ACME
HOLDINGS BERHAD
(189740-X)198901012432

ANNUAL REPORT 2022

CONTENTS

Corporate Information

BOARD OF DIRECTORS
Ooi Soon Hong *(Executive Director)*
Lim Shiou Ghay *(Independent Non-Executive Chairman)*
Lee Chiong Meng *(Independent Non-Executive Director)*
Tan Chee Keong *(Independent Non-Executive Director)*

AUDIT COMMITTEE

Chairman
Tan Chee Keong

Members
Lim Shiou Ghay
Lee Chiong Meng

NOMINATION COMMITTEE

Chairman
Lim Shiou Ghay

Members
Lee Chiong Meng
Tan Chee Keong

REMUNERATION COMMITTEE

Chairman
Lim Shiou Ghay

Members
Lee Chiong Meng
Tan Chee Keong

RISK MANAGEMENT COMMITTEE

Chairman
Lee Chiong Meng

Members
Lim Shiou Ghay
Tan Chee Keong
Ooi Soon Hong

EMPLOYEE SHARE OPTION SCHEME COMMITTEE

Chairman
Ooi Soon Hong

Members
Lee Chiong Meng
Lee Thean Yew
Jennifer Yew Kar Kheng

COMPANY SECRETARIES
Hing Poe Pyng (MAICSA 7053526)
SSM PC NO. 202008001322
Wong Yee Lin (MIA 15898)
SSM PC NO. 201908001793

PRINCIPAL PLACE OF BUSINESS
488A-16-01 Office Tower
Kompleks Midlands Park
Jalan Burma
10350 Georgetown
Penang
Tel: 04-2109911
website: www.acmeholdings.com.my

REGISTERED OFFICE
51-8-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Georgetown, Malaysia
Tel : 04-3736616
Fax: 04-3736615

AUDITORS
Grant Thornton Malaysia PLT (AF: 0737)
Level 5 Menara BHL
51 Jalan Sultan Ahmad Shah
10050 Penang, Malaysia
Tel : 04-2287828
Fax: 04-2279828

PRINCIPAL BANKERS
Affin Hwang Investment Bank Berhad [197301000792 (14389-U)]
Malayan Banking Berhad [196001000142 (3813-K)]
United Overseas Bank (Malaysia) Berhad [199301017069 (271809-K)]

SHARE REGISTRAR
Braxton Consulting Sdn Bhd [198501008643 (141091-W)]
51-8-A Menara BHL
Jalan Sultan Ahmad Shah
10050 George Town, Penang
Tel : 04-3736616
Fax: 04-3736615

STOCK EXCHANGE LISTING
Main Market of the Bursa Malaysia Securities Berhad
Stock Name : ACME
Stock Code : 7131

Lim Shiou Ghay
Male
Independent Non-Executive Chairman

Mr. Lim Shiou Ghay, Malaysian, aged 49, was appointed as an Independent Non-Executive Director of the Company on 1 October 2018, and subsequently redesignated as Independent Non-Executive Chairman on 20 January 2020. He is an Engineer by profession. He graduated with a Bachelor of Science (Mechanical Engineering) Degree from the Mississippi State University in 1997. He also sits on the board of several private limited companies. He does not hold any directorship in any other public companies and listed issuers. He is a member of the Audit Committee, Risk Management Committee and the Chairman of the Nomination Committee and the Remuneration Committee.

Ooi Soon Hong
Male
Executive Director

Mr. Ooi Soon Hong, Malaysian, aged 62, was appointed to the Board as an Executive Director on 8 December 2017. He is a member of the Malaysian Institute of Accountants (MIA). Started his career under training with several reputable accounting firms where he qualified as a certified accountant with ACCA (United Kingdom). He has more than 29 years of working experience in public accounting firms, real estate development and construction businesses. He also sits on the board of several other private limited companies. He does not hold any directorship in any other public companies and listed issuers. He is a member of the Risk Management Committee and the Chairman of the Employee Share Option Scheme Committee.

Lee Chiong Meng
Male
Independent Non-Executive Director

Mr. Lee Chiong Meng, Malaysian, aged 53, was appointed as an Independent Non-Executive Director of the Company on 27 November 2017. He is an Architect by profession. He graduated with a Bachelor of Architecture Degree from the University Technology Malaysia (UTM) in 1994 and obtained 'The Best Designer' in Architecture Award during his final year thesis. He has developed a working experience in architecture practice, urban planning on real estate properties from various countries such as Abu Dhabi UAE, Vietnam, Thailand, Cambodia and Malaysia. He is currently leading a consortium team consisting of Architects, Civil & Structural Engineers, Landscape Architects, Interior Designers, Perspective & Graphic Illustrators and Model Making. He does not hold any directorship in any other public companies and listed issuers. He is the Chairman of Risk Management Committee and member of the Audit Committee, the Nomination Committee, the Remuneration Committee and Employee Share Option Scheme Committee.

Tan Chee Keong
Male
Independent Non-Executive Director

Mr. Tan Chee Keong, Malaysian, aged 42, was appointed as an Independent Non-Executive Director on 14 May 2019. He is a chartered accountant by profession, graduated with BSc. (Hons) in Applied Accounting and Association of Chartered Certified Accountants (ACCA United Kingdom) qualification.

He has more than 20 years of experience in corporate finance, investment banking, private equity, mergers & acquisitions, treasury, accounting and consulting with leading investment banks, conglomerates and consulting firms in South East Asia. He does not hold any directorship in any other public companies and listed issuers. He is the Chairman of the Audit Committee and a member of the Nomination Committee, Remuneration Committee and Risk Management Committee.

ADDITIONAL INFORMATION ON THE DIRECTORS

Family relationship with any director and / or major shareholder
None of the Directors have family relationship with any other Directors and / or major shareholders of ACME Holdings Berhad.

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

- *None of the Directors have any convictions for offences other than traffic offences within the past 5 years.*
- *None of the Directors were penalized or sanctioned by any regulatory bodies during the FY.*

Conflict of Interest
The Directors have not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company.

Profile of Key Senior Management

Lee Thean Yew
Male
Chief Financial Officer

Mr. Lee Thean Yew, Malaysian, aged 58, was appointed as Group Financial Controller on 1 January 2018. He is a qualified accountant who graduated with a Bachelor Degree of Accountancy (with Honours) from University of Malaya in 1988. He has been a member of the Malaysian Institute of Accountants (MIA) since 1992. He has more than 28 years of working knowledge in accounting disciplines such as financial accounting, compliance reporting, budgeting, taxation and systems development. He was promoted to Chief Financial Officer on 28 May 2018. He is a member of the Employee Share Option Scheme Committee.

Dato' Tean Kok Pin @ Teng Kok Pin
Male
Director of Focal Products Sdn Bhd

Dato' Tean Kok Pin, Malaysian, aged 75, was appointed as a Director of Focal Products Sdn Bhd on 12 October 2020. He has extensive knowledge of property development planning, having been involved in this field since 1995. Dato' Tean was the Chief Reporter of Kwang Wah Yit Poh from 1974 to 1983 prior to joining Penang Chinese Town Hall as its Executive Secretary from 1983 to 1990.

Ugene Ooi-U Jin
Male
Director of Medan Tropika Sdn Bhd

Mr. Ugene Ooi-U Jin, Malaysian, aged 23, was appointed as a Director of Medan Tropika Sdn. Bhd. on 2 January 2022. He graduated with a Bachelor of Commerce (Accounting) Degree from the University of Adelaide in 2019. He has 2 years of working knowledge in accounting disciplines such as financial accounting, accounting information systems and management accounting.

ADDITIONAL INFORMATION ON THE KEY SENIOR MANAGEMENT

Any directorship in public companies and listed issuers
None of the Key Senior Management hold any directorship in public companies and listed issuers.

Family relationship with any director and / or major shareholder
Save for Ugene Ooi-U Jin who is the son of Ooi Soon Hong, none of the Key Senior Management have any family relationship with the Directors and / or major shareholders of ACME Holdings Berhad.

Conflict of Interest

The Key Senior Management have not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company.

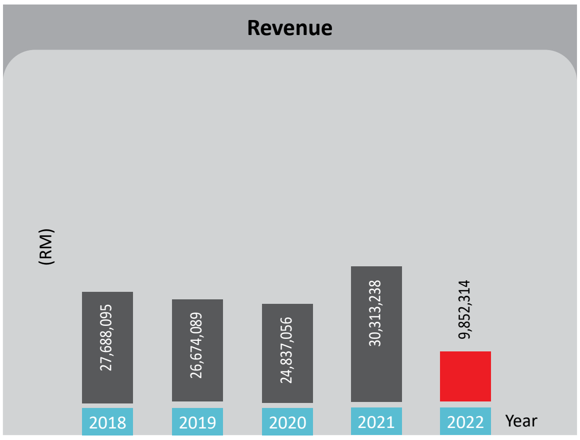
Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ("FY"), if any

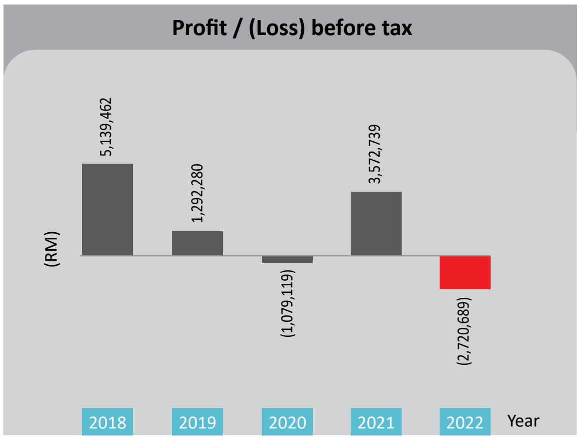
- None of the Key Senior Management have any convictions for offences other than traffic offences within the past 5 years.
- None of the Key Senior Management were penalized or public sanctioned by any relevant regulatory bodies during the FY.

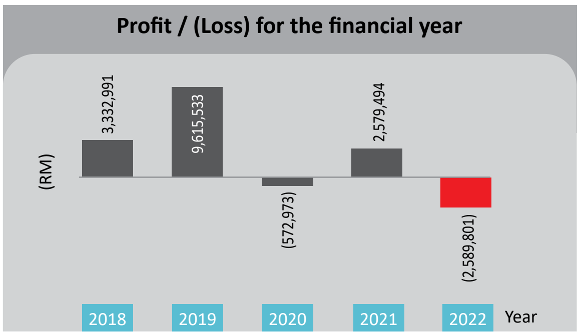
Five Years Group Financial Highlights

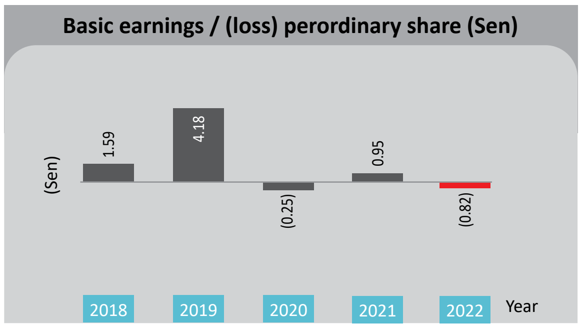
	2018 (RM)	2019 (RM)	2020 (RM)	2021 (RM)	2022 (RM)
Revenue	27,668,095	26,674,089	24,837,056	30,313,238	9,852,314
Profit / (Loss) before tax	5,139,462	1,292,280	(1,079,119)	3,572,739	(2,720,689)
Profit / (Loss) for the financial year	3,332,991	9,615,533	(572,973)	2,579,494	(2,589,801)
Basic earnings / (loss) per ordinary share (Sen)	1.59	4.18	(0.25)	0.95	(0.82)
Equity attributable to owners of the Company	69,688,794	79,272,400	81,510,002	98,044,666	104,064,762
Net assets per share	0.30	0.34	0.34	0.33	0.29
No. of shares issued (in units)	229,973,500*	229,973,500*	239,973,500*	298,965,500*	358,758,600*

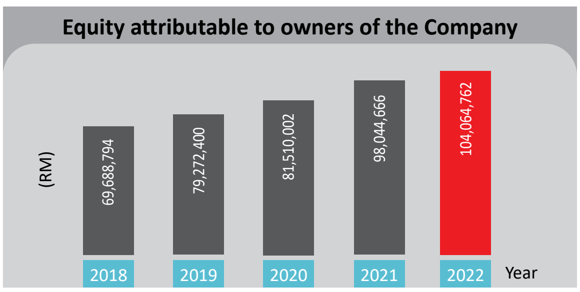
* Excluding 8,784,500 ordinary shares held as treasury shares

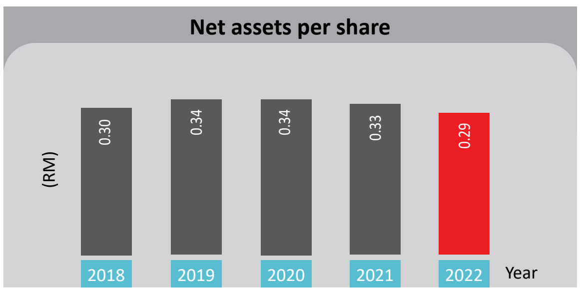












Management Discussion and Analysis

Overview

Since 2008, the Group has been involved in a 47 acres mixed development project known as Taman Bayu Aman, located at Teluk Air Tawar in Seberang Perai Utara, Penang. During the financial year, no new development projects was launched.

On 21 December 2021, the Group had disposed of its manufacturing division through the disposal of the entire equity interest in Supportive Technology Sdn Bhd (“**STSB**”), to Asia File Corporation Bhd. for a total cash consideration of RM21,468,000.

Currently, the Group is principally involved in property development.

Financial Performance

Overall

For the financial year ended 2022 (FYE’ 22), we recorded revenue of RM9.9 million as compared to revenue of RM30.3 million recorded in the financial year ended 2021 (FYE’ 21). The decrease in revenue by RM20.4 million or approximately 67% as compared to the FYE’ 21 was mainly due to a decrease in revenue of approximately 88% from the property development division whilst the revenue contribution from the manufacturing division consists of only the first 3 quarters of FYE’ 22 after the disposal of STSB was completed at the end of third quarter.

The manufacturing division’s share of our total revenue in FYE’ 22 has increased from 48% in FYE’ 21 to 72% in FYE’ 22 whilst the property development division contributed a lower share from 48% in FYE’ 21 to 17% in FYE’ 22. The revenue contribution from the investment holding division in FYE’ 22 increased from 4% in FYE’ 21 to 11% in FYE’ 22.

We recorded a loss after taxation (LAT) of RM2.6 million in FYE’ 22 as compared to a profit after taxation (PAT) of RM2.6 million in the previous financial year on the back of lower revenue achieved.

Property Development Division

This division contributed RM1.7 million of revenue in FYE’ 22 compared to RM14.7 million in the previous financial year which represent a substantial drop in revenue of approximately 88%. This was due to the drop in contribution from our sole on-going low-cost flats development project as compared to the sales of three storey terrace houses in the previous financial year, which yielded a higher profit margin. Consequently, this division suffered a LAT of RM1.3 million compared to a PAT of RM2.6 million in the previous financial year.

Manufacturing Division

The manufacturing division registered a decrease of approximately 51% in revenue from RM14.5 million in FYE’ 21 to RM7.1 million in FYE’ 22. In line with the lower revenue, this division recorded a LAT of RM0.4 million compared to LAT of RM0.2 million in the previous financial year. The Group had disposed of the division during the financial year.

Working Capital, Liquidity and Capital Expenditure

The Group recorded net outflow of cash from operations of RM8.1 million in the FYE’ 22 as compared to RM4.8 million in the FYE’ 21. Cash flow from investing activities improved significantly from net cash outflow of RM7.5 million in the FYE’ 21 to net cash inflow of RM19.5 million in the FYE’ 22 as a result of proceeds received from the disposal of 2 of its subsidiaries namely STSB and Aracme Holdings Sdn Bhd (formerly known as Supportive Marketing Sdn Bhd). During the financial year, the Group completed the listing of 59,793,100 new ordinary shares to a third party investor through private placement. Cash and cash equivalents increased from RM12.3 million as at 31 March 2021 to RM32.1 million as at 31 March 2022.

Dividends

Although we currently do not have any dividend distribution policy, we look forward to rewarding our shareholders in the future for their continued support and faith in us.

Outlook and Focus

Looking ahead, the "Transition to Endemic" phase of Covid-19 (with all restrictions on business operating hours removed) which started on 1 April 2022 is expected to boost consumer sentiment and accelerate the nascent economic recovery of the country.

The Group will be embarking on the final phase of the Taman Bayu Aman project which involves the development of 6 blocks of 12-storey condominiums (404 units) located in Teluk Air Tawar, Seberang Perai Utara, Penang on a piece of 11-acre land. The Group targets to launch phase 1 of this development project in the third quarter of year 2022 and forecasted to generate a gross development value of approximately RM99.3 million.

In addition, the Group intends to launch an affordable housing project consisting of 2 blocks of 39-storey apartments (646 units) on 2 adjoining parcels of freehold development land in Air Itam, Penang with a total land area measuring approximately 4.1 acres in the fourth quarter of year 2022. The gross development value is forecasted to be approximately RM196.68 million.

Sustainability Statement

ACME'S SUSTAINABILITY APPROACH

Throughout this year at ACME Holdings Berhad ("ACME") and its subsidiaries ("the Group"), we have remained resolute in our pledge to uphold our sustainability strategies that bring about long-term value creation whereby lasting returns are generated for our investors while at the same time being attuned to the needs of our various stakeholders. More than ever before, we recognise that sustainable development is paramount, and particularly so as we make every possible effort to adapt to the prevailing conditions and consequential impacts of a global pandemic.

In this regard, we have continued to refine our daily business operations with the aim to optimise financial outcomes, conserve our natural resources and meaningfully engage with the people within our sphere of influence. This forms the basis of our Economic, Environmental and Social ("EES") initiatives:-

Ethical conduct and management of our business relationships	**Maximisation of our resources and reduction of adverse environmental impacts**	**Prioritisation of the wellbeing of our people**

As such, we are happy to report our sustainability performance and progressive improvements that proceed from a deepened level of shared accountability towards key business drivers, environmental objectives and social outcomes across the Group.

REPORTING SCOPE AND BOUNDARY

To keep our various stakeholders informed, we continue to disclose our sustainability performance transparently and responsibly. In essence, our Sustainability Report (or "Statement") has been prepared in accordance with Practice Note 9 as well as the Sustainability Reporting Guide (2nd Edition) of Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements ("MMLR") and covers the period from 1 April 2021 to 31 March 2022 unless specified otherwise.

Particularly, the reporting scope of this Statement encompasses the sustainability initiatives in relation to ACME and its subsidiaries, excluding the entities that the Group does not have controlling interests such as our joint venture partners, suppliers, outsourced vendors and business associates.

In accompaniment of the Management Discussion and Analysis within our Annual Report which expounds on our financial and operational performance, we encourage our stakeholders to further look into this Statement for a comprehensive outlook on the Group's non-financial performance, impacts and opportunities.

FEEDBACK

ACME's Sustainability Statement is available on our corporate website at www.acmeholdings.com.my.
As we are set on improving the overall execution of our sustainable strategies, inclusive of the way we report on our EES performance, we would appreciate any feedback and comments on this Statement.

OUR GOVERNANCE STRUCTURE

We believe that a strong governance and management structure lays the groundwork for the successful implementation of our sustainability objectives. Hence, our Board of Directors ("BOD" or "the Board") continues to lead the Group in corporate governance directives that are founded on ethical principles, effectively setting the tone for a sustainability-conscious organisation. Under the Board's oversight, the Sustainability Working Group ("SWG"), comprising of key management personnel from their respective operations, remains dedicated to assist in monitoring the implementation and achievement of key performance indicators set at the start of the financial year.

