. and at any adjournment thereof.

Resolution	Agenda	For	Against
1	To approve the payment of Directors' fees payable to the Directors of the company amounting to RM325,320 in respect of the financial year ended 31 March 2022.		
2	To approve the payment of Directors' benefits payable up to an amount of RM27,000 from the conclusion of the AGM until the next AGM of the Company.		
3	To re-elect the Tan Sri Datuk Amar (Dr) Haji Abdul Aziz Bin Dato Haji Husain as a Director of the Company in accordance with Clause 23.3 of the Company's Constitution.		
4	To re-elect Hew Mei Ying as a Director of the Company in accordance with Clause 23.12 of the Company's Constitution.		
5	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.		
SPECIAL BUSINESS			
6	Authority to Issue Shares pursuant to the Companies Act 2016.		
7	Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue of Trading Nature.		
8	Proposed Renewal for Share Buy-Back Authority.		

* Strike out whichever is not applicable.

Please indicate with an "X" in the space provided above how you wish your votes to be casted. If no specific direction as to voting is given, the Proxy will vote or abstain from voting at his/her discretion.

As witness my/our hand(s) this _____ day of _____ 2022.

Signature of Member/Common Seal

Notes:

(a) Appointment of Proxy

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **15 September 2022 ("General Meeting Record of Depositors")** shall be eligible to participate, speak and vote at the Meeting.
2. A member entitled to participate and vote at the Meeting shall be entitled to appoint more than one (1) proxy to participate, speak and vote in his stead. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy, failing which the appointments shall be invalid.
3. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to participate, speak and vote at the Meeting of the Company shall have the same rights as the member to speak at the Meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the member/ appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") 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. Where a shareholder is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at the Registered Office of the Company at TB4327, Block 31, 2nd Floor, Fajar Complex, Jalan Haji Karim, 91000 Tawau, Sabah not less than forty-eight (48) hours before the time for holding the Meeting or at any adjournment thereof. All resolutions set out in the Notice of Meeting are to be voted by poll.

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 Annual General Meeting dated 29 July 2022.

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EKSONS CORPORATION BERHAD
(Registration no.: 199001014145 (205814-V))

Registered Office
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