STAKEHOLDERS ENGAGEMENT

Over the years, we have always made it a point to be receptive of our stakeholders' views and perceptions of the Group's sustainability practices. As we continue to build our stakeholder engagement practice on the precepts of openness and transparency, we are able to better understand varying needs and consequently create more genuine value for our stakeholders. Thus, we greatly value pertinent considerations raised by all interested parties with regard to how well we conduct our business in consonance with our sustainability strategies. In effect, we engage with our stakeholders in a meaningful way by providing them with the avenues to voice any concerns and to bridge any gaps in the process. This has enabled us to identify indicators that may significantly influence our EES performance as well as areas for further development.

For these reasons, our stakeholder analysis and mapping exercise was conducted anew by ACME's key management personnel. We were then able to determine our principal stakeholders with varying degrees of influence across the Group and to apply the best suited platforms of engaging with them as a result. On account of this, ACME's stakeholder engagement for FYE 2022 is expounded below:-

Key Stakeholders	Areas of Interest	Engagement Methods	Frequency
Customers	❖ Product quality ❖ Reliable delivery ❖ Competitive prices ❖ Technical advancement ❖ Customer service and responsiveness	❖ Meeting / Discussion ❖ Contract Negotiation ❖ Customer Satisfaction Survey ❖ After sales service	❖ Ad-hoc ❖ Ad-hoc ❖ Ad-hoc ❖ Ad-hoc
Employees	❖ Knowledgement improvement ❖ Competitive salary and benefits package ❖ Conducive working environment ❖ Occupational safety and health ❖ Proper reporting and communication channel ❖ Work-life balance ❖ Career path	❖ Internal training and development ❖ Employee handbook ❖ Meeting / Discussion ❖ Employee Feedback Survey ❖ Annual Performance Review ❖ Engagement with employees ❖ Sports and recreation programme ❖ Occupational safety and health programme	❖ On-going / Ad-hoc ❖ On-going / Ad-hoc ❖ On-going / Ad-hoc ❖ Annually ❖ Annually ❖ On-going ❖ On-going ❖ On-going
Government / Regulatory Bodies	❖ Compliance with existing laws ❖ Standards and certification	❖ Announcements ❖ Meeting / Discussion ❖ Audit / Inspection Visit ❖ Report Submission	❖ Ad-hoc ❖ Ad-hoc ❖ Half Yearly ❖ Annually
Suppliers / Vendors	❖ Procurement policy and procedures ❖ Product cost ❖ Industry standard and requirement ❖ Prompt payments within credit period ❖ Business prospects and financial stability	❖ Vendor Registration ❖ Contract Negotiation ❖ Meeting / Discussion ❖ Evaluation and Performance Review	❖ Ad-hoc ❖ Ad-hoc ❖ Ad-hoc ❖ Annually

Key Stakeholders	Areas of Interest	Engagement Methods	Frequency
Shareholders	❖ Return on investment ❖ Business prospects ❖ Future roadmap ❖ Corporate governance	❖ Quarterly reporting ❖ Company's announcements through Bursa Malaysia Securities Berhad ❖ Engagement with shareholders during the Company's annual / extraordinary general meeting ❖ Company's website ❖ Annual Report	❖ Quarterly ❖ Ad-hoc / Quarterly ❖ Annually / Ad-hoc ❖ On-going ❖ Annually
Community	❖ Impact of operations on surrounding environment ❖ Corporate social responsibility ❖ Corporate governance	❖ Engagement with local communities ❖ Provide job opportunities	❖ Ad-hoc ❖ Ad-hoc

In recognising that our stakeholders' expectations are ever-changing, the Group shall consistently develop and improve on our operational efficiency to achieve our sustainability targets in a responsible and acceptable manner while working closely with our internal and external stakeholder groups.

ACME supports United Nation's 17 Sustainable Development Goals ("SGDs") and continues to maintain the following 11 goals adopted that are most relevant to our business operations.

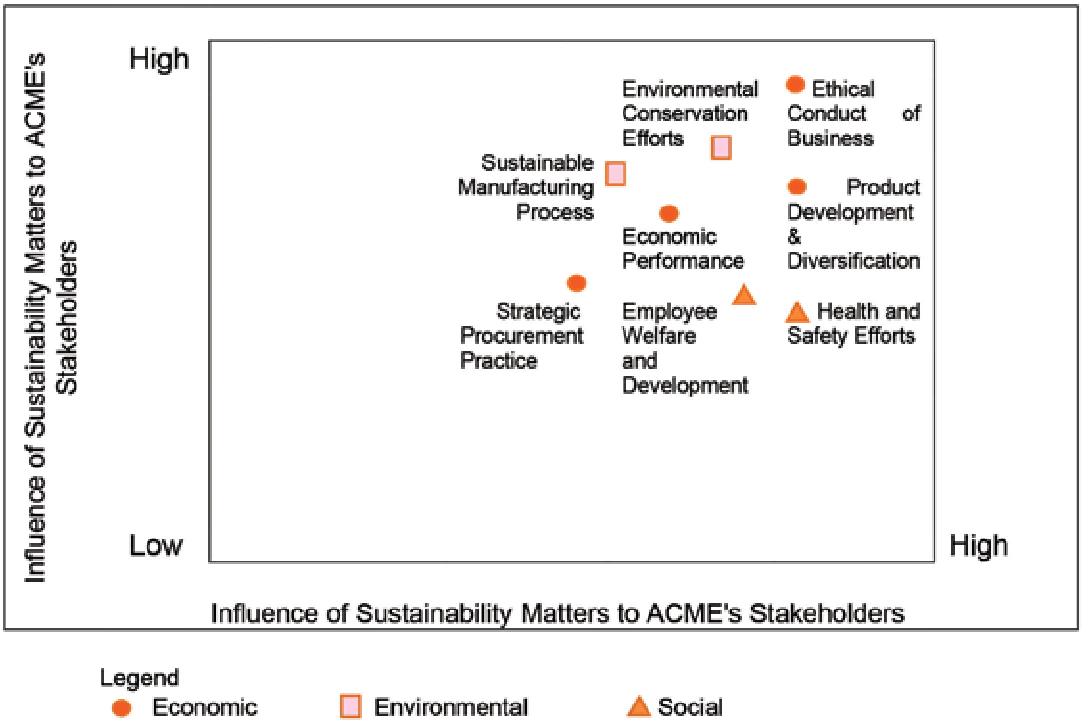
MATERIALITY ASSESSMENT

Additionally, our Group endeavours to execute all sustainability initiatives in the best possible way through adopting a methodical approach that facilitates in assessing the materiality of ESS initiatives on our organisation as well as the breadth of influence on our key stakeholders. Bearing in mind that optimisation of our limited resources is imperative to the success of all our endeavours, senior management personnel who represent our SWG shall conduct the materiality assessment on an annual basis to ensure that the Group's sustainable efforts are channelled to stakeholder groups that are critical to our business.

In accordance with the Bursa Malaysia reporting guidelines, ACME's SWG reassess the materiality matters thereupon the review of notable responses gathered from our stakeholder engagement analysis. Ensuing this, deliberations shall be made on the prioritisation of economic drivers, environmental responsiveness and social responsibility initiatives, both on-going and forthcoming, as well as the efficacy and relevance to each of our stakeholders. Our management shall then proceed to formulate a materiality matrix that maps the varying degree of importance of our sustainability matters. The results of the assessment are examined by the SWG and subsequently presented to the Board.

For this year, the results of the re-evaluation of the materiality assessment that is benchmarked against industry companies concludes on a total of eight (8) material sustainability matters for the Group and its stakeholders as represented below:-

Materiality Matrix



Through this exercise, we were able to plan and devote ourselves to ESS initiatives in an informed and targeted manner to cover all material aspects of the business and expectations of us by our stakeholders throughout the year. Further detailed disclosure of our initiatives and achievements are reported in the ensuing Economic, Environmental and Social sections.

ECONOMIC SUSTAINABILITY MATTERS

ETHICAL CONDUCT OF BUSINESS

We always strive to achieve the best in all that we do. Likewise, holding ourselves to the highest level of ethical standards is equally important as continually growing our operations. Our core values support and guide our leadership in framing the strategic direction of ACME. Inherently, our employees and representatives are expected to conduct their business in accordance with the values defined in our Code of Ethics & Code of Conduct.

Aligned with the adequate procedures issued by the Prime Minister Office in the formation of our Anti-Bribery Management System ("ABMS"), our Code of Ethics & Code of Conduct has been streamlined to highlight our Group's stance and commitment towards combating the corruption risks within our business environment. The following TRUST principles have been incorporated during the designation and implementation of our ABMS:-

Our ABMS includes the review on the adequacy of our existing system in combating and preventing bribery or corruption offences by benchmarking our existing practice against the ISO 137001: 2016 which provides guidance to an organisation in designing an effective system to prevent, detect and respond to bribery and anti-bribery laws and voluntary commitments applicable to our activities.

Subsequent to our review, we maintained a set of comprehensive policies and procedures (termed as "Anti-Bribery and Corruption Policy" or "ABC Policy") within the Group to guide our employees and business associates while representing ACME in its business affairs. The chart below summarises the key areas particularised in our ABC Policy:-

Incorporated within our preventive measures is the due diligence exercise conducted on our business associates. Our methodology includes screenings of our business associates to discover any red flags and to assess their level of integrity against our pre-determined criteria.

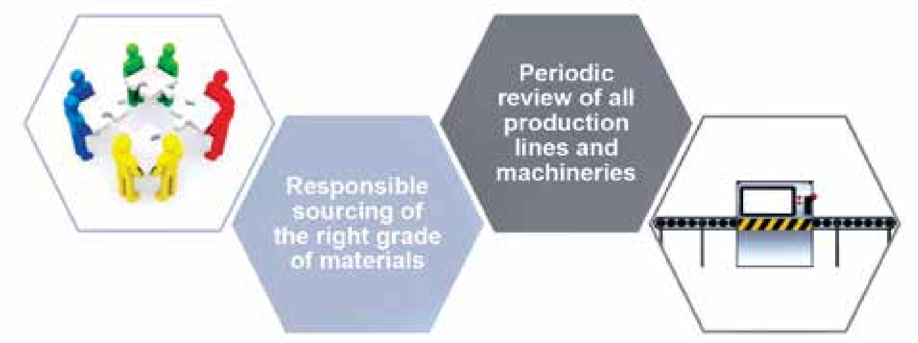
Cohesive with the practices outlined in Bursa Malaysia's Main Market Listing Requirement ("MMLR"), Malaysia Code of Corporate Governance ("MCCG"), Sustainability Reporting Guide and other related guidelines, we encourage our stakeholders to report any potential or actual malpractice or misconduct committed by our representatives (e.g. employees & business associates) via our whistleblowing channel.

The valuable feedbacks raised by our stakeholders assist the Group in preventing, detecting and mitigating the risks associated with our existing business environment. Having said that, we did not receive any reports in FY 2022 from the whistleblowing channel.

We keep abreast of the latest development on the laws and regulations which may impact our operations by maintaining regular communication and consultation with the relevant authorities. Our pro-active actions in ensuring compliance undoubtedly minimises unwarranted disruptions to our operations.

PRODUCT DEVELOPMENT & DIVERSIFICATION

With regard to our manufacturing practice, we constantly look out for new ways to further develop our range of products and to provide improved functionality and resonance with our customers. We strategically focus on two core operations to further develop our products which entails objective review of our upstream activities, namely supplier quality, as well as regular upkeep of our machines and moulding equipment.



By emphasising on-going reviews over existing business capabilities, we are able to streamline our production runs and swiftly address any bottlenecks along the way. Furthermore, we have also put together a Quality Control Team comprising of management representatives and moulding specialists to have oversight of all matters pertaining to product quality, as well as to recommend enhancement of production processes. We strive to continually identify any inefficiencies within our manufacuturing practice to offer quality products and competitive pricing that give us a leading edge in the market.

ECONOMIC PERFORMANCE

We have formulated sustainability practices which aim to generate long term benefits for all our stakeholders in terms of business continuity and value creation.

Depending on the financial performance of our Group, we are mindful of rewarding our shareholders with the appropriate returns on their investments in our Company. We always engage our shareholders during our annual general meeting which is a platform for them to air their views and to question management on matters of interest. Such reports are uploaded to our website under the folio "Investor Relations". We have in place policies and practices which govern our business dealings and the conduct of our employees and the same have been disseminated to all concerned either through our website or made known to employees at their place of work.

STRATEGIC PROCUREMENT PRACTICE

Our procurement process is governed by a set of robust internal policies and procedures to ensure a fair and transparent dealings with our suppliers and contractors. Prior to the formalisation of a business relationship, a potential supplier or contractors shall be subjected to a due diligence exercise with pre-defined criteria. Subsequent to the appointment, our assigned personnel shall continuously monitor and assess the suppliers and contractors' performance annually via evaluation exercise to assess their past performance in term of timely delivery, commitment towards high standard of quality and also price competitive.

ENVIRONMENTAL SUSTAINABILITY MATTERS

SUSTAINABLE MANUFACTURING PROCESS

Harmonious with our goal to grow sustainably, we have progressively minimised the use of virgin resins in our production lines. Moreover, the introduction of robotic arms and the remodelling of our moulding equipment have minimised human handling and reduced the risk of errors within production runs.

We have optimised our production cycle time subsequent to the replacement and upgrading of the older machineries with newly acquired machines.

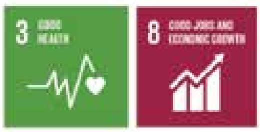
However, we had on 10 September 2021 entered into a Share Sale Agreement ("SSA") with Asia File Corporation Berhad to dispose of the entire equity interest in Supportive Technology Sdn Bhd ("the Disposal") as the Board of the view that this business will remain challenging with limited growth potential going forward. The Disposal has been completed on 21 December 2021 in accordance with the terms and conditions of the SSA.

ENVIRONMENTAL CONSERVATION EFFORTS

In addition with complying to the relevant laws and regulations, ACME has also established an Environmental Aspect and Impact Assessment Register ("EAIA") in assessing and evaluating the potential risks, impacts and controls to the environment. Any irregularities discovered shall be reviewed and resolved instantaneously in order to minimise inefficient consumption and curtailing any excesses. In the same way, ACME aims to introduce additional initiatives throughout our offices and other facilities in our effort to protect to conserve energy and water in our offices such as replace light fixtures with energy saving LED lights, allowing natural lighting into our offices, using the building automation system to optimise air conditioning. We also reduce paper wastage by reusing paper and selling recycled / scrap paper. Further, we have been re-using our internally generated recycled materials, which are processed in our own recycling facilities.

SOCIAL SUSTAINABILITY MATTERS

HEALTH AND SAFETY EFFORTS



As we strive to always operate our business safely and efficiently at all times, we likewise do everything within our power to protect the wellbeing of our people across our operations in both our property development and manufacturing divisions as well as our stakeholders that include our employees, business associates and surrounding communities. We are happy to report yet again that there have been no major accidents or harmful incidences causing serious bodily injuries to our employees throughout the year.

Moreover, the Group continues to build a secure work environment by ensuring that our company's health and safety standards and policies are always updated to reflect the latest developments and that our employees are kept informed. We also adhere to all relevant regulatory requirements, which include compliance to the provisions of the Occupational Safety and Health (Noise Exposure) Regulations 2019 in order to curb excessive noise exposure of our assembly line workers that may otherwise lead to hearing disorders and other impairments. This is in addition to maintaining necessary fire precautionary equipment and certifications year-on-year. We will closely monitor and continuously review the adequacy of existing precautionary and safety measures to negate occupational risks and hazards at our place of work.

SAFEGUARDS AGAINST COVID-19

As we continue to grapple with the impacts of a global pandemic, our people do their utmost to practice good personal hygiene and to take appropriate precautionary measures to protect our stakeholders.

In particular regard, our organisation has continued to rigorously observe the Ministry of Health ("MOH") Department guidelines and mandates in our workplace. Our commitment to protect all stakeholders from contagion risks is something we take very seriously and is reflected in our Covid-19 mitigation efforts.We have implemented the aforesaid measures while being mindful of limiting disruptions to our business operations to ensure that employees continue to have an uncompromised sense of wellbeing and security. In furtherance of this, we have complied with the Human Resources Ministry ("HRM") minimum housing standards with regard to hostel accommodations of our foreign workers. To this end, the disbursement of funds towards appropriate hostel arrangements and related expenditures as well as face masks, sanitisers and the cleaning and sanitisation of our facilities aggregate to over RM52,980. All of our foreign workers have been vaccinated to ensure that their health is not compromised. Moving forward, we will continue to stay on top of the latest developments and act accordingly, always in the best interests of our people.

EMPLOYEE WELFARE AND DEVELOPMENT

To ensure safe and conducive living environment, we provided monetary and non-monetary benefits for all our staff in compliance with all the requirements of employment law which includes paid leave, allowances and safe working environment, we are also in compliance with the guidelines as stated in the Minimum Standards of Housing and Amenities (Amendment) Act on the foreign workers' accommodation such as below stated:

a) to provide separate accommodation to employees of the opposite gender;

b) to take necessary preventive measures to ensure employees' safety and well-being;

c) Providing a sleeping area with floor area of not less than 3 square metres per employee for accommodation or a centralized accommodation in a form of dormitory;

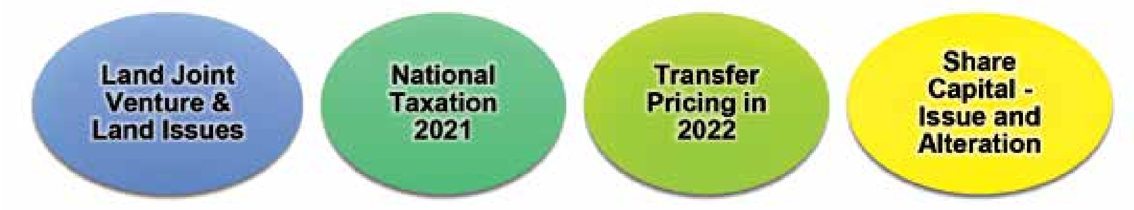
d) Where bathroom and toilet (whether separated or together) are concerned, the ratio is 1 bathroom and toilet for every 6 employees not in a dormitory and 1 bathroom and toilet for every 15 employees in a dormitory etc.

At the heart of our operations are our employees who are undoubtedly the key driving force of ACME's enduring organisational success. As such, we continually seek to build and sustain a robust workforce that has a diversified mix of skills and technical competencies. We ensure that our manpower planning, engagement and development activities are free of bias and prejudice to promote equal opportunities for all our employees' personal and professional development. On the whole, the Group promotes a conducive working environment and culture through the following means:-

Open communication in the workplace between management and other levels of employees has always been ACME's approach at improving overall productivity and stirring up employee confidence and morale. Fundamentally, we understand our employees' capabilities and needs through consistent two-way dialogue sessions that includes feedback sharing and collective discussions aimed at brainstorming fresh ideas and addressing impediments faced by individuals and work groups.

We also conduct merit-based annual performance appraisals and rewards for the purpose of giving due recognition and appreciation of the contributions of our employees, effectively empowering them to take greater charge of their careers while being cognisant of overarching organisational objectives. Our people who have a desire to assume leadership roles shall be able to work closely with their superiors and be provided with tools and support systems.

Primarily, the Group supports continual upskilling and development of all personnel through programmes that are specifically tailored to the training needs and present proficiency levels of our employees. This year, our employees have undergone the following training programs and seminars as follows:-



Having undergone such development programmes, our employees are encouraged to share the newfound knowledge and skills that they have gained with their team members. As training needs evolve over time, we will continue to gauge the knowledge, skills and abilities mix of our workforce to come up with better training resources for all.

MOVING TOWARDS A SUSTAINABLE FUTURE

As our business continues to evolve along with changing times, ACME shall continue to envisage meaningful and feasible sustainability opportunities by constantly reassess our material sustainability matters while ultimately holding ourselves accountable for our EES conduct and progress. We believe that by doing so, our organisation will grow in strategic and tactical proficiencies that will set us in the right direction for the foreseeable future.

Corporate Governance Overview Statement

The Board of Directors ("the Board") of ACME Holdings Berhad ("ACME" or "the Company") recognises the importance of good corporate governance and is committed to ensure that good corporate governance is being practised by the Group in order to safeguard stakeholders' interests as well as enhancing shareholders' value.

The ensuring paragraphs in this Statement sets out the manner in which the Group has applied and the extent of compliance with the principles and recommendations as set out in the Malaysian Code on Corporate Governance ("MCCG" or "the Code").

APPLICATION OF THE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Board's Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company, and charting the course of the Group's business operations whilst providing effective oversight of Management's performance, risk assessment and controls over business operations.

The Board delegates and confers some of its authorities and discretion on the Chairman, Executive Directors, and Management as well as on properly constituted Board Committees comprising solely Independent Non-Executive Directors as at Financial Year Ended 31 March 2022 ("FYE' 22"). The role of Management is to support the Executive Directors and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Notwithstanding the delegation of specific powers, the Board retains full responsibility for the direction and control of the Company and the Group.

The Board Committees are made up of the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC"); and are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference ("TOR").

The Chairman of the relevant Board Committees reports to the Board on key issues deliberated by the Board Committees at their respective meetings.

In general, the roles of Independent Non-Executive Directors are to constructively challenge Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address matters concerning Management and oversight of the Company's business and operations.

Key matters reserved for the Board's approval include the annual business plan and budget, capital management and investment policies, authority limits / levels, risk management policies, declaration of dividends, business continuity plan, issuance of new securities, business restructuring, expenditure above a certain limit, material acquisitions and disposition of assets.

In discharging its stewardship, the Board is constantly mindful of safeguarding the interests of the Group's stakeholders and is ultimately responsible for the performance of the Group. The Board assumes the following core responsibilities:

i. reviewing and adopting a strategic plan for the Group and to institute a regular and formal board strategy review to ensure that the strategic plan support long term value creation and includes strategies on EES considerations underpinning sustainability of its business and Group operations;

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

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

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

ii. overseeing the conduct of the Group's Business, supervise and assess management's performance to evaluate whether the business is being properly managed and that the Group's performance is skewed towards achieving its strategy not withstanding that some of the subsidiaries have separate Board of Directors;

iii. anticipate changes in the market and ensuring that the Group's capabilities and resources are sufficient to manage uncertainties;

iv. identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;

v. succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing Board members and senior management;

vi. developing and implementing an investor relations programme or shareholder communications policy for the Group;

vii. reviewing the adequacy and the integrity of the Group's risk management, internal control systems and management information systems, including systems / reporting framework for compliance with applicable laws, regulations, rules, directives and guidelines;

viii. ensuring that the Company's financial statements are true and fair and other conform with the laws; and

ix. ensuring that the Company adheres to high standards of ethics and corporate behaviour.

In order for the Board to clearly execute its duties and responsibilities along with the roles played by the Board Committees and Management, the Board adopted a Board Charter which sets out the roles of the Board, Board Committees, Executive and Non-Executive Directors and Management, taking into consideration principal responsibilities.

The Board Charter is subject to periodic review to ensure that it continues to be relevant and applicable as a reference to enable Directors to carry out their stewardship role and discharge their fiduciary duties towards the Company. In addition, the Board Charter also contains formal schedule of matters reserved by the Board for deliberation and decision.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board meetings.

The listing of the Board members and their attendance at Board and Board Committees' meetings held during the financial year under review are as tabulated below:

Name of director	Board	Audit Committee	Nomination Committee	Remuneration Committee
Ooi Soon Hong	4/4	-	-	-
Lee Chiong Meng	4/4	4/4	1/1	1/1
Lim Shiou Ghay	4/4	4/4	1/1	1/1
Tan Chee Keong	4/4	4/4	1/1	1/1

To ensure that the Directors have the time to focus and fulfill their roles and responsibilities effectively and in line with the Listing Requirements ("LR"), a Director of the Company must not hold directorships of more than five (5) Public Listed Companies and must be able to commit sufficient time to the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

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

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

The Directors are required to submit an update on their other directorships from time to time for monitoring of the number of directorships held by the Directors of the Company and for notification to Companies Commission of Malaysia accordingly.

The Directors are mindful that they should continue to attend training programmes to enhance their skills and knowledge where relevant, as well as to keep abreast with the changing regulatory and corporate governance developments.

The details of training attended by the rest of the Directors during FYE' 22 are as follows:

Name of Director	Course Title	Date
Lee Chiong Meng	Contruction Claims & ADR Conference 2021	23 July 2021
Ooi Soon Hong	Operational Analyses and Process Improvements with Financial Outcomes	14 July 2021
	Strategy & Budgeting Masterclass: Aligning Action Plans, Numbers & Vision In Practice	26 July 2021
	Strategic Planning Theories, Tools and Pratice for Businesses	12 August 2021
	Cash Flow Management Masterclass: Managing The Lifeblood of A Bisuness in A Volatile Word	16 August 2021
Tan Chee Keong	Seminar Percukaian Kebangsaan 2021	9 November 2021
	The Malaysian Transfer Pricing Developments	12 April 2021
	Regional Housing Conference	24 March 2022

The NC will continue to evaluate training needs amongst the Directors and recommend to the Directors as and when required.

For the Director who did not attend any official training during the financial year under review he had enhanced his knowledge and kept abreast with the latest development on statutory and regulatory requirements from the briefings given by the Internal Auditors, External Auditors and the Company Secretaries from time to time during the Audit Committee and Board Meetings. He has also enhanced his knowledge by focusing on business news and extensive reading of relevant business and regulatory materials. Overall, the Board actively seek advice and interact with the relevant professional personnel to enhance their skills and knowledge on specific area.

1.2 Chairman of the Board

The Board is led by an Independent Non-Executive Chairman supported by an experienced Board, comprising members with wide ranging experience in relevant fields such as general management, accounting and finance industry and information technology. The Chairman is responsible for leading the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions.

He provides leadership and governance of the Board in order to create a conducive condition geared towards building and growing Directors' effectiveness and ensure that appropriate issues are discussed by the Board in a timely manner. As part of that role, Chairman ensures that no member dominates discussion and that appropriate discussions take place with relevant opinions among members forthcoming.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

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

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

1.2 Chairman of the Board (cont'd)

Other roles of the Chairman include leading the Board in the oversight of management, ensuring adequacy and integrity of the governance process and issues, maintain regular dialogue with top management over operational matters and seek opinion of fellow Board members over any matters that give cause for major concerns.

1.3 Separation of the position of Chairman and the Managing Director

The Chairman of the Board is Mr Lim Shiou Ghay, the Independent Non-Executive Director of the Company, the role of the Managing Director is assumed by an Executive Director, Mr Ooi Soon Hong. There is clear division of responsibilities between the Chairman of the Board and the Managing Director. This division of responsibilities between the Chairman and the Managing Director ensures an appropriate balance of roles and responsibilities and accountability. The Chairman leads the Board to ensure its smooth and effective functioning.

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

The Board is in the midst of seeking the suitable candidates for the Board to restructure the composition of the committees to comply with this recommendation.

1.5 Qualified and competent Company Secretary

The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries support the Board by ensuring that all Board meetings are properly conducted and deliberations at the Board and Board Committee meetings are well captured and recorded. The Company Secretaries also keep the Board updated on changes in the Bursa Malaysia Securities Berhad ("Bursa Securities") LR and directives issued by the regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities.

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretaries in ensuring the effective functioning of the Board.

1.6 Access to information and advice

The Company Secretaries are competent, qualified and capable of providing the needful support to the Board in discharging its fiduciary duties.

The Company Secretaries, or their assistants, are present at all meetings to record deliberation, issues discussed and conclusions in discharging their duties and responsibilities and also provide advice in relation to relevant guides and legislations. Other roles of the Company Secretaries included coordinating the preparation of Board papers with Management, ensure Board procedures and applicable rules are observed and maintaining records of the Board as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated on evolving regulatory requirements.

The Directors, whether as full Board in their formal capacity, may upon approval from the Board seek independent advice when required, in furtherance of their duty, at the Group's expense.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. BOARD RESPONSIBILITIES (cont'd)

2. Demarcation of responsibilities

2.1 Board Charter

The Board has made available its Board Charter on the corporate website. The document clearly sets out the roles and responsibilities of the Board and Board Committees and the processes and procedures for convening their meetings. It serves as a reference and primary induction literature providing prospective and existing Board members and Management insights into the fiduciary and leadership functions of the Directors of the Company. The Board reviews its charter regularly, to keep it up to date with changes in regulations and best practices and ensure its effectiveness and relevance to the Board's objectives. The Board reviewed its Charter on 1 March 2021 and the revised Board charter is available on its corporate website.

3. Good business conduct and corporate culture

3.1 Code of Conduct and Ethics

The core values of Quality, Branding, Social Obligations, Shareholders and Human Resource as observed by all everyone from Directors down to employees and are integral in driving the Group's direction and sustainability. The Work Ethics of the Group and the Employee Handbook are available and serve as guide for the employees and Management on professional and ethical behavior to safeguard the reputation of the Group. The Collective Agreement and the Employee Handbook detailed, among others, general employment terms and conditions, compensation and benefits and discipline. There is a formalised Board Code of Conduct which reflects the Board's commitment to ethics and compliance with applicable laws and regulations. The Board Code of Conduct provides guidance to its Directors on ethical standards which the Directors shall adhere to in carrying out their fiduciary duties and responsibilities. It sets out the principles that Directors need to observe particularly in respect of conflict of interest and no improper use of assets. This is to ensure that high ethical standards are upheld, and that the interests of stakeholders are always taken into consideration. It is also a way of providing tangible evidence of their commitment to diligence, probity and fairness in exercising their duties and responsibilities to make informed decisions in the best interest of the Group.

3.2 Whistleblowing Policy

In line with good corporate governance practice, the Company has set out a Whistle Blowing Policy which delineates whistleblowing procedures as an independent feedback avenue for the employees and stakeholders to raise genuine concern on unethical behaviour such as fraud, corruption, criminal offences and miscarriage of justice or endangerment of an individual's health and safety that is taken place to the Board. Multiple channels of reporting are set up to encourage stakeholders to report directly to the Head of Department or the Chairman of Audit Committee of the Company. Reports made shall be scrutinised promptly and appropriate course of action shall be implemented accordingly.

3.3 Anti-Bribery & Corruption Policy

The Anti-Bribery & Corruption Policy had been established to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group. It is our policy to conduct all of our business in an honest and ethical manner, as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or reenactments that may be made by the relevant authority from time to time. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION

4. Governing Sustainability

4.1 Setting the Company's sustainability strategies, priorities and targets

The Board is mindful to ensure sustainability is embedded in the strategic plan and operations of the Group.

4.2 Communicating the Company's sustainability strategies, priorities and targets to its internal and external stakeholders

The Company's sustainability strategies, priorities and targets are set out in the Company's Sustainability Report in this Annual Report.

4.3 Understand the sustainability issues relevant to the company and its business

The Board encourages their Directors and senior managers to keep abreast with sustainability issues that are relevant to the Company's business and operations.

4.4 Board and Senior Management performance to link with capability to address the Company's material sustainability risks and opportunities

The Board will review the performance in addressing the Company's material sustainability risks and opportunities for the Board and their Senior Management in the next financial year.

5. Board Objectivity

5.1 Board composition

As at FYE'22, the Board comprise of four (4) Directors which consist of three (3) Independent Directors and one (1) Executive Director. In line with this, the Board composition complies with the LR of Bursa Malaysia that requires a minimum of two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.

The Board of the Company currently has majority of Independent Directors. Further, the current composition of all Board Committees, which made up of only Independent Directors affirmed the Board's commitment towards independence to provide strong check and balance in the Board's functioning.

With the Independent Directors, being 75% of the Board composition, the Board has exceeded the composition recommendation for Independent Directors to comprise half (50%) of the Board. The Board is of the view that the present Independent Directors, with the breadth of professional and business background, have enabled the Board to exercise objective judgement on various issues through their sharing of impartial, independent and unbiased opinion and viewpoints.

Brief profile of each Director is detailed under Profile of Directors in this Annual Report.

5.2 The tenure of an independent director

The Board is mindful of the recommendation of the Code for the tenure of an Independent Director not exceed a cumulative or consecutive term of nine (9) years. However, an Independent Director who has exceeded the prescribed nine (9) years may continue to serve the Board subject to re-designation as Non-Independent Non-Executive Director. As at to-date, none of the Independent Directors have served on the Board for a cumulative or consecutive term of nine (9) years.

5.3 Limit of tenure of independent director to 9 years

The Group has yet to adopt the policy to limit the tenure of independent directors to 9 years without further extension.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

5. Board Objectivity (cont'd)

5.4 Diverse Board and Senior Management Team

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

5.5 Diverse sources for new candidate(s) for Board appointment

The Company has in place, its procedures and criteria for identifying candidates for appointment of directors.

All candidates for appointment are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities to manage the Company.

5.6 Information of independent directors who stand for appointment or re-appointment

The information of the independent director who stands for re-appointment as independent director is stated in the notice of general meeting.

5.7 Gender diversity

At present, the Company maintains a gender diversity policy which encapsulates the objectives, principles and measures of the Group's diversity culture. The Board is supportive in upholding gender diversity within the boardroom and the Management with due consideration on merited factors, such as, skills, experience, attitude and suitability of any potential candidates.

Hence, as part of the Company's succession planning, gender diversity objectives will constantly be observed as a key consideration by the Company even without any specific targets determined. Additionally, the Board will look into the scope and measures of the policy on a regular basis, in ensuring its on-going effectiveness and applicability.

Notwithstanding the absence of female board member, the Group's female staff made up 38% of the total staff.

5.8 Diverse sources for new candidate(s) for Board appointment

The Company has in place, its procedures and criteria for identifying candidates for appointment of directors. All candidates for appointment are first considered by the NC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities to manage the Company.

5.9 Nomination Committee

The NC comprised solely of Independent Directors and its present composition is as follows:

Chairman	:	Lim Shiou Ghay, Independent Non-Executive Director
Members	:	Lee Chiong Meng, Independent Non-Executive Director
		Tan Chee Keong, Independent Non-Executive Director

The NC would meet at least once annually with additional meetings convened on as and when needed basis.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

5. Board Objectivity (cont'd)

5.9 Nomination Committee (cont'd)

The NC key duties encompassed the following:-

a) To make recommendations to the Board with regard to any appointment of Directors considering their skills, knowledge, education, qualities, expertise and experience; professionalism; integrity, time commitment, contribution, Boardroom diversity including gender diversity and other factors that will best qualify a nominee to serve on the Board; and for the position of Independent Non-Executive Directors, the ability to discharge such responsibilities / functions as expected;

b) To consider, in making its recommendations, candidates for Directorships proposed by the Group MD / CEO and within the bounds of practicability, by any other senior executive or any other Director or shareholder;

c) To assist the Board to review regularly the Board structure, size and composition and the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board;

d) To assess the effectiveness of the Board, any other committees of the Board and the contributions of each individual Director, including the independence of Independent Non-Executive Directors, as well as the Group CEO and Group Chief Financial Officer (where these positions are not Board members), based on the process and procedures laid out by the Board; and to provide the necessary feedback to directors in respect of their performance;

e) To ensure proper documentation of all assessments and evaluations so carried out;

f) To recommend to the Board, the Directors to fill the seats on any committees of the Board;

g) To propose to the Board the responsibilities of non-executive directors, including membership and Chairmanship of Board Committees;

h) To recommend to the Board for continuation or discontinuation in service of Directors as an Executive Director or Non-Executive Director;

i) To recommend to the Board, Directors who are retiring by rotation to be put forward for re-election;

j) To evaluate training needs for directors annually;

k) To arrange induction programmes for newly appointed directors to familiarize themselves with the operations of the Group through briefings by the relevant management teams;

l) To recommend to the Board the employment of the services of such advisers as it deems necessary to fulfil the Board's responsibilities; and

m) To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. BOARD COMPOSITION (cont'd)

5. Board Objectivity (cont'd)

5.9 Nomination Committee (cont'd)

During the year under review, key activities undertaken by the NC are summarised as follows:

a) Reviewed the composition, mix of skills and experience and other qualities, including core competencies as well as contribution of each individual Director and the effectiveness of the Board as a whole and the Board Committees as well as contribution of each individual Director.

b) Reviewed the level of independence of the Independent Directors.

c) Discussed the character, experience, integrity and competency of the Directors, chief executive or chief financial officer and ensured that they have the time to discharge their respective roles.

d) Discussed and recommended the re-election of Directors, as applicable at AGM.

e) Reviewed the term of office and performance of the AC and its members pursuant to para 15.20 of the MMLR of Bursa Securities. The assessment was carried out by way of a discussion in the Board and self-evaluation by the AC given that the composition of the NC is the same with AC.

f) Conducted annual assessment on Board, Board Committees and individual Directors.

The TOR of the NC is published on the Company's website.

6. Board Assessment

6.1 Overall Effectiveness of the Board and Individual Director

It is the responsibility of the NC for the overall board effectiveness evaluation process, which includes an assessment of the Board, Board Committees and individual Directors. The appraisal which was carried out through documented questionnaires that comprises quantitative and qualitative performance criteria to evaluate the performance of each member of the Board as well as each Board Committee was being circulated at the Meeting for assessment.

The NC, upon conclusion of the exercise carried out on 27 May 2022, was satisfied that the Board and Board Committee composition had fulfilled the criteria required, possess a right blend of knowledge, experience and the appropriate mix of skills. Additionally, independent Directors were assessed to be objective in exercising their judgement.

III. REMUNERATION

7. Level and composition of Remuneration

7.1 Remuneration Policy

It is vital for the Group to attract and retain Directors of the necessary caliber to run the Group successfully. The Group has established RC to develop remuneration strategies that drive performance and provide levels of reward which reflect the performance of the Executive Directors and key Management personnel.

Procedures, such as establishing the remuneration framework of the Company, assessing and recommending the remuneration packages for Directors and Senior Management, and other relevant tasks are currently carried out by the RC prior to the necessary reporting to the Board. The RC recommends to the Board, the remuneration framework and package of the Executive Director, taking into consideration of the experience, level of responsibilities undertaken and the performance of each Executive Director. Directors' fees are recommended by the Board for approval by the shareholders of the Company at Annual General Meetings.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. REMUNERATION (cont'd)

7. Level and composition of Remuneration (cont'd)

7.1 Remuneration Policy (cont'd)

A remuneration policy in stipulating guidance over the administration of matters related to remuneration within the Company is in place.

The current remuneration policy of the Group is summarised as follows:

a) The Directors' salary for Executive Directors are set at a competitive level for similar roles within comparable markets, reflects the performance of the director, skills and experience as well as responsibility undertaken.
b) Fees and benefits payable to Non-Executive Directors are subject to approval by its shareholders at the AGM.
c) Meeting allowance – All the Directors are entitled to a fixed amount of allowance paid in accordance with the number of meeting attended during the year.
d) The RC may obtain independent professional advice in formulating the remuneration package of its Directors.

7.2 Remuneration Committee

At present, the RC consists solely of Independent Directors as below:

Chairman	:	Lim Shiou Ghay, Independent Non-Executive Director
Members	:	Lee Chiong Meng, Independent Non-Executive Director
		Tan Chee Keong, Independent Non-Executive Director

The RC reviews and recommends matters relating to the remuneration of Board and Senior Management. The RC has established a written TOR to encompass authorities and duties of the RC. The said TOR is published on the Company's website.

The key duties of the Remuneration Committee included the following:

a) To determine and recommend to the Board the framework for the remuneration, in all forms, of the Executive Director and / or any other persons as the Committee is designated to consider by the Board, drawing from outside advice as necessary; and

b) To implement / maintain a reward system for Executive Director based on individual performance and the Group's results. The following factors shall be taking into consideration in determining the quantum of remuneration: position and scope of work, long term objectives of the Group, complexities of Group activities, individual performance, length of service, experience and mark-to-market salary.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. REMUNERATION (cont'd)

8. Remuneration of Directors and Senior Management

8.1 Details of Directors' remuneration

In order to enable stakeholders to assess whether the remuneration of Directors commensurate with their individual performance, the detailed disclosure on named basis for the remuneration of Directors during FYE' 22 is as disclosed below:-

A. Detailed Remuneration

	Remuneration						
Directors	**Fees (RM)**	**Salaries (RM)**	**EPF (RM)**	**Other Allowance (RM)**	**Bonus (RM)**	**Benefit-in-Kind (RM)**	**Total (RM)**
Received from Company & Group Level							
Mr Ooi Soon Hong *	26,000	300,000	54,000	593	181,283	-	561,876
Received from Company Level							
Mr Lee Chiong Meng	18,000	-	-	800	-	-	18,800
Mr Lim Shiou Ghay	18,000	-	-	800	-	-	18,800
Mr Tan Chee Keong	18,000	-	-	800	-	-	18,800
Total	80,000	300,000	54,000	2,993	181,283	-	618,276

* Further breakdown of the remuneration received by Mr Ooi Soon Hong is RM26,000 (received from Company Level) and RM561,876 (received from Group Level).

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

Given the confidential and commercial sensitivities associated with remuneration matters and the highly competitive human resource environment and the importance of ensuring stability and continuity of business operations with a competent and experienced Management team in place, the Board takes the view that there is no necessity for the Group to disclose the remuneration of the Company's Senior Management personnel who are not Directors.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE ("AC")

9. Effective and independent Audit Committee

9.1 The Chairman of the AC is not the Chairman of the Board

The Chairman of the AC is Mr. Tan Chee Keong who is an Independent Director whereas the Chairman of the Board is Mr. Lim Shiou Ghay. Presently, the AC are comprised solely of Independent Directors.

9.2 Policy requiring former key audit partner to observe 3-year cooling off period

As at to-date, the Company has not appointed any former audit partner as a member of the AC.

Nevertheless, the Board has updated within its External Auditor Assessment Policy to stipulate that no former key audit partner shall be appointed as a member of the AC unless he / she has observed a cooling-off period of at least three (3) years before the appointment.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I. AUDIT COMMITTEE ("AC") (cont'd)

9. Effective and independent Audit Committee (cont'd)

9.3 Policy and procedures to assess the suitability, objectivity and independence of the external auditor

The AC has formalised a policy which stipulates the procedures to assess the suitability, objectivity, and independence of external auditors which encompasses consideration of the nature and extent of non-audit services provided external auditors alongside the appropriateness of the level of fees.

During the year, the AC conducted an annual assessment of the external auditors based on the following conditions:-
- the quality of audit procedures and work provided;
- the adequacy of experience, technical support and resources;
- the independence and objectivity of external auditors;
- the internal communication quality of external auditors with the Board and / or AC; and
- any other criteria deemed fit by the AC and / or the Board.

Additionally, the said policy stipulated circumstances under which contracts for the provision of non-audit services could be entered into and procedures that must be followed by the external auditors. During the year, the external auditors reported the details of the non-audit services rendered which includes tax compliance and the review of the Statement on Risk Management and Internal Control.

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

On 27 May 2022, an annual assessment on the suitability and independence of external auditors was conducted by the AC. The AC, having assessed the independence of external auditors as well as reviewed the level of non-audit services rendered by them for FYE' 22, was satisfied with their competency, suitability and independence. The AC has recommended their re-appointment to the Board, upon which shareholders' approval will be sought at the Thirty-Second AGM.

In addition to the above, the AC meets with external auditors at least twice a year to discuss their audit plans, audit findings and the Company's financial statements. At least one of these meetings is held without the presence of the Executive Directors and the Management. Also, the AC meets with the external auditors additionally whenever the need arises. Two discussion sessions between the AC and the external auditors were held on 23 February 2022 and 27 May 2022, respectively. Furthermore, the external auditor attends every annual general meeting whereby the financial statements of the company for a financial year are to be laid to respond according to his knowledge and ability to any question raised in regards to the financial statements' audit.

9.4 Composition of the Audit Committee

Although not required to observe this, the AC comprised solely of Independent Directors as the Board observes and values the independence of the AC.

9.5 Diversity in skills of the AC

The AC currently comprised of members with necessary financial, commercial expertise and capital markets skills, experience required to meet their responsibilities and provide an effective level of challenge to the Management. On an ongoing basis, the AC members will participate in training and development sessions in order to ensure that they are updated with the latest developments in accounting and auditing standards, guidelines and practices.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10. Effective risk management and internal control framework

10.1 The board should establish an effective risk management and internal control framework.

In order to be effective in discharging these responsibilities, the Board is assisted by the AC which functions as an oversight body to review controls and systems in general and to carry out on-going assessment over the adequacy and effectiveness of the risk management and internal control practices within the organisation.

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

10.2 Disclosure on the features of its risk management and internal control framework

During the year, an assurance is provided by the Executive Director and Chief Financial Officer that the Group's risk management and internal controls have been operating adequately and effectively, in all material aspects, during the year under review and up to the date of this Statement to the Board. Taking into consideration this assurance during the Board's assessment of the Group's risk management and internal control, the Board is of the view that the systems of internal control and the risk management is considered adequate for the Group's business operations.

The key elements and overall state of the internal control and risk management framework of the Group have been disclosed accordingly within the Annual Report.

10.3 Establishment of a Risk Management Committee

The RMC comprises the following members:

Chairman	:	Lee Chiong Meng, Independent Non-Executive Director
Members	:	Lim Shiou Ghay, Independent Non-Executive Director
		Tan Chee Keong, Independent Non-Executive Director
		Ooi Soon Hong, Executive Director

The RMC has the overall responsibility for overseeing the risk management activities of the Group, approving appropriate risk management procedures and measurement methodologies across the organisation as well as identification and management of strategic business risks of the Group. Its primary roles include ensuring the implementation of the objectives outlined in the Risk Management Policy and compliance with them, working with the Chief Financial Officer and Internal Auditor in the preparation of the Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report and to recommend the same for the approval of the Audit Committee and Board.

Other ad hoc roles and responsibilities include proposing to the Board the monetary threshold and nature of proposed investments that require the RMC's evaluation and endorsement before submission to the Board and reviewing proposals / feasibility studies prepared by project sponsor which meet the requisite threshold before recommending to the Board for their final decision.

The TOR of RMC is published on the Company's corporate website.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (cont'd)

11 Effective governance, risk management and internal control

11.1 Effective of internal audit function

As disclosed within the TOR of the AC, one of the primary responsibilities of the AC is to administer the review and assessment of the Company's internal audit function.

The internal audit function is currently outsourced to an external professional firm / service provider who reports directly to the AC by providing independent and objective reports on the state of internal control of the various operations within the Group and the extent of compliance on established policies and procedures.

On an annual basis, the AC carries out an assessment on the performance of the outsourced internal audit function and reports such assessment to the Board.

Details of the internal audit function and activities relevant to the discharge of the AC's responsibilities are set out in the Statement on Risk Management and Internal Control and the Audit Committee Report of the Company's Annual Report 2022.

11.2 Disclosure on the internal audit function

The internal audit function is independent of the operations of the Group and is outsourced to a competent consulting firm which is sufficiently resourced to provide the services that meet with the Group's required service level. The service provider has been able to provide reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively.

The internal auditors adopt a risk-based approach towards the planning and conduct of their audits, and this is consistent with the Group's approach in designing, implementing and monitoring its internal control system. The activities of the internal auditors during the financial year are set out in the AC Report in this Annual Report.

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

I. COMMUNICATION WITH STAKEHOLDERS

12. Continuous Communication between the Company and stakeholders

12.1 Effective, transparent and regular communication with its stakeholders.

The Board believes that effective communication fosters better understanding of the Group's objectives and financial performance. In order to promote effective communication with the Company's stakeholders, information/results are made available through timely announcements and disclosure, executed via the Bursa Securities website, the Company's webpage, press releases and annual reports in line with the disclosure requirements of LR.

In addition, the Company emphasises on providing a principal platform for dialogue and interactions with stakeholders, i.e. primarily its shareholders, through its Annual General Meeting. The Annual General Meeting serves as a principal forum for dialogues with individual shareholders as it provides shareholders the opportunity to ask questions about the proposed resolutions or about the Company's operations in general.

12.2 Integrated Reporting

Integrated Reporting is not applicable to the Group presently as the Company does not fall within the definition of "Large Company".

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

II. CONDUCT OF GENERAL MEETINGS (cont'd)

13. Encourage Shareholder Participation at General Meetings

13.1 Notice for an Annual General Meeting

The notice to the upcoming AGM in 2022 will be provided with more than twenty-eight (28) days in advance to enable stockholders to make adequate preparation.

13.2 All directors to attend General Meetings

All the Directors of the Company attend General Meetings in order to engage directly with shareholders and to take up any relevant questions which are related to matters that fall under the purview of the Board Committees or Board, unless unforeseen circumstances preclude them from attending General Meetings.

All Directors attended the Thirty-First AGM of the Company held on 22 September 2021.

The shareholders present at the AGM were invited to ask questions about the resolutions being proposed at the AGM before putting them to vote by poll.

13.3 Leveraging on technology for voting in absentia and remote shareholders' participation

The 2021 AGM of the Company was conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting (RPV) Facilities either in person or by corporate representatives, proxies or attorneys.

The Company will try to continue to hold AGM on a virtual basis in the future and allow shareholders to actively participate and vote in absentia in the future AGMs.

Announcement of the detailed results of the poll voting had been made to the public via Bursa LINK on the same day for the benefit of all shareholders.

13.4 Engagement between Board, Senior Management and Shareholders

Questions for the 2021 AGM was submitted through the online portal at https//agm.digerati.com.my/pasb-online before commencement of that AGM. A question and answer session was also held during that AGM. Shareholders used the query box to submit their questions during that meeting in real time.

13.5 Real-time interaction with Shareholders

The Management had tried to respond to all questions posed before and during 2021 AGM. For questions not answered during that meeting due to time constraint, the Management responded to the respective shareholder via email.

13.6 Circulation of minutes of AGM

The minutes of 2021 AGM (including the questions raised at the meeting and the answers thereto) were also made available on the Company's website.

COMPOSITION

The present members of the Committee comprise:-

Chairman
Tan Chee Keong *(Independent Non-Executive Director)*

Members
Lee Chiong Meng *(Independent Non-Executive Director)*
Lim Shiou Ghay *(Independent Non-Executive Director)*

This composition meets the requirements of Paragraph 15.09(1)(a) and (b) of the Bursa Securities Main Market Listing Requirements (Main LR). Mr. Tan Chee Keong is a member of Association of Chartered Certified Accountants (ACCA United Kingdom). Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the Main LR.

ATTENDANCE OF MEETINGS

The detail of attendance of each member at the Audit Committee meetings held during the financial year ended (FYE) 31 March 2022 are as follows:

	Number of meetings	
Name of director	**Held**	**Attended**
Tan Chee Keong	4	4
Lim Shiou Ghay	4	4
Lee Chiong Meng	4	4

Summary of work of the Audit Committee

The summary of work carried out by the Committee during the FYE 2022 in the discharge of its duties and responsibilities are as follows:-

1. Financial Reporting

   In overseeing the Company's financial reporting, the Committee reviewed the interim financial reports for the fourth quarter of 2021 at its meeting on 28 May 2021.

   The interim financial reports for the first, second and third quarters of 2022, which were prepared in accordance with requirements of FRS 134: "Interim Financial Reporting" and paragraph 9.22 of the Main LR, were reviewed at the Committee meetings on 30 September 2021, 26 November 2021 and 11 February 2022 respectively. On 27 May 2022, the Committee reviewed the interim financial reports for the fourth quarter of 2022. The Committee's recommendations were presented for approval at the subsequent Board meeting.

2. External Audit

   The Committee has on 11 February 2022 and 27 May 2022 respectively met with the External Auditors without the presence of the Executive Members.

   On 11 February 2022, the External Auditors tabled the Audit Planning Memorandum prior to the commencement of audit of financial statements for FYE 2022, more particularly outlined the audit timeline, key areas of audit focus, communication of the significant matters and audit engagement team to the Committee. The Committee took note on the key changes in the financial reporting standards and updates which are applicable to the Group.

Summary of work of the Audit Committee (cont'd)

2. External Audit (cont'd)

During the Meeting on 27 May 2022, the Audit Committee reviewed the status of the audit for the FYE' 2022 with the external auditors. The external auditors briefed the Audit Committee on issues discussed with management and informed the Audit Committee:-

- that they had substantially completed their audit and had not identified any potential uncorrected misstatements during the audit
- the external auditors have not identified any non-compliance of laws and regulations and fraud related matter
- there were no significant changes to the scope or audit approach as compared to the audit plan
- review of accounting matters and points on internal control
- there were no material litigations or claims against the Group during the financial year under review other than those disclosed in the notes to the financial statements

The Audit Committee reviewed the extent of assistance rendered by management in the course of the audit and based on feedback from the external auditors, it was satisfied that management had co-operated fully and the external auditors were able to obtain information requested to carry out their work.

Accordingly, the Audit Committee recommended the re-appointment of the external auditors at the forthcoming Annual General Meeting.

3. Internal Audit Function

The Group has engaged the services of an independent professional accounting and consulting firm, BDO Governance Advisory Sdn Bhd (BDO) to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control. BDO reports directly to the Committee on its activities based on the approved annual Internal Audit Plan. Its principal role is to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes. The annual cost for the Group's internal audit function is RM25,000.

The Internal Auditors presented its findings together with recommendation and management action plan to the Committee for review on 11 February 2022 and 27 May 2022 respectively.

During the FYE 2022, the Internal Auditors have conducted review on internal control of two of its subsidiaries focusing on the following areas:-

Company	Audit Areas	Reporting Date
Welcome Properties Sdn Bhd	Procure to Pay and Collection Management	9 February 2022
ACME Holdings Berhad	Management of Corporate Liability	20 May 2022

Information pertaining to the Company's internal controls is shown in the Statement on Internal Control and Risk Management set out on pages 37 to 38 of this Annual Report.

4. Internal Audit Function

At the Meeting held on 27 May 2022, the Committee approved the Group Internal Audit Plan 2023 as tabled by the Internal Auditors.

The Audit Committee is pleased to report that neither internal auditors nor external auditors have reported any significant weaknesses in internal control which resulted in material loss or potential material loss to the Group.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors of ACME Holdings Berhad ("Board") is pleased to provide the following Statement of Risk Management and Internal Control (Statement), which is made pursuant to the Main Market Listing Requirements and the Malaysian Code on Corporate Governance 2017 with regards to the nature and scope of risk management and internal control of the Group during the financial year.

RESPONSIBILITY FOR RISK MANAGEMENT

The Board recognises its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. In view of the limitations that are inherent in any systems of internal control, the systems of internal control are designed to manage risk within tolerable levels rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, error or losses.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing its business objectives. This process has been in place throughout the financial year and up to the date of approval of the annual report. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the guidelines promulgated by the "Statement on Risk Management and Internal Control – A Guidance for Directors of Public Listed Companies" ("Internal Control Guidance").

The Board has received assurance from the Executive Director and the Chief Financial Officer 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 internal control system of the Group.

RISK MANAGEMENT FRAMEWORK

The Board practice proactive risks identification in the processes and activities of the Group, particularly in major proposed transactions, changes in nature of activities and / or operating environment which may entail different risks, and assess the appropriate risk response strategies and controls. Daily risk management of operations are delegated to assigned key management staff and head of departments.

Periodic meetings attended by key management staff and head of departments and are held to discuss key operational issues, business performance matters and appropriate mitigating controls, when necessary.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has outsourced its internal audit function to an independent professional consulting firm, BDO Governance Advisory Sdn Bhd as part of its efforts to provide adequate and effective internal control systems. The performance of internal audit function is carried out in accordance with the annual audit plan approved by the Audit Committee.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. The audit focuses on high risk area to ensure that an adequate action plan has in place to improve the controls in place. The audit ascertains that the risks are effectively mitigated by the controls. On a quarterly basis or earlier as appropriate, the internal auditors report to the Audit Committee on areas for improvement. The highlighted areas will be followed up closely to determine the extent of their recommendations that have been implemented by the management.

Based on the internal auditors' reports for the financial year ended 31 March 2022, there is a reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor weaknesses were identified during the financial year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- An organisation structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides a documented and auditable trail of accountability;
- A set of documented internal policies and procedures which is subject to regular review and improvement;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Regular visits to business units by members of the Board; and
- Monitoring of the daily operations by the senior management.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

The Board is of the view that there were no significant weaknesses in the current system of internal control of the Group that may have material impact on the operations of the Group for the financial year ended 31 March 2022. The Board and the management will continue to take necessary measures and ongoing commitment to strengthen and improve its risk management and internal control environment.

This statement is issued in accordance with a resolution of the Directors dated 22 July 2022.

Directors' Responsibility Statement

The Directors acknowledge their responsibility in ensuring that the financial statements of the Group and the Company give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and cash flows for the year then ended. The Directors have also ensured that the requirements of the Companies Act and those applicable approved accounting standards in Malaysia have been compiled with. In preparing the financial statement, the Directors have:-

- applied consistently the appropriate accounting policies adopted;
- made reasonable and prudent judgments and estimates; and
- maintained proper accounting records to enable the preparation of the financial statements with reasonable accuracy.

In addition, the Directors are also responsible for keeping proper accounting records, which are disclosed with reasonable accuracy at any time the financial position of the Group and of the Company and taking reasonable steps to safeguard the assets of Group and of the Company and to prevent and detect frauds and other irregularities.

The Directors approved the financial statements for the year ended 31 March 2022 on 22 July 2022.

This statement was made in accordance with a Resolution of the Directors dated 22 July 2022.

Additional Compliance Information

The following information are provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:-

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

a) Disposal of 1,666,665 ordinary shares in Supportive Technology Sdn Bhd ("STSB"), representing 100% of the total number of issued ordinary shares in STSB

On 21 December 2021, the Company has disposed 1,666,665 ordinary shares in STSB, representing 100% of the total number of issued ordinary shares in STSB, to Asia File Corporation Bhd (the purchaser) for a total cash consideration of RM21,468,000 ("Disposal").

Below are the status of utilisation of proceeds as at 22 July 2022:-

Purpose	Proposed Utilisation	Actual Utilisation	Balance to be Utilised	Proposed Timeframe of Utilisation
	RM	RM	RM	
Property development projects	21,218,808	2,610,735	18,608,073	Within 18 months from the completion date
Expenses related to the corporate exercise	249,192	249,192	-	Within 1 month from the completion date
Total	21,468,000	2,859,927	18,608,073	

b) Private placement of up to 59,793,100 new ordinary shares in the Company, representing 20% of the enlarged number of issued shares of the Company (excluding treasury shares), to third party investor.

On 27 December 2021, the Company completed the listing of 59,793,100 new ordinary shares to a third-party investor through private placement. The placement shares were issued at an issue price of RM0.146 per share and total proceeds of RM8,729,793 was received from the said placement.

Below are the status of utilisation of proceeds as at 22 July 2022:-

Purpose	Proposed Utilisation	Actual Utilisation	Balance to be Utilised	Proposed Timeframe of Utilisation
	RM	RM	RM	
Property development projects	7,622,028	-	7,622,028	Within 12 months from the listing date of placement shares
Working capital	1,000,000	-	1,000,000	Within 12 months from the listing date of placement shares
Expenses related to the corporate exercise	107,765	107,765	-	Within 1 month from the listing date of placement shares
Total	8,729,793	107,765	8,622,028	

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 March 2022 by the Company's Auditors, or a firm or company affiliated to the Auditors' firm are as follow:-

Category	Audit Fees (RM)	Non-Audit Fees (RM)^
Company	36,000.00	10,000.00
Subsidiaries	38,000.00	8,800.00
Total	74,000.00	18,800.00

^ non-audit fees consist of reviewing of Statement on Risk Management and Internal Control, reviewing of Housing Development Accounts and taxation services.

3. MATERIAL CONTRACTS OR LOANS

There were no material contract entered into by the Company and its subsidiary companies involving the interests of the directors, chief executive who is not a director or major shareholders either still subsisting as at 31 March 2022 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS

There was no recurrent related party transaction of a revenue or trading nature entered into by the Group during the financial year ended 31 March 2022.

5. EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("ESOS") of the Company was approved by shareholders at the Extraordinary General Meeting held on 10 November 2021. The effective date of implementation of the ESOS is on 24 November 2021 and will be in force for a period of five (5) years.

The maximum allocation of ESOS to Directors and employees of the Group shall not exceed 15% of the Company's total number of issued shares (excluding treasury shares, if any) at any point in time during the duration of the ESOS.

The details on the number of ESOS options granted, exercised, forfeited and outstanding since its commencement up to 22 July 2022 are as follows:-

	Total	Directors	Senior Management	Other Employees
Number of options granted	24,932,200	9,569,300	7,129,800	8,233,100
Number of options exercised	-	-	-	-
Number of options forfeited	-	-	-	-
Number of options outstanding	24,932,200	9,569,300	7,129,800	8,233,100

Directors' Report
for the financial year ended 31 March 2022

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

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and property letting.

The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
Loss for the financial year	**(2,589,803)**	**(1,288,677)**

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 March 2022** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

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

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

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company issued 59,793,100 new ordinary shares through a private placement at an issued price of RM0.146 per ordinary share for cash.

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

TREASURY SHARES

During the financial year, the Company did not repurchase or distribute any of its treasury shares.

As at 31 March 2022, the Company held 8,784,500 treasury shares out of the total 367,543,100 issued ordinary shares. Further relevant details are disclosed in Note 18 to the financial statements.

WARRANTS

The salient terms of the warrants are disclosed in Note 37 to the financial statements.

The details of the warrants issued to the directors are disclosed in the section on directors' interests in this report.

DIRECTORS

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

Directors of the Company:

* Ooi Soon Hong
Lim Shiou Ghay
Tan Chee Keong
Lee Chiong Meng

Director of the subsidiaries:

Lee Thean Yew
Dato' Tean Kok Pin @ Teng Kok Pin
Ugene Ooi-U Jin (appointed on 2.1.22)
Dato' Sri Dr. Lee Kuang Shing (resigned on 10.9.21)
Husalmi Suhaini Bin Shaikh Hussain (resigned on 1.7.22)

* *Director of the Company and a subsidiary*

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial year in shares and warrants in the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares			
	Balance at 1.4.21	**Bought**	**Sold**	**Balance at 31.3.22**
The Company				
Direct Interest:				
Lim Shiou Ghay	5,098,000	-	-	5,098,000
Tan Chee Keong	3,000,000	-	-	3,000,000
Lee Chiong Meng	1,000,000	-	-	1,000,000
Deemed Interest:				
[1] Ooi Soon Hong	72,901,181	-	-	72,901,181
[2] Lim Shiou Ghay	6,136,000	-	-	6,136,000

	Number of warrants			
	Balance at 1.4.21	**Exercised**	**Sold**	**Balance at 31.3.22**
The Company				
Lim Shiou Ghay	1,274,500	-	300,000	974,500
Deemed Interest:				
[1] Ooi Soon Hong	18,225,295	-	-	18,225,295
[2] Lim Shiou Ghay	1,534,000	-	-	1,534,000

Note:
[1] Indirect interest pursuant to Section 8 of the Companies Act 2016 by virtue of his shareholdings in Nada Wangi Sdn. Bhd.
[2] Indirect interest pursuant to Section 8 of the Companies Act 2016 by virtue of his shareholdings in Epic Paradigm Sdn. Bhd.

By virtue of the interests in the Company, **Mr. Ooi Soon Hong** is also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

DIRECTORS' REMUNERATION AND BENEFITS

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

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Fees	**80,000**	**-**	**80,000**
Salaries, bonus and allowances	**2,400**	**481,876**	**484,276**
Defined contribution plan	**-**	**54,000**	**54,000**
	82,400	**535,876**	**618,276**

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

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of insurance premium paid for professional indemnity for the directors and officers of the Company during the financial year is RM23,320.

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that there were no bad debts to be written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

(i) that would render it necessary to write off any bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) that have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

OTHER STATUTORY INFORMATION (cont'd)

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

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

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and

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

EVENT AFTER THE REPORTING PERIOD

The details of the event after the reporting period are disclosed in Note 38 to the financial statements.

AUDITORS

The total amount of fees paid to or receivable by the auditors, **Grant Thornton Malaysia PLT**, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 31 March 2022 are RM74,000 and RM36,000 respectively.

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

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

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

....

Ooi Soon Hong **Lim Shiou Ghay**

Penang,

Date: 22 July 2022

Directors' Statement

In the opinion of the directors, the financial statements set out on pages 51 to 114 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 March 2022** and of their financial performance and cash flows for the financial year then ended.

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

....
Ooi Soon Hong

....
Lim Shiou Ghay

Date: 22 July 2022

Statutory Declaration

I, **Lee Thean Yew**, the officer primarily responsible for the financial management of **Acme Holdings Berhad** do solemnly and sincerely declare that the financial statements set out on pages 51 to 114 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **22nd**)
day of **July 2022**.)

....
Lee Thean Yew
(MIA No. 6990)

Before me,

....
Goh Suan Bee (P125)
Commissioner for Oaths

Independent Auditors' Report to the Members of Acme Holdings Berhad

Registration No. 198901012432 (189740-X)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Acme Holdings Berhad**, which comprise the statements of financial position as at **31 March 2022** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of accounting policies, as set out on pages 51 to 114.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 March 2022** and of their financial performance and cash flows for the 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 Responsibilites

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. The matter was 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 the matter.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of inventory properties *(Notes 7 to the financial statements)* The Group holds significant inventory properties as at 31 March 2022 which comprise property development costs and completed development units. Property development cost consists of 98.4% of the total inventory properties. As inventory properties represent a material item in the statements of financial position of the Group, there is a risk that: • expenses not associated with property development activities are capitalised within these inventory properties; • cost incurred not capitalised completely in the property development activities; and • inventory properties are not stated at the lower of cost and net realisable value.	Our audit procedures in relation to the valuation of inventory properties included, amongst others, the following: • Examined the actual costs incurred to date to the supporting evidence such as the contractors' progress claims and architect certificates; • Examined the costs capitalised in the inventory properties are in accordance to MFRS 102 Inventories; • Reviewed the budgets prepared by the management and tested the accuracy of the underlying data used by the management in deriving the budget; • Checked the mathematical accuracy of percentage of completion and percentage of sales applied to the property development costs which has been recognised to profit or loss during the financial year; • Checked the costs of constructing the affordable housing are recognised as property development costs to the extent they are recoverable. The excess costs (the costs incurred that exceed the net realisable value of the affordable housing) which are in relation to the cost of constructing the premium housing are capitalised in the property development costs of premium housing;

Key Audit Matter (cont'd)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of inventory properties (cont'd)	Our audit procedures in relation to the valuation of inventory properties included, amongst others, the following: (cont'd) • Discussed with the management whether provision for liquidated ascertained damages is required arising from the delay due to the temporary suspension of work during the lockdown period by way of inspecting the extension of time application submitted by the Group to the relevant authorities; and • Compared the carrying amount of the property development costs to the recent transacted prices of comparable land costs in similar or nearby locations.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 8 to the financial statements.

Other Matter

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

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

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

Penang

Date: 22 July 2022

Statements of Financial Position

as at 31 March 2022

	NOTE	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	**4**	**86,713**	19,273,503	**-**	-
Investment properties	**5**	**6,262,753**	8,026,246	**6,262,753**	6,540,271
Right-of-use asset	**6**	**183,584**	208,427	**-**	-
Inventory properties	**7**	**-**	113,322	**-**	-
Investment in subsidiaries	**8**	**-**	-	**47,133,928**	69,910,106
Investment in a joint venture	**9**	**116,036**	147,139	**150,000**	150,000
		6,649,086	27,768,637	**53,546,681**	76,600,377
Current assets					
Inventory properties	**7**	**68,295,279**	67,593,149	**-**	-
Inventories	**10**	**-**	3,620,547	**-**	-
Trade receivables	**11**	**1,867,500**	16,573,172	**-**	-
Other receivables, deposits and prepayments	**12**	**7,531,223**	4,417,878	**5,444,750**	2,591,273
Amount due from subsidiaries	**13**	**-**	-	**-**	453,470
Contract assets	**14**	**590,059**	411,342	**-**	-
Other investments	**15**	**184,800**	167,250	**184,800**	167,250
Tax recoverable		**563,228**	126,337	**-**	-
Cash and bank balances	**16**	**32,127,269**	12,344,862	**23,213,703**	5,668,749
		111,159,358	105,254,537	**28,843,253**	8,880,742
TOTAL ASSETS		**117,808,444**	133,023,174	**82,389,934**	85,481,119
EQUITY AND LIABILITIES					
Equity attributable to owners of the company					
Share capital	**17**	**251,448,465**	242,826,438	**251,448,465**	242,826,438
Treasury shares	**18**	**(13,873,523)**	(13,873,523)	**(13,873,523)**	(13,873,523)
Reverse acquisition reserve		**-**	(193,196,309)	**-**	-
Foreign currency translation reserve	**19**	**(57,912)**	(45,782)	**-**	-
(Accumulated losses)/Retained profits		**(133,452,268)**	62,333,842	**(158,712,156)**	(157,423,479)
Total equity		**104,064,762**	98,044,666	**78,862,786**	71,529,436
Non-current liabilities					
Borrowings	**20**	**-**	1,855,203	**-**	-
Lease liability	**6**	**120,622**	171,415	**-**	-
Trade payables	**21**	**450,978**	761,455	**-**	-
Deferred tax liabilities	**22**	**1,564,870**	1,655,364	**411,836**	411,836
		2,136,470	4,443,437	**411,836**	411,836
Current liabilities					
Trade payables	**21**	**2,749,231**	4,538,722	**-**	-
Other payables and accruals	**23**	**7,294,802**	25,323,058	**3,102,093**	13,451,067
Amount due to subsidiaries	**13**	**-**	-	**-**	49,530
Borrowings	**20**	**1,485,440**	254,554	**-**	-
Lease liability	**6**	**64,520**	52,980	**-**	-
Tax payable		**13,219**	162,942	**13,219**	39,250
Refund liabilities	**24**	**-**	202,815	**-**	-
		11,607,212	30,535,071	**3,115,312**	13,539,847
Total liabilities		**13,743,682**	34,978,508	**3,527,148**	13,951,683
TOTAL EQUITY AND LIABILITIES		**117,808,444**	133,023,174	**82,389,934**	85,481,119

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

Statements of Comprehensive Income
for the financial year ended 31 March 2022

	NOTE	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
Revenue	25	**9,852,314**	30,313,238	**1,088,400**	1,085,400
Cost of sales	26	**(8,924,004)**	(23,217,510)	**-**	-
Gross profit		**928,310**	7,095,728	**1,088,400**	1,085,400
Other income		**798,336**	1,169,958	**297,962**	4,969,265
Administrative expenses		**(4,368,567)**	(4,018,386)	**(2,393,401)**	(964,805)
Selling and distribution expenses		**(14,838)**	(598,286)	-	-
Operating (loss)/profit		**(2,656,759)**	3,649,014	**(1,007,039)**	5,089,860
Finance costs		**(32,827)**	(73,414)	**(62,240)**	(10,993)
Share of results of a joint venture		**(31,103)**	(2,861)	-	-
(Loss)/Profit before tax	27	**(2,720,689)**	3,572,739	**(1,069,279)**	5,078,867
Taxation	29	**130,888**	(993,245)	**(219,398)**	(160,417)
(Loss)/Profit for the financial year		**(2,589,801)**	2,579,494	**(1,288,677)**	4,918,450
Total other comprehensive loss, net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		**(12,130)**	(10,254)	**-**	-
Total comprehensive (loss)/ income for the financial year		**(2,601,931)**	2,569,240	**(1,288,677)**	4,918,450
(Losses)/Earnings per share attributable to owners of the Company (sen)	30				
- Basic		**(0.82)**	0.95		
- Diluted		**(0.81)**	0.91		

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

Consolidated Statement of Changes In Equity
for the financial year ended 31 March 2022

	NOTE	Share Capital RM	Treasury Shares RM	Reverse Acquisition Reserve RM	Foreign Currency Translation Reserve RM	(Accumulated Losses)/ Retained Profits RM	Total Equity RM
		|------ Attributable to Owners of the Parent		|--- Non-distributable	---|	------|	
2022							
Balance at beginning		**242,826,438**	**(13,873,523)**	**(193,196,309)**	**(45,782)**	**62,333,842**	**98,044,666**
Total comprehensive loss for the financial year		**-**	**-**	**-**	**(12,130)**	**(2,589,801)**	**(2,601,931)**
Transactions with owners of the Company:							
Issuance of ordinary shares	**17**	**8,729,793**	**-**	**-**	**-**	**-**	**8,729,793**
Share issuance expenses	**17**	**(107,766)**	**-**	**-**	**-**	**-**	**(107,766)**
Disposal of subsidiaries		**-**	**-**	**193,196,309**	**-**	**(193,196,309)**	**-**
Total transactions with owners		**8,622,027**	**-**	**193,196,309**	**-**	**(193,196,309)**	**8,622,027**
Balance at end		**251,448,465**	**(13,873,523)**	**-**	**(57,912)**	**(133,452,268)**	**104,064,762**
2021							
Balance at beginning		228,861,014	(13,873,523)	(193,196,309)	(35,528)	59,754,348	81,510,002
Total comprehensive income for the financial year		-	-	-	(10,254)	2,579,494	2,569,240
Transactions with owners of the Company:							
Issuance of ordinary shares	17	14,040,096	-	-	-	-	14,040,096
Share issuance expenses	17	(74,672)	-	-	-	-	(74,672)
Total transactions with owners		13,965,424	-	-	-	-	13,965,424
Balance at end		242,826,438	(13,873,523)	(193,196,309)	(45,782)	62,333,842	98,044,666

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

Statement of Changes In Equity
for the financial year ended 31 March 2022

	NOTE	Share Capital RM	Treasury Shares RM	Accumulated Losses RM	Total Equity RM
2022					
Balance at beginning		**242,826,438**	**(13,873,523)**	**(157,423,479)**	**71,529,436**
Total comprehensive loss for the financial year		**-**	**-**	**(1,288,677)**	**(1,288,677)**
Transactions with owners of the Company:					
Issuance of ordinary shares	**17**	**8,729,793**	**-**	**-**	**8,729,793**
Shares issuance expenses	**17**	**(107,766)**	**-**	**-**	**(107,766)**
Total transactions with owners		**8,622,027**	**-**	**-**	**8,622,027**
Balance at end		**251,448,465**	**(13,873,523)**	**(158,712,156)**	**78,862,786**
2021					
Balance at beginning		228,861,014	(13,873,523)	(162,341,929)	52,645,562
Total comprehensive income for the financial year		-	-	4,918,450	4,918,450
Transactions with owners of the Company:					
Issuance of ordinary shares	17	14,040,096	-	-	14,040,096
Shares issuance expenses	17	(74,672)	-	-	(74,672)
Total transactions with owners		13,965,424	-	-	13,965,424
Balance at end		242,826,438	(13,873,523)	(157,423,479)	71,529,436

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

Statements of Cash Flows
for the financial year ended 31 March 2022

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	**(2,720,689)**	3,572,739	**(1,069,279)**	5,078,867
Adjustments for:				
Accretion of interest on lease liability	**8,980**	11,109	**-**	-
Allowance for expected credit losses	**2,925**	111,209	**-**	-
Depreciation of investment properties	**302,591**	312,192	**277,518**	277,518
Depreciation of property, plant and equipment	**1,486,175**	2,043,984	**-**	-
Depreciation of right-of-use asset	**58,897**	55,581	**-**	-
Dividend income	**(7,885)**	(3,900)	**(7,885)**	(4,705,544)
Fair value (gain)/loss on other investments	**(17,550)**	1,290	**(17,550)**	1,290
Gain on disposal of other investments	**-**	(21,440)	**-**	(21,440)
Gain on disposal of property, plant and equipment	**-**	(169,000)	**-**	-
Gain on lease derecognition	**(19,287)**	-	**-**	-
Impairment loss on investment in a subsidiary	**-**	-	**-**	96,062
Interest expenses	**23,429**	28,974	**62,240**	10,993
Interest income	**(284,712)**	(344,720)	**(226,398)**	(242,281)
Inventories written down	**-**	18,933	**-**	-
Loss on disposal of subsidiaries, net	**743,040**	-	**1,121,379**	-
Share of results of a joint venture	**31,103**	2,861	**-**	-
Unwinding discount on retention sum payables	**(77,647)**	33,331	**-**	-
Operating (loss)/profit before working capital changes	**(470,630)**	5,653,143	**140,025**	495,465
Changes in:				
Inventory properties	**(588,808)**	3,018,600	**-**	-
Inventories	**477,820**	(646,730)	**-**	-
Receivables	**7,001,907**	(5,976,337)	**(2,853,477)**	(2,426,333)
Contract assets	**(178,717)**	(179,717)	**-**	-
Payables	**(13,437,936)**	(6,290,172)	**(10,348,974)**	(1,342,146)
Refund liabilities	**(91,844)**	(24,194)	**-**	-
Cash used in operations	**(7,288,208)**	(4,445,407)	**(13,062,426)**	(3,273,014)
Income tax paid	**(905,284)**	(430,619)	**(245,429)**	(27,745)
Income tax refunded	**101,281**	108,409	**-**	57,409
Interest paid	**(23,429)**	(28,974)	**(62,240)**	-
Net cash used in operating activities	**(8,115,640)**	(4,796,591)	**(13,370,095)**	(3,243,350)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net cash outflow from acquisition of subsidiaries	**-**	(7,485,503)	**-**	-
Net cash inflow from disposal of subsidiaries	**19,754,486**	-	**22,734,799**	-
Dividend received	**7,885**	3,900	**7,885**	3,900
Interest received	**284,712**	344,720	**226,398**	107,546
Additions of property, plant and equipment	**(532,132)**	(287,242)	**-**	-
Additions of investment in subsidiaries	**-**	-	**(1,080,000)**	(7,500,000)
Additions of investment in a joint venture	**-**	(150,000)	**-**	(150,000)
Additions of other investments	**-**	(1,063,500)	**-**	(1,063,500)
Proceeds from disposal of property, plant and equipment	**-**	169,000	**-**	-
Proceeds from disposal of other investments	**-**	916,400	**-**	916,400
Net cash from/(used in) investing activities	**19,514,951**	(7,552,225)	**21,889,082**	(7,685,654)

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

Statements of Cash Flows
for the financial year ended 31 March 2022 (cont'd)

		GROUP		COMPANY	
	NOTE	**2022 RM**	2021 RM	**2022 RM**	2021 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Net change in subsidiaries' balances		**-**	-	**403,940**	(2,210,921)
Drawdown of term loan	A	**23,507**	1,461,933	**-**	-
Repayment of finance lease liabilities	A	**(199,438)**	(353,345)	**-**	-
Repayment of lease liability	A	**(63,000)**	(60,000)	**-**	-
Proceeds from issuance of ordinary shares		**8,729,793**	14,040,096	**8,729,793**	14,040,096
Share issuance expenses		**(107,766)**	(74,672)	**(107,766)**	(74,672)
Net cash from financing activities		**8,383,096**	15,014,012	**9,025,967**	11,754,503
NET INCREASE IN CASH AND BANK BALANCES		**19,782,407**	2,665,196	**17,544,954**	825,499
CASH AND BANK BALANCES AT BEGINNING		**12,344,862**	9,679,666	**5,668,749**	4,843,250
CASH AND BANK BALANCES AT END		**32,127,269**	12,344,862	**23,213,703**	5,668,749

A. Liabilities arising from financing activities

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

	Balance at beginning RM	Cash flows RM	Accretion of interest on lease liability RM	Others RM	Balance at end RM
GROUP					
2022					
Borrowings	**2,109,757**	**(175,931)**	**-**	**(448,386)** [1]	**1,485,440**
Lease liability	**224,395**	**(63,000)**	**8,980**	**14,767**	**185,142**
Total liabilities arising from financing activities	**2,334,152**	**(238,931)**	**8,980**	**(433,619)**	**1,670,582**
2021					
Borrowings	1,001,169	1,108,588	-	-	2,109,757
Lease liability	273,286	(60,000)	11,109	-	224,395
Total liabilities arising from financing activities	1,274,455	1,048,588	11,109	-	2,334,152

[1] Others represent borrowings derecognised as a result of the disposal of a subsdiary as disclosed in Note 8.1 to the financial statements.

[2] Consist of non-cash movement in lease liability as follows:

	2022 RM	2021 RM
Addition of lease liability	**200,795**	-
Derecognition of lease liability	**(186,028)**	-
	14,767	-

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

1. CORPORATE INFORMATION

General

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

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

The principal place of business of the Company is located at 488A-16-01 Office Tower, Kompleks Midlands Park, Jalan Burma, 10350 Georgetown, Penang.

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

Principal Activities

The principal activities of the Company consist of investment holding and property letting.

The principal activities of the subsidiaries are disclosed in Note 8 to the financial statements.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

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

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

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

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

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

2. **BASIS OF PREPARATION (cont'd)**

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

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

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

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

2.3 **Functional and Presentation Currency**

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

2.4 **Adoption of Amendments to MFRSs**

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

Effective for annual periods beginning on or after 1 June 2020
Amendments to MFRS 16 Leases: Covid-19 - Related Rent Concessions

Effective for annual periods beginning on or after 1 January 2021
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform - Phase 2

Effective for annual period beginning on or after 1 April 2021
Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021

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

2.5 **Standards Issued But Not Yet Effective**

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

Effective for annual period beginning on or after 1 January 2022
Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework
Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2020

2. **BASIS OF PREPARATION (cont'd)**

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

Effective for annual period beginning on or after 1 January 2023

MFRS 17 Insurance Contracts

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

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information

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

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

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

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

Effective date yet to be confirmed

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

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

2.6 **Significant Accounting Estimates and Judgements**

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

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

2.6.1 **Judgements made in applying accounting policies**

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

(i) **Revenue from contracts with customers**

The Group applied the following judgement that significantly affects the determination of the amount and timing of revenue to be recognised from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sales of diverse plasticware products include a right of return and discounts that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of diverse plasticware products with rights of return and discounts, given the large number of customer contracts that have similar characteristics.

2. **BASIS OF PREPARATION (cont'd)**

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

2.6.1 **Judgements made in applying accounting policies (cont'd)**

(i) **Revenue from contracts with customers (cont'd)**

Determining method to estimate variable consideration and assessing the constraint (cont'd)

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

(ii) **Determining the lease term of contract with renewal option – Group as lessee**

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

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

2.6.2 **Key sources of estimation uncertainty**

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

(i) **Property development activities**

As revenue from ongoing property development activities are recognised over time, the amount of revenue recognised at the reporting date depends on the extent to which the performance obligation has been satisfied. This is done by determining the stage of completion. The stage of completion is determined by the proportion that property development or contract costs incurred for work performed to date bear to the estimated total property development or contract costs.

Significant judgement is required in determining the stage of completion, the extent of the development and contract costs incurred, the estimated total revenue and total costs and the recoverability of the development project and contract cost. In making these judgements, management relies on past experience and, if necessary, the work of specialists.

(ii) **Inventories**

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

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 10 to the financial statements.

2. **BASIS OF PREPARATION (cont'd)**

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

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

(iii) **Estimating variable consideration for returns and discounts**

The Group estimates variable consideration to be included in the transaction price for the sales of diverse plasticware products with rights of return and discounts.

The Group developed a statistical model for forecasting sales returns. The model used the historical return data of each customers. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group's expected discounts are analysed on a per customer. Determining whether a customer will likely be entitled to discounts will depend on the customer's historical discounts entitlement and outstanding receivables to date.

The Group applied a statistical model for estimating expected discounts. The model uses the historical purchasing patterns and discounts entitlement of customers to determine the expected discounts percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and discounts entitlements of customers will impact the expected discounts percentages estimated by the Group.

(iv) **Provision for expected credit losses ("ECL") of trade receivables**

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

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

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

The information about the ECL on the Group's trade receivables is disclosed in Note 34.3.1 to the financial statements.

2. BASIS OF PREPARATION (cont'd)

2.6 Significant Accounting Estimates and Judgements (cont'd)

2.6.2 Key sources of estimation uncertainty (cont'd)

(v) Leases – Estimating the incremental borrowing rate

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

3. ACCOUNTING POLICIES

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

3.1 Consolidation

(i) Subsidiaries

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

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

Investment in subsidiaries is measured at cost less any impairment losses in the Company's financial statements, unless the investment is held for sale or distribution.

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

(ii) Basis of consolidation

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

3. **ACCOUNTING POLICIES (cont'd)**

3.1 **Consolidation (cont'd)**

(ii) **Basis of consolidation (cont'd)**

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.14 to the financial statements.

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

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

(iii) **Business combination**

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

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

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

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

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

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

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

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

3. **ACCOUNTING POLICIES (cont'd)**

3.1 **Consolidation (cont'd)**

(v) **Loss of control**

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

(vi) **Joint arrangements**

A joint venture is a type of joint arrangement whereby the parties have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in joint venture are accounted for using the equity method. Under the equity method, investment in a joint venture is carried in the statements of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The share of the result of a joint venture is reflected in profit or loss. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, where there has been a change recognised directly in the equity of a joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statements of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the joint venture.

The financial statements of the joint venture are prepared as of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies of the joint venture in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its joint venture. The Group determines at each end of the reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the amount in the "share of profit of investments accounted for using the equity method" in profit or loss.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3. **ACCOUNTING POLICIES (cont'd)**

3.1 **Consolidation (cont'd)**

(vi) **Joint arrangements (cont'd)**

When the Group's interest in a joint venture decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investments in a joint venture are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(vii) **Transactions eliminated on consolidation**

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

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

3.2 **Property, Plant and Equipment**

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

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

Leasehold land	54 years
Buildings	1.8% - 2.0%
Machinery and equipment	10%
Office equipment, furniture and fittings	10% - 20%
Motor vehicles	20%

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

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

3. **ACCOUNTING POLICIES (cont'd)**

3.3 **Investment Properties**

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost. Initial cost comprises purchase price and any directly attributable expenditure for a purchased investment property.

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

Freehold land is not depreciated as it has an infinite life. Leasehold land and buildings are depreciated on the straight-line method to write off the cost to their residual values over their lease term of 60 years and estimated useful lives at 2% per annum respectively.

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

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

3.4 **Leases**

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

3.4.1 **Group as lessee**

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

3.4.1.1 **Right-of-use assets**

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

Office	36 months

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

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

3. **ACCOUNTING POLICIES (cont'd)**

3.4 **Leases (cont'd)**

3.4.1.2 **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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

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

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

3.4.2 **Group as a lessor**

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

3.5 **Impairment of Non-Financial Assets**

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss except for assets that were previously revalued where the revaluation surplus was taken to other comprehensive income. In this case the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3. **ACCOUNTING POLICIES (cont'd)**

3.6 **Financial Instruments**

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

3.6.1 **Financial assets**

(i) **Initial recognition and measurement**

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

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

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

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

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

(ii) **Subsequent measurement**

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

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

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

Financial assets at amortised cost

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

3. **ACCOUNTING POLICIES (cont'd)**

3.6 **Financial Instruments (cont'd)**

3.6.1 **Financial assets (cont'd)**

(ii) **Subsequent measurement (cont'd)**

Financial assets at FVTPL

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

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

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

(iii) **Derecognition**

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

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

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

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

(iv) **Impairment**

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

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

3. **ACCOUNTING POLICIES (cont'd)**

3.6 **Financial Instruments (cont'd)**

3.6.1 **Financial assets (cont'd)**

(iv) **Impairment (cont'd)**

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

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

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

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

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

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts owing.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and the Company's procedures for recovery amounts due.

3.6.2 **Financial liabilities**

(i) **Initial recognition and measurement**

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

The Group's and the Company's financial liabilities include borrowings, trade and other payables and amount due to subsidiaries.

(ii) **Subsequent measurement**

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

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

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

3. **ACCOUNTING POLICIES (cont'd)**

3.6 **Financial Instruments (cont'd)**

3.6.2 **Financial liabilities (cont'd)**

(ii) **Subsequent measurement (cont'd)**

Financial liabilities at amortised cost

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

(iii) **Derecognition**

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

3.6.3 **Offsetting of financial instruments**

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

3.6.4 **Financial guarantee contracts**

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

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

3.7 **Inventory Properties**

Inventory properties comprise land held for development, property development costs and completed development units.

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

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

3. **ACCOUNTING POLICIES (cont'd)**

3.7 **Inventory Properties (cont'd)**

3.7.1 **Land held for development**

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

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

3.7.2 **Property development costs**

Property development costs comprise the cost of land, related development costs common to the project and direct building costs less cumulative amounts recognised as expense in the profit or loss. The inventory properties cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

3.7.3 **Completed development units**

Completed development units represent completed residential properties. Cost is determined on the specific identification basis and includes costs of acquisition of land, related development costs to the project and direct building costs.

3.8 **Inventories**

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

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

Cost of work-in-progress and finished goods include direct materials, direct labour and an appropriate proportion of manufacturing overheads.

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

3.9 **Cash and Cash Equivalents**

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

3.10 **Provisions**

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

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

3. **ACCOUNTING POLICIES (cont'd)**

3.11 **Borrowing Costs**

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

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

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

3.12 **Revenue**

The Group is in the business of:
(i) manufacturing and selling of diverse plasticware products; and
(ii) property development.

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

3.12.1 **Sale of goods**

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

3.12.1.1 **Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained only to the extent that it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Some contracts for the sales of diverse plasticware products provide customers with discounts and volume rebates. The discounts and volume rebates give rise to variable consideration.

Discounts

The Group gives trade discounts to certain customers once the customers have made early settlement. To estimate the variable consideration for the expected future trade discount, the Group applied the expected value method. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future trade discounts.

Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

3. **ACCOUNTING POLICIES (cont'd)**

3.12 **Revenue (cont'd)**

3.12.2 **Property development revenue**

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and

- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises 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.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

3.12.3 **Interest income**

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

3.12.4 **Dividend income**

Dividend income is recognised when right to receive payment is established.

3.12.5 **Rental income**

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

3. **ACCOUNTING POLICIES (cont'd)**

3.12 **Revenue (cont'd)**

3.12.6 **Contract balances**

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

Trade receivables

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

Contract assets

A contract asset is the right to consideration for goods or services transferred to the customer. In the case of property development, a contract asset is the excess of cumulative revenue earned over the billings to-date.

3.12.7 **Refund liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer for which the Group is not entitled, and is measured at the amount to be returned to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

3.13 **Employee Benefits**

Short term benefits

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

Defined contribution plans

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

3.14 **Income Tax**

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

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

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

3. **ACCOUNTING POLICIES (cont'd)**

3.14 **Income Tax (cont'd)**

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

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

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

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

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

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

- when the SST incurred in a purchase of asset or service is not recoverable from the authority, in which case the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with SST inclusive.

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

3.16 **Foreign Currency Translations**

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

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

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

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

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

3. **ACCOUNTING POLICIES (cont'd)**

3.16 **Foreign Currency Translations (cont'd)**

Foreign operations

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

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

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

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

3.17 **Operating Segments**

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

3.18 **Warrants**

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

Upon exercise of warrants, the proceeds are credited to share capital.

3.19 **Share Capital, Share Issuance Costs and Dividends**

Classification

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

Share issuance costs

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

3. **ACCOUNTING POLICIES (cont'd)**

3.19 **Share Capital, Share Issuance Costs and Dividends (cont'd)**

Dividends

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

3.20 **Contingencies**

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

3.21 **Treasury Shares**

When share capital recognised as equity is repurchased, the amount of the consideration paid including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

3.22 **Related Parties**

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

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

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

2022	Leasehold land RM	Buildings RM	Machinery and equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
At cost						
Balance at beginning	**2,100,000**	**9,876,138**	**36,734,423**	**2,693,545**	**1,588,256**	**52,992,362**
Additions	**-**	**16,909**	**419,139**	**96,084**	**-**	**532,132**
Disposal of subsidiaries	**(2,100,000)**	**(9,893,047)**	**(37,153,562)**	**(2,159,374)**	**(1,392,762)**	**(52,698,745)**
Foreign currency translation	**-**	**-**	**-**	**26,200**	**-**	**26,200**
Balance at end	**-**	**-**	**-**	**656,455**	**195,494**	**851,949**
Accumulated depreciation						
Balance at beginning	**783,990**	**3,635,697**	**24,514,942**	**2,294,468**	**1,353,353**	**32,582,450**
Current charge	**29,138**	**131,874**	**1,225,833**	**21,519**	**77,811**	**1,486,175**
Disposal of subsidiaries	**(813,128)**	**(3,767,571)**	**(25,740,775)**	**(2,018,037)**	**(1,271,818)**	**(33,611,329)**
Foreign currency translation	**-**	**-**	**-**	**12,661**	**-**	**12,661**
Balance at end	**-**	**-**	**-**	**310,611**	**159,346**	**469,957**
Accumulated impairment loss						
Balance at beginning	**-**	**-**	**854,672**	**281,737**	**-**	**1,136,409**
Disposal of subsidiaries	**-**	**-**	**(854,672)**	**-**	**-**	**(854,672)**
Foreign currency translation	**-**	**-**	**-**	**13,542**	**-**	**13,542**
Balance at end	**-**	**-**	**-**	**295,279**	**-**	**295,279**
Carrying amount	**-**	**-**	**-**	**50,565**	**36,148**	**86,713**
2021						
At cost						
Balance at beginning	2,100,000	9,844,292	36,549,557	2,600,866	3,774,468	54,869,183
Additions	-	31,846	184,866	70,530	-	287,242
Disposals	-	-	-	-	(2,156,712)	(2,156,712)
Written off	-	-	-	-	(29,500)	(29,500)
Foreign currency translation	-	-	-	22,149	-	22,149
Balance at end	2,100,000	9,876,138	36,734,423	2,693,545	1,588,256	52,992,362
Accumulated depreciation						
Balance at beginning	745,140	3,452,391	22,833,872	2,267,457	3,415,115	32,713,975
Current charge	38,850	183,306	1,681,070	16,308	124,450	2,043,984
Disposals	-	-	-	-	(2,156,712)	(2,156,712)
Written off	-	-	-	-	(29,500)	(29,500)
Foreign currency translation	-	-	-	10,703	-	10,703
Balance at end	783,990	3,635,697	24,514,942	2,294,468	1,353,353	32,582,450
Accumulated impairment loss						
Balance at beginning	-	-	854,672	270,291	-	1,124,963
Foregin currency translation	-	-	-	11,446	-	11,446
Balance at end	-	-	854,672	281,737	-	1,136,409
Carrying amount	1,316,010	6,240,441	11,364,809	117,340	234,903	19,273,503

4. **PROPERTY, PLANT AND EQUIPMENT (cont'd)**

(i) The leasehold land and buildings were pledged to a licensed bank as securities for banking facility granted to a former subsidiary.

(ii) The carrying amount of leased assets which are pledged as securities for the finance lease liabilities as disclosed in Note 20 to the financial statements are as follows:

	GROUP	
	2022	2021
	RM	RM
Machinery and equipment	**-**	696,667

(iii) The information of right-of-use assets which were included in the property, plant and equipment is as follows:

GROUP

	Carrying amount RM	Current depreciation RM	Disposal of a subsidiary RM
2022			
Leasehold land	**-**	**29,138**	**1,286,872**
Machinery and equipment	**-**	**66,000**	**630,667**
2021			
Leasehold land	1,316,010	38,850	-
Machinery and equipment	696,667	88,000	-

5. **INVESTMENT PROPERTIES**

GROUP

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
2022				
At cost				
Balance at beginning	**552,000**	**1,063,509**	**14,721,548**	**16,337,057**
Disposal of a subsidiary	**(552,000)**	**-**	**(1,733,660)**	**(2,285,660)**
Balance at end	**-**	**1,063,509**	**12,987,888**	**14,051,397**
Accumulated depreciation				
Balance at beginning	**-**	**551,851**	**7,758,960**	**8,310,811**
Current charge	**-**	**17,761**	**284,830**	**302,591**
Disposal of a subsidiary	**-**	**-**	**(824,758)**	**(824,758)**
Balance at end	**-**	**569,612**	**7,219,032**	**7,788,644**
Carrying amount	**-**	**493,897**	**5,768,856**	**6,262,753**

5. **INVESTMENT PROPERTIES (cont'd)**

GROUP

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
2021				
At cost	552,000	1,063,509	14,721,548	16,337,057
Accumulated depreciation				
Balance at beginning	-	534,091	7,464,528	7,998,619
Current charge	-	17,760	294,432	312,192
Balance at end	-	551,851	7,758,960	8,310,811
Carrying amount	552,000	511,658	6,962,588	8,026,246

COMPANY

	Leasehold land RM	Buildings RM	Total RM
2022			
At cost	**1,063,509**	**12,987,888**	**14,051,397**
Accumulated depreciation			
Balance at beginning	**551,851**	**6,959,275**	**7,511,126**
Current charge	**17,761**	**259,757**	**277,518**
Balance at end	**569,612**	**7,219,032**	**7,788,644**
Carrying amount	**493,897**	**5,768,856**	**6,262,753**
2021			
At cost	1,063,509	12,987,888	14,051,397
Accumulated depreciation			
Balance at beginning	534,091	6,699,517	7,233,608
Current charge	17,760	259,758	277,518
Balance at end	551,851	6,959,275	7,511,126
Carrying amount	511,658	6,028,613	6,540,271

(i) The investment properties of the Group and of the Company have an open market value of approximately **RM16,860,000** (2021: RM19,900,000) and **RM16,860,000** (2021: RM 17,400,000) respectively. The valuations are performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 2). Please refer to Note 2.2 to the financial statements for definition of Level 1 to 3 of the fair value hierarchy.

5. **INVESTMENT PROPERTIES (cont'd)**

(ii) **As lessor**

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

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

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Rental income from income generating properties	**1,196,400**	1,218,600	**1,088,400**	1,085,400
Direct operating expenses arising from income generating properties	**(431,740)**	(432,330)	**(424,885)**	(422,842)

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

	2022	2021
	RM	RM
Within one year	**1,060,400**	1,124,400
More than one year but less than five years	**1,960,800**	48,000
	3,021,200	1,172,400

6. **RIGHT-OF-USE ASSET AND LEASE LIABILITY**

Group as a lessee

The Group has a lease contract for office used in its operations that has lease terms of three years, with an option to extend the lease for another three years. Lease payments are increased every three years to reflect current market rentals. Generally, the Group is restricted from assigning and subleasing the leased asset.

The Group also has certain leases of premise with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Right-of-use asset

Set out below are the carrying amount of right-of-use asset recognised and the movements during the financial year:

GROUP

	Office	
	2022	2021
	RM	RM
Balance at beginning	**208,427**	264,008
Addition	**200,795**	-
Derecognition	**(166,741)**	-
Depreciation	**(58,897)**	(55,581)
Balance at end	**183,584**	208,427

6. **RIGHT-OF-USE ASSET AND LEASE LIABILITY (cont'd)**

Group as a lessee (cont'd)

Lease liability

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

	2022 RM	2021 RM
Balance at beginning	**224,395**	273,286
Accretion of interest	**8,980**	11,109
Addition	**200,795**	-
Derecognition	**(186,028)**	-
Payments	**(63,000)**	(60,000)
Balance at end	**185,142**	224,395
Represented by:		
Non-current liabilities	**120,622**	171,415
Current liabilities	**64,520**	52,980
	185,142	224,395

The maturity analysis of lease liability is disclosed in Note 34.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	2022 RM	2021 RM
Depreciation expense of right-of-use asset	**58,897**	55,581
Accretion of interest on lease liability	**8,980**	11,109
Expense relating to short-term lease of premise	**34,400**	36,200
Gain on lease derecognition	**(19,287)**	-
Total amount recognised in profit or loss	**82,990**	102,890

7. **INVENTORY PROPERTIES**

	Note	Group 2022 RM	Group 2021 RM
Non-current:			
Land held for development	**7.1**	**-**	113,322
Current:			
Property development costs	**7.2**	**67,185,278**	66,483,148
Completed development units	**7.3**	**1,110,001**	1,110,001
		68,295,279	67,593,149

7. **INVENTORY PROPERTIES (cont'd)**

7.1 **Land held for development**

GROUP

	Freehold land RM	Development costs RM	Total RM
2022			
Balance at beginning	**113,322**	**-**	**113,322**
Disposal	**(113,322)**	**-**	**(113,322)**
Balance at end	**-**	**-**	**-**
2021			
Balance at beginning	13,122,781	5,226,943	18,349,724
Transfer to property development costs	(13,009,459)	(5,226,943)	(18,236,402)
Balance at end	113,322	-	113,322

7.2 **Property development costs**

GROUP

	Freehold land RM	Development costs RM	Total RM
2022			
Balance at beginning	**48,034,935**	**18,448,213**	**66,483,148**
Costs capitalised during the financial year	**-**	**1,929,673**	**1,929,673**
Recognised during the financial year	**(161,273)**	**(1,066,270)**	**(1,227,543)**
Balance at end	**47,873,662**	**19,311,616**	**67,185,278**
2021			
Balance at beginning	1,306,244	5,050,883	6,357,127
Arising from acquisition of subsidiaries	33,819,847	2,491,948	36,311,795
Costs capitalised during the financial year	-	6,706,464	6,706,464
Recognised during the financial year	(100,615)	(1,028,025)	(1,128,640)
Transfer from land held for development	13,009,459	5,226,943	18,236,402
Balance at end	48,034,935	18,448,213	66,483,148

The freehold land with carrying amount of **RM8,622,972** (2021: RM8,622,972) are pledged to a licensed bank as security for banking facility granted to a subsidiary as disclosed in Note 20 to the financial statements.

Included in property development costs incurred during the year are interest expenses of **RM121,537** (2021: RM48,762).

7. **INVENTORY PROPERTIES (cont'd)**

7.3 **Completed development units**

GROUP

The inventories recognised in profit or loss as cost of sales during the financial year amounted to **RM Nil** (2021: RM8,677,466).

8. **INVESTMENT IN SUBSIDIARIES**

	COMPANY	
	2022	2021
	RM	RM
Unquoted shares, at cost		
Balance at beginning	**243,633,387**	207,852,387
Additions	**1,080,000**	35,781,000
Disposals	**(197,100,000)**	-
Balance at end	**47,613,387**	243,633,387
Less: Allowance for impairment		
Balance at beginning	**(173,723,281)**	(173,627,219)
Current year	**-**	(96,062)
Disposals	**173,243,822**	-
Balance at end	**(479,459)**	(173,723,281)
	47,133,928	69,910,106

The details of the subsidiaries, all of which were incorporated in Malaysia, except where indicated are as follows:

Name of entities	Equity interest 2022 %	2021 %	Principal activities
Supportive Technology Sdn. Bhd. ("STSB")	-	100	Manufacturing of diverse plasticware products.
Aracme Holdings Sdn. Bhd. (formerly known as Supportive Marketing Sdn. Bhd.) ("AHSB")	-	100	Wholesale of plasticware products.
Welcome Properties Sdn. Bhd.	**100**	100	Property development.
Medan Tropika Sdn. Bhd. ("MTSB")	**100**	100	Property development.
Focal Products Sdn. Bhd. ("FPSB")	**100**	100	Property development.
Supportive Information Technology Development (Hunan) Co. Ltd. # (Incorporated in the People's Republic of China)	**100**	100	Dormant.

Not audited by Grant Thornton Malaysia PLT and is in the process of dissolution.

8. **INVESTMENT IN SUBSIDIARIES (cont'd)**

8.1 **Disposal of subsidiaries**

2022

(i) On 10 September 2021, the Company has entered into a Share Sales Agreement with Asia File Corporation Bhd. to dispose of its entire equity interest in STSB for a total cash consideration of RM21,468,000. The disposal transaction has been completed during the financial year.

(ii) On 31 December 2021, the Company has dispose of its entire equity interest in AHSB to Encik Mohd Noorkhamin Bin Khamis for a total cash consideration of RM144,326. The disposal transaction has been completed during the financial year.

The effects of the disposal transactions on the financial position of the Group as at the end of the reporting period are as follows:

	STSB RM	AHSB RM	TOTAL RM
Property, plant and equipment	18,163,578	69,166	18,232,744
Investment properties	1,460,902	-	1,460,902
Deferred tax assets	242,000	-	242,000
Inventories	3,142,727	-	3,142,727
Trade receivables	4,003,456	-	4,003,456
Other receivables, deposits and prepayments	491,431	92,608	584,039
Tax recoverable	15,785	-	15,785
Cash and bank balances	1,773,766	84,074	1,857,840
Trade payables	(716,547)	-	(716,547)
Other payables and accruals	(5,804,005)	(104,218)	(5,908,223)
Refund liabilities	(110,971)	-	(110,971)
Borrowings	(448,386)	-	(448,386)
Net assets disposed of, representing Group's share of net assets	22,213,736	141,630	22,355,366
Total disposal proceeds settled by cash	(21,468,000)	(144,326)	(21,612,326)
Loss/(Gain) on disposal to the Group (Note 27)	745,736	(2,696)	743,040
Net cash inflow arising from disposal of subsidiaries			
Proceeds from disposal	21,468,000	144,326	21,612,326
Less: Cash and bank balances of subsidiaries disposed of	(1,773,766)	(84,074)	(1,857,840)
Net cash inflow from disposal	19,694,234	60,252	19,754,486

8.2 **Acquisition of subsidiaries**

2021

(i) On 12 October 2020, the Company had acquired 37,255,000 ordinary shares, representing 100% equity interest in Medan Tropika Sdn. Bhd. for a total cash consideration of RM33,781,000.

(ii) On the same date, the Company had acquired 5,831,216 ordinary shares, representing 100% equity interest in Focal Products Sdn. Bhd. for a total cash consideration of RM2,000,000.

8. **INVESTMENT IN SUBSIDIARIES (cont'd)**

8.3 **Subscription of ordinary shares in subsidiaries**

During the financial year, the Company has subscribed additional 580,000 and 500,000 ordinary shares in MTSB and FPSB respectively for a total consideration of RM580,000 and RM500,000 respectively.

8.4 **Impairment on investment in subsidiaries**

In previous financial year, the management had performed an impairment test for the investment in STSB. The management had assessed its recoverable amount based on its fair value less cost to sell, which approximates the net assets held by the subsidiary at the end of the reporting period. Accordingly, an impairment loss of RM96,062 was recognised on the investment in STSB in the previous financial year which brought the accumulated impairment loss on investment in STSB to RM173,723,281.

In the current financial year, the Company had disposed of its equity interest in STSB as disclosed in Note 8.1 to the financial statements. As such the accumulated impairment loss was reversed.

9. **INVESTMENT IN A JOINT VENTURE**

	GROUP		COMPANY	
	2022 RM	2021 RM	**2022 RM**	2021 RM
Unquoted shares, at cost	**150,000**	150,000	**150,000**	150,000
Share of post-acquisition results	**(33,964)**	(2,861)	**-**	-
	116,036	147,139	**150,000**	150,000

The details of the joint venture which was incorporated in Malaysia, are as follows:

Name of entity	Equity interest		Principal activity
	2022	2021	
Skymind Intelligent Systems Sdn. Bhd. ("SIS")	**30%**	30%	Manufacturing of hardware devices for artificial intelligence solutions.

2021

On 23 November 2020, the Company had subscribed 150,000 ordinary shares, representing 30% equity interest in SIS for a total cash consideration of RM150,000.

The following table summarises the financial information of SIS, reconciles the information to the carrying amount of the Group's interest in the joint venture, which is accounted for using the equity method.

9. INVESTMENT IN A JOINT VENTURE (cont'd)

Group

	2022 RM	2021 RM
As at 31 March		
Assets and liabilities		
Current assets excluding cash and bank balances	**2,496,197**	2,996,192
Cash and bank balances	**1,927**	3,687
Current liabilities	**(2,111,339)**	(2,509,414)
Net assets	**386,785**	490,465
Reconciliation of net assets to carrying amount		
Group's share of net assets, representing carrying amounts in the statements of financial position	**116,036**	147,139
Year ended 31 March		
Results		
Interest income	**4**	38
Other expenses	**(6,557)**	(9,574)
Finance costs	**(97,116)**	-
Loss before tax	**(103,669)**	(9,536)
Tax expense	**(9)**	-
Loss for the financial year/period, representing total comprehensive loss for the financial year/period	**(103,678)**	(9,536)
Group's share of total comprehensive loss	**(31,103)**	(2,861)

10. INVENTORIES

	GROUP	
	2022 RM	2021 RM
At Cost		
Raw materials	-	1,330,728
Work-in-progress	-	281,656
Finished goods	-	2,008,163
	-	3,620,547
Cost of inventories recognised in profit or loss:		
Inventories recognised as costs of sales	-	13,392,471
Inventories written down	-	18,933

11. TRADE RECEIVABLES

	GROUP	
	2022	2021
	RM	RM
Trade receivables	**1,833,900**	17,623,130
Less: Allowance for expected credit losses	**-**	(1,083,558)
	1,833,900	16,539,572
Retention sum receivables	**33,600**	33,600
	1,867,500	16,573,172

The trade receivables are non-interest bearing and generally on **30 to 120 days** (2021: 30 to 120 days) credit terms.

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

	GROUP	
	2022	2021
	RM	RM
Balance at beginning	**(1,083,558)**	(992,640)
Current year	**(2,925)**	(111,209)
Recovered	**22,318**	20,291
Disposal of subsidiaries	**1,064,165**	-
Balance at end	**-**	(1,083,558)

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		GROUP		COMPANY	
	Note	**2022**	2021	**2022**	2021
		RM	RM	**RM**	RM
Other receivables	**12.1**	**2,947,554**	2,721,023	**2,118,651**	2,503,239
Refundable deposits	**12.2**	**4,150,912**	1,079,512	**3,254,105**	14,105
Prepayments		**432,547**	531,165	**71,994**	73,929
GST recoverable		**210**	86,178	**-**	-
		7,531,223	4,417,878	**5,444,750**	2,591,273

12.1 Other receivables

Included in the other receivables of the Group and of the Company is an amount of **RM2,100,355** (2021: RM2,503,239) due from a joint venture.

12.2 Refundable deposits

Included in the refundable deposits of the Group and of the Company are deposits paid amounting to **RM3,240,000** (2021: RM Nil) pursuant to the Sale and Purchase Agreement dated 28 January 2022 entered between the Company and Ramsey Properties Sdn. Bhd. in relation to the acquisition of 6 units of properties for a total consideration of RM8,000,000.

Included in the refundable deposits of the Group are deposits paid for the purchase of 52 pieces of freehold vacant lots for shop houses amounting to **RM755,187** (2021: RM755,187). As the Group is no longer interested to further develop the said land, the Group has successfully found an interested buyer to buy the said land at the same original purchase price and is currently in the process of finalising the novation agreement. The deposit paid will be recovered from the interested buyer via the novation agreement.

13. AMOUNT DUE FROM/(TO) SUBSIDIARIES

COMPANY

The amount due from subsidiaries was non-trade related, unsecured, interest bearing at 3.47% per annum and classified based on the expected timing of realisation.

The amount due to subsidiaries was non-trade related, unsecured, interest bearing at 3.47% per annum and repayable on demand.

14. CONTRACT ASSETS

	GROUP	
	2022	2021
	RM	RM
Balance at beginning	**411,342**	231,625
Revenue recognised during the year	**1,083,817**	1,044,917
Progress billings during the year	**(905,100)**	(865,200)
Balance at end	**590,059**	411,342

Contract assets represent accrued billings in respect of property development costs.

15. OTHER INVESTMENTS

	GROUP AND COMPANY	
	2022	2021
	RM	RM
Financial assets at fair value through profit or loss		
Investment in shares quoted in Malaysia	**184,800**	167,250

16. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Fixed deposits with li-censed banks	**5,547,634**	1,534,814	**-**	1,023,796
Cash and bank balances	**24,888,178**	8,317,612	**23,213,703**	4,644,953
Housing Development Account ("HDA")	**1,691,457**	2,492,436	**-**	-
	32,127,269	12,344,862	**23,213,703**	5,668,749

GROUP

The effective interest rates per annum and maturities of the fixed deposits with licensed banks of the Group as at the end of the reporting period ranged from **2.00% to 2.10%** (2021: 2.10%) per annum and **2 to 3 months** (2021: 3 months) respectively.

The HDA is maintained in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966 in Malaysia, as amended by the Housing Developers (HDA) (Amendment) Regulation, 2002 in Malaysia, which can only be used for property development activities.

16. **CASH AND BANK BALANCES (cont'd)**

COMPANY

The effective interest rate per annum and maturity of the fixed deposits with licensed banks of the Company as at the end of the reporting period were 2.10% per annum and 3 months respectively.

17. **SHARE CAPITAL**

	Number of ordinary shares		**Amount**	
	2022	2021	**2022 RM**	2021 RM
Issued and fully paid with no par value:				
Balance at beginning	**307,750,000**	248,758,000	**242,826,438**	228,861,014
Issuance of shares pursuant to private placement	**59,793,100**	58,992,000	**8,729,793**	14,040,096
Shares issuance expenses	**-**	-	**(107,766)**	(74,672)
Balance at end	**367,543,100**	307,750,000	**251,448,465**	242,826,438

During the financial year, the Company issued **59,793,100** (2021: 58,992,000) new ordinary shares through a private placement at an issued price of **RM0.146** (2021: RM0.238) per ordinary share for cash.

18. **TREASURY SHARES**

The Company's mandate relating to the share buyback of up to 10% of the existing total paid-up share capital, inclusive of all treasury shares that have been bought back, was approved by the shareholders of the Company at the Extraordinary General Meeting held on 29 July 2010.

The amount stated in the statements of financial position represents the acquisition cost of treasury shares.

Out of the total **367,543,100** (2021: 307,750,000) issued and fully paid ordinary shares as at the end of the reporting period, **8,784,500** (2021: 8,784,500) are held as treasury shares by the Company. As at the end of the reporting period, the number of outstanding ordinary shares in issue and fully paid is therefore **358,758,600** (2021: 298,965,500) ordinary shares.

Treasury shares have no rights to voting, dividends and participation in other distribution.

19. **FOREIGN CURRENCY TRANSLATION RESERVE**

The foreign currency translation reserve is in respect of foreign exchange differences on translation of the financial statements of the Group's foreign subsidiary.

20. BORROWINGS

	GROUP 2022 RM	GROUP 2021 RM
Non-current liabilities		
Secured:		
Finance lease liabilities		
Minimum payments:		
Within one year	-	297,156
More than one year and less than two years	-	297,156
More than two years and less than five years	-	129,172
	-	723,484
Future finance charges	-	(75,660)
	-	647,824
Amount due within one year included under current liabilities	-	(254,554)
	-	393,270
Term loan		
Total amount repayable	-	1,461,933
	-	1,855,203
Current liabilities		
Secured:		
Finance lease liabilities	-	254,554
Term loan	**1,485,440**	-
	1,485,440	254,554
Total borrowings	**1,485,440**	2,109,757

The borrowings are secured by way of:

(i) legal charges over a freehold land of a subsidiary as disclosed in Note 7.2 to the financial statements;
(ii) corporate guarantee of the Company;
(iii) sinking fund; and
(iv) leased assets as disclosed in Note 4 to the financial statements.

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

GROUP	Effective interest rate per annum %	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM
2022					
Term loan	**4.80**	**1,485,440**	**1,485,440**	-	-
2021					
Finance lease liabilities	3.00	647,824	254,554	274,602	118,668
Term loan	4.67	1,461,933	-	1,461,933	-

21. TRADE PAYABLES

	GROUP	
	2022	2021
	RM	RM
Non-current liability		
Retention sum payables	**450,978**	761,455
Current liabilities		
Trade payables	**2,516,401**	4,538,722
Retention sum payables	**232,830**	-
	2,749,231	4,538,722
Total trade payables	**3,200,209**	5,300,177

Trade payables are unsecured, non-interest bearing and are normally settled on **30 to 60 days** (2021: 30 to 60 days) credit terms.

22. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Balance at beginning	**1,655,364**	1,827,060	**411,836**	309,414
Recognised in profit or loss	**(338,494)**	(102,494)	**-**	97,624
Disposal of a subsidiary	**242,000**	-	**-**	-
	1,558,870	1,724,566	**411,836**	407,038
Under/(Over) provision in prior year	**6,000**	(69,202)	-	4,798
Balance at end	**1,564,870**	1,655,364	**411,836**	411,836

The deferred tax liabilities at the end of the reporting period are made up of the temporary differences arising from:

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Property, plant and equipment	**-**	2,356,000	**-**	-
Investment properties	**411,836**	411,836	**411,836**	411,836
Property development costs	**1,153,034**	1,187,528	**-**	-
Unabsorbed capital allowances	**-**	(2,086,000)	**-**	-
Other deductible temporary differences	**-**	(214,000)	**-**	-
	1,564,870	1,655,364	**411,836**	411,836

22. **DEFERRED TAX LIABILITIES (cont'd)**

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

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Unused tax losses	**1,091,220**	-	**-**	-
Unabsorbed capital allowances	**365,511**	324,957	**324,957**	324,957
Unabsorbed reinvestment allowance	**70,291**	70,291	**70,291**	70,291
Other deductible temporary differences	**26,561**	-	**-**	-
	1,553,583	395,248	**395,248**	395,248

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

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Unused tax losses	**1,091,220**	-	**-**	-
Unabsorbed capital allowances	**365,511**	324,957	**324,957**	324,957
Unabsorbed reinvestment allowance	**70,291**	70,291	**70,291**	70,291

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

The unabsorbed reinvestment allowance will expire in the YA 2025 while the unused tax losses will expire in the YA 2032.

23. **OTHER PAYABLES AND ACCRUALS**

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Related party	**308,482**	260,000	**125,000**	125,000
Other payables	**5,922,150**	17,954,397	**2,852,893**	13,203,267
Accruals	**1,064,170**	2,108,661	**124,200**	122,800
Deposit received	**-**	5,000,000	**-**	-
	7,294,802	25,323,058	**3,102,093**	13,451,067

23. **OTHER PAYABLES AND ACCRUALS (cont'd)**

GROUP AND COMPANY

Related party is due to a corporate shareholder of the Company.

Included in the other payables of the Group and of the Company is an amount of **RM2,368,709** (2021: RM12,744,072) due to former shareholders of Medan Tropika Sdn. Bhd. arising from the acquisition of Medan Tropika Sdn. Bhd. as disclosed in Note 8.2 to the financial statements. The amount is unsecured, non-interest bearing and repayable on demand.

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

	GROUP		**COMPANY**	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Ringgit Malaysia	**7,030,265**	24,844,818	**3,102,093**	13,451,067
Renminbi	**264,537**	252,407	**-**	-
United States Dollar	**-**	225,833	**-**	-
	7,294,802	25,323,058	**3,102,093**	13,451,067

24. **REFUND LIABILITIES**

	GROUP	
	2022	2021
	RM	RM
Arising from volume rebates	**-**	51,741
Arising from trade discounts	**-**	151,074
	-	202,815

Refund liabilities arising from volume rebates represented volume rebates provided to certain customers which are entitled to a rebate once the quantity of products purchased during the period exceeds the threshold specified in the sales contract. The rebates will be offset against balance owing by the customer.

Refund liabilities arising from trade discounts represented early payment discounts to the customers who have settled the payments within certain period of time specified in the contract.

25. REVENUE

25.1 Disaggregated revenue information

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Types of goods or service				
Sale of goods	**7,050,408**	14,508,506	**-**	-
Sale of completed development units	**-**	13,674,415	**-**	-
Sale of development land	**629,689**	-	**-**	-
Property development revenue	**1,083,817**	1,044,917	**-**	-
Revenue from contracts with customers	**8,763,914**	29,227,838	**-**	-
Rental income	**1,088,400**	1,085,400	**1,088,400**	1,085,400
Total revenue	**9,852,314**	30,313,238	**1,088,400**	1,085,400
Geographical markets				
Malaysia	**8,763,914**	28,641,211	**-**	-
Brunei	**-**	396,569	**-**	-
Singapore	**-**	190,058	**-**	-
Total revenue from contracts with customers	**8,763,914**	29,227,838	**-**	-
Timing of revenue recognition				
At a point in time	**7,680,097**	28,182,921	**-**	-
Over time	**1,083,817**	1,044,917	**-**	-
Total revenue from contracts with customers	**8,763,914**	29,227,838	**-**	-

25.2 Contract balances

	GROUP	
	2022	2021
	RM	RM
Trade receivables (Note 11)	**1,867,500**	16,573,172
Contract assets (Note 14)	**590,059**	411,342

25.3 Performance obligations

Performance obligations of the respective revenue are disclosed in Note 3.12 to the financial statements.

Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations of the Group (unsatisfied or partially satisfied) under property development revenue to be fulfilled within one year is **RM3,972,948** (2021: RM4,391,358).

26. COST OF SALES

	GROUP	
	2022	2021
	RM	RM
Costs of manufacturing diverse plasticware products	**7,522,070**	13,411,404
Cost of completed development units	**-**	8,647,022
Cost of development land	**113,322**	-
Project development costs	**1,227,543**	1,128,640
Post completion costs	**61,069**	30,444
	8,924,004	23,217,510

27. (LOSS)/PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
After charging:				
Accretion of interest on lease liability	**8,980**	11,109	**-**	-
Allowance for expected credit losses	**2,925**	111,209	**-**	-
Auditor's remuneration				
- Statutory audit	**74,000**	109,000	**36,000**	33,000
- Other services	**18,800**	25,300	**10,000**	10,000
Depreciation				
- Investment properties	**302,591**	312,192	**277,518**	277,518
- Property, plant and equipment	**1,486,175**	2,043,984	**-**	-
- Right-of-use asset	**58,897**	55,581	**-**	-
Directors' fees	**101,000**	81,500	**80,000**	80,000
Employee benefits expense (Note 28)	**2,949,662**	4,730,658	**2,400**	2,400
Expense relating to short-term lease of premise	**34,400**	36,200	**-**	-
Fair value loss on other investments	**-**	1,290	**-**	1,290
Impairment loss on investment in a subsidiary	**-**	-	**-**	96,062
Inventories written down	**-**	18,933	**-**	-
Interest expense on amount due to a subsidiary	**-**	-	**62,240**	10,993
Interest expense on finance lease liabilities	**23,429**	28,974	**-**	-
Loss on disposal of a subsidiary	**745,736**	-	**1,165,705**	-
Realised loss on foreign exchange	**-**	223	**-**	-
Unwinding discount on retention sum payables	**-**	33,331	**-**	-

27. (LOSS)/PROFIT BEFORE TAX (cont'd)

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
And crediting:				
Bad debts recovered	**22,318**	20,291	**-**	-
Dividend income from				
- subsidiaries	**-**	-	**-**	4,701,644
- other investments	**7,885**	3,900	**7,885**	3,900
Fair value gain on other investments	**17,550**	-	**17,550**	-
Gain on disposal of a subsidiary	**2,696**	-	**44,326**	-
Gain on disposal of other investments	**-**	21,440	**-**	21,440
Gain on disposal of property, plant and equipment	**-**	169,000	**-**	-
Gain on lease derecognition	**19,287**	-	**-**	-
Interest income	**284,712**	344,720	**226,398**	242,281
Rental income	**112,420**	152,580	**-**	-
Unwinding discount on retention sum payables	**77,647**	-	**-**	-

28. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Salaries, bonus, allowances, wages and angpow	**2,668,699**	4,324,321	**2,400**	2,400
EPF	**249,697**	356,196	**-**	-
SOCSO	**30,749**	46,320	**-**	-
EIS	**517**	3,821	**-**	-
	2,949,662	4,730,658	**2,400**	2,400

28. EMPLOYEE BENEFITS EXPENSE (cont'd)

Included in the employee benefits expense of the Group and of the Company are directors' remuneration as shown below:

	GROUP		COMPANY	
	2022 RM	2021 RM	**2022 RM**	2021 RM
Executive directors of the Company:				
- Salaries, bonus and allowances	**481,876**	450,632	**-**	-
- EPF	**54,000**	42,100	**-**	-
	535,876	492,732	**-**	-
Non-executive directors of the Company:				
- Allowances	**2,400**	2,400	**2,400**	2,400
	538,276	495,132	**2,400**	2,400
Executive director of the subsidiary:				
- Salaries, bonus and allowances	**370,727**	340,470	**-**	-
- EPF	**40,950**	34,234	**-**	-
	411,677	374,704	**-**	-
	949,952	869,836	**2,400**	2,400
Present directors:				
- Executive	**947,552**	867,436	**-**	-
- Non-executive	**2,400**	2,400	**2,400**	2,400
	949,952	869,836	**2,400**	2,400

29. TAXATION

	GROUP		COMPANY	
	2022 RM	2021 RM	**2022 RM**	2021 RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	**(190,681)**	(1,124,000)	**(171,135)**	(58,000)
- Deferred tax relating to the origination and reversal of temporary differences	**338,494**	102,494	**-**	(97,624)
	147,813	(1,021,506)	**(171,135)**	(155,624)
(Under)/Over provision in prior years				
- Current tax	**(10,925)**	(40,941)	**(48,263)**	5
- Deferred tax	**(6,000)**	69,202	**-**	(4,798)
	(16,925)	28,261	**(48,263)**	(4,793)
	130,888	(993,245)	**(219,398)**	(160,417)

29. **TAXATION (cont'd)**

The reconciliation of taxation of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
(Loss)/Profit before tax	**(2,720,691)**	3,572,739	**(1,069,279)**	5,078,867
Add: Share of results of a joint venture	**31,103**	2,861	**-**	-
	(2,689,588)	3,575,600	**(1,069,279)**	5,078,867
Income tax at Malaysian statutory tax rate of 24%	**645,501**	(858,144)	**256,627**	(1,218,928)
Income not subject to tax	**30,016**	53,109	**16,743**	1,166,813
Expenses not deductible for tax purposes	**(249,704)**	(189,550)	**(444,505)**	(103,509)
Deferred tax assets not recognised	**(278,000)**	(26,921)	**-**	-
	147,813	(1,021,506)	**(171,135)**	(155,624)
(Under)/Over provision in prior years	**(16,925)**	28,261	**(48,263)**	(4,793)
	130,888	(993,245)	**(219,398)**	(160,417)

30. **(LOSSES)/EARNINGS PER SHARE**

Basic

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year excluding the treasury shares as follows:

	GROUP	
	2022	2021
(Loss)/Profit attributable to owners of the Company (RM)	**(2,589,803)**	2,579,494
Weighted average number of ordinary shares in issue	**314,406,575**	270,603,962
Basic (losses)/earnings per share (sen)	**(0.82)**	0.95

Diluted

The calculation of diluted (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year excluding the treasury shares and after adjusting for the dilutive effects of all potential ordinary shares as follows:

	GROUP	
	2022	2021
(Loss)/Profit attributable to owners of the Company (RM)	**(2,589,803)**	2,579,494
Weighted average number of ordinary shares in issue	**314,406,575**	270,603,962
Adjustment for conversion of warrants	**5,579,602**	12,797,708
	319,986,177	283,401,670
Diluted (losses)/earnings per share (sen)	**(0.81)**	0.91

31. **SEGMENTAL INFORMATION**

Segment information is presented in respect of the Group's business and geographical segments. The primary format and business segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

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 interest-earning assets, revenue and expenses.

Business Segments

The Group comprises the following main business segments:

(i) Manufacturing — Manufacture of diverse plasticware products.

(ii) Property development — Housing and property development activities.

(iii) Others — Investment holding.

By business segments

	Manufacture of diverse plasticware products RM	Property development RM	Others RM	Elimination RM	Note	Total RM
2022						
Revenue	7,050,408	1,713,506	1,088,400	-		9,852,314
Results						
Segment results	(711,832)	(1,426,167)	(803,474)	-		(2,941,473)
Interest income						284,712
Interest expense						(32,827)
Share of results of a joint venture						(31,103)
Loss before tax						(2,720,691)
Taxation						130,888
Loss for the financial year						(2,589,803)
Assets						
Segment assets	-	73,109,608	11,892,303	-		85,001,911
Cash and bank balances	-	8,913,566	23,213,703	-		32,127,269
Investment in a joint venture						116,036
Tax recoverable						563,228
Total assets						117,808,444
Liabilities						
Segment liabilities	-	7,313,523	3,366,630	-		10,680,153
Borrowings	-	1,485,440	-	-		1,485,440
Deferred tax liabilities						1,564,870
Tax payable						13,219
Total liabilities						13,743,682
Other segment information						
Additions to non-current assets	514,185	17,947	-	-	A	532,132
Depreciation	1,465,515	104,630	277,518	-		1,847,663
Non-cash expenses/(income) other than depreciation	2,925	(96,934)	725,490	-	B	631,481

31. **SEGMENTAL INFORMATION (cont'd)**

By business segments

	Manufacture of diverse plasticware products RM	Property development RM	Others RM	Elimination RM	Note	Total RM
2021						
Revenue	14,508,506	14,719,332	1,085,400	-		30,313,238
Results						
Segment results	(355,696)	3,417,994	241,996	-		3,304,294
Interest income						344,720
Interest expense						(73,414)
Share of results of a joint venture						(2,861)
Profit before tax						3,572,739
Taxation						(993,245)
Profit for the financial year						2,579,494
Assets						
Segment assets	30,922,465	80,183,577	9,298,794	-		120,404,836
Cash and bank balances	2,362,096	4,314,017	5,668,749	-		12,344,862
Investment in a joint venture						116,036
Tax recoverable						126,337
Total assets						132,992,071
Liabilities						
Segment liabilities	8,826,044	8,520,927	13,703,474	-		31,050,445
Borrowings	647,824	1,461,933	-	-		2,109,757
Deferred tax liabilities						1,655,364
Tax payable						162,942
Total liabilities						34,978,508
Other segment information						
Additions to non-current assets	253,441	33,801	-	-	A	287,242
Depreciation	2,039,593	94,646	277,518	-		2,411,757
Non-cash (income)/ expenses other than depreciation	(38,858)	33,331	(20,150)	-	B	(25,677)

31. **SEGMENTAL INFORMATION (cont'd)**

Notes to segment information:

A. Additions to non-current assets consist of total costs incurred to acquire property, plant and equipment.

B. Other non-cash items consist of the following:

	GROUP	
	2022	2021
	RM	RM
Allowance for expected credit losses	**2,925**	111,209
Fair value (gain)/loss on other investments	**(17,550)**	1,290
Gain on disposal of other investments	**-**	(21,440)
Gain on disposal of property, plant and equipment	**-**	(169,000)
Gain on lease derecognition	**(19,287)**	-
Inventories written down	**-**	18,933
Loss on disposal of subsidiaries, net	**743,040**	-
Unwinding discount on retention sum payables	**(77,647)**	33,331
	631,481	(25,677)

By geographical segments

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

	Revenue		Non-current assets	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Malaysia	**9,852,314**	29,726,611	**6,649,084**	27,768,637
Brunei	**-**	396,569	**-**	-
Singapore	**-**	190,058	**-**	-
	9,852,314	30,313,238	**6,649,084**	27,768,637

Information about major customers

Total revenue from **1** (2021: 2) major customers which individually contributed to more than 10% of the Group's revenue from the manufacturing and property development segments amounted to **RM7,089,229** (2021: RM10,744,600).

32. **CAPITAL COMMITMENTS**

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Contracted but not provided for:				
- Freehold shoplots	**4,760,000**	-	**4,760,000**	-

33. RELATED PARTY DISCLOSURES

(i) Identity of related parties

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

Related party	Relationship
Nada Wangi Sdn. Bhd. ("Nada Wangi")	A corporate shareholder of the Company.

(ii) Related party transactions

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

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Dividend income received from subsidiaries	**-**	-	**-**	4,701,644
Interest income received from subsidiaries	**-**	-	**16,751**	134,735
Interest paid to a subsidiary	**-**	-	**(62,240)**	(10,993)
Sales of motor vehicle to a director of a subsidiary	**-**	120,000	**-**	-
Repayment to Nada Wangi	**-**	(1,350,000)	**-**	(1,350,000)
Rental payable to Nada Wangi	**63,000**	60,000	**-**	-

(iii) Compensation of key management personnel

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

The remuneration of directors is disclosed under Note 28 to the financial statements. The Group does not have any members of key management personnel.

34. FINANCIAL INSTRUMENTS

34.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2022			
Financial assets			
Trade receivables	**1,867,500**	**1,867,500**	**-**
Other receivables and refundable deposits	**7,098,466**	**7,098,466**	**-**
Other investments	**184,800**	**-**	**184,800**
Cash and bank balances	**32,127,269**	**32,127,269**	**-**
	41,278,035	**41,093,235**	**184,800**

34. **FINANCIAL INSTRUMENTS (cont'd)**

34.1 **Categories of financial instruments (cont'd)**

	Carrying amount RM	AC RM	FVTPL RM
GROUP (cont'd)			
2022 (cont'd)			
Financial liabilities			
Trade payables	**3,200,209**	**3,200,209**	**-**
Other payables and accruals	**7,294,802**	**7,294,802**	**-**
Borrowings	**1,485,440**	**1,485,440**	**-**
	11,980,451	**11,980,451**	**-**
2021			
Financial assets			
Trade receivables	16,573,172	16,573,172	-
Other receivables and refundable deposits	3,800,535	3,800,535	-
Other investments	167,250	-	167,250
Cash and bank balances	12,344,862	12,344,862	-
	32,885,819	32,718,569	167,250
Financial liabilities			
Trade payables	5,300,177	5,300,177	-
Other payables and accruals	25,323,058	25,323,058	-
Borrowings	2,109,757	2,109,757	-
	32,732,992	32,732,992	-
COMPANY			
2022			
Financial assets			
Other receivables and refundable deposits	**5,372,756**	**5,372,756**	**-**
Other investments	**184,800**	**-**	**184,800**
Cash and bank balances	**23,213,703**	**23,213,703**	**-**
	28,771,259	**28,586,459**	**184,800**
Financial liability			
Other payables and accruals	**3,102,093**	**3,102,093**	**-**
2021			
Financial assets			
Other receivables and refundable deposits	2,517,344	2,517,344	-
Amount due from subsidiaries	453,470	453,470	-
Other investments	167,250	-	167,250
Cash and bank balances	5,668,749	5,668,749	-
	8,806,813	8,639,563	167,250
Financial liabilities			
Other payables and accurals	13,451,067	13,451,067	-
Amount due to subsidiaries	49,530	49,530	-
	13,500,597	13,500,597	-

34. FINANCIAL INSTRUMENTS (cont'd)

34.2 Financial risk management

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

34.3 Credit risk

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

34.3.1 Trade receivables

The Group and the Company do not have any significant exposure to any individual customer. The maximum exposure to credit risk of trade receivables arises from the property development segment and is represented by their carrying amounts in the statements of financial position.

Credit risk of the trade receivables in the property development segment is negligible as sales are normally to purchasers who have obtained financing from financial institutions. As such, the credit risk has been effectively transferred to the financial institutions as stipulated in the sale and purchase agreements. For those sales on a cash basis which only forms an insignificant portion of sales amount, credit risk is also negligible as titles will only be surrendered upon full payments. This is the normal industry practice.

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

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP			
2022			
Not past due	**1,096,500**	-	**1,096,500**
1 to 30 days past due	-	-	-
31 to 60 days past due	**3,089**	-	**3,089**
More than 60 days past due	**767,911**	-	**767,911**
	771,000	-	**771,000**
	1,867,500	-	**1,867,500**

34. **FINANCIAL INSTRUMENTS (cont'd)**

34.3 **Credit risk (cont'd)**

34.3.1 **Trade receivables (cont'd)**

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP (cont'd)			
2021			
Not past due	13,110,377	-	13,110,377
1 to 30 days past due	274,700	-	274,700
31 to 60 days past due	649,557	-	649,557
More than 60 days past due	2,538,538	-	2,538,538
	3,462,795	-	3,462,795
Impaired	1,083,558	(1,083,558)	-
	17,656,730	(1,083,558)	16,573,172

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

The Group has trade receivables amounting to **RM771,000** (2021: RM3,462,795) that are past due but not impaired at the end of the reporting period as the management is of the view that these past due amounts will be collected in due course.

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

The Group's property development segment has significant concentration of credit risks in the form of outstanding balance due from **3 customers** (2021: 2 customers) representing **83%** (2021: 59%) of total trade receivables.

Maximum exposure to credit risk

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

34. **FINANCIAL INSTRUMENTS (cont'd)**

34.3 **Credit risk (cont'd)**

34.3.1 **Trade receivables (cont'd)**

Maximum exposure to credit risk (cont'd)

	Gross RM	Allowance for expected credit losses RM	Net RM
Credit risk rating			
2022			
Low risk	**2,457,559**	**-**	**2,457,559**
2021			
Low risk	16,984,514	-	16,984,514
Individually impaired	1,083,558	(1,083,558)	-
	18,068,072	(1,083,558)	16,984,514

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

Trade receivables are usually collectible as most of the end-buyers obtain end-financing to fund their purchases of the Group's properties. In such cases, the Group mitigates any credit risk it may have by maintaining its name as the registered owner of the development until full settlement by the purchasers of the self-financed portion of the purchase consideration and upon undertaking of end-financing by the purchaser's end-financier.

No expected credit losses is provided during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

34.3.2 **Other receivables**

Credit risk arising from other receivables are mainly in relation to the amount due from a joint venture.

As at the end of the reporting period, there was no indication that the amount due from a joint venture is not recoverable.

34. **FINANCIAL INSTRUMENTS (cont'd)**

34.3 **Credit risk (cont'd)**

34.3.3 **Financial guarantees**

The Company has issued secured financial guarantees to financial institutions for banking facilities granted to a subsidiary up to a limit of **RM45,000,000** (2021: RM49,417,803) of which **RM1,562,056** (2021: RM2,209,879) were utilised as at the end of the reporting period.

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

34.4 **Liquidity risk**

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

34. FINANCIAL INSTRUMENTS (cont'd)

34.4 Liquidity risk (cont'd)

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

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM	More than five years RM
GROUP					
2022					
Non-derivative financial liabilities					
Borrowings	**1,485,440**	**1,522,248**	**1,522,248**	**-**	**-**
Trade payables	**3,200,209**	**3,277,856**	**2,749,231**	**389,952**	**138,673**
Other payables and accruals	**7,294,802**	**7,294,802**	**7,294,802**	**-**	**-**
Lease liability	**185,142**	**198,000**	**72,000**	**126,000**	**-**
Total undiscounted financial liabilities	**12,165,593**	**12,292,906**	**11,638,281**	**515,952**	**138,673**
2021					
Non-derivative finan-cial liabilities					
Borrowings	2,109,757	2,288,678	365,428	1,923,250	-
Trade payables	5,300,177	5,300,177	4,538,722	622,782	138,673
Other payables and accruals	25,323,058	25,323,058	25,323,058	-	-
Lease liability	224,395	243,000	61,500	181,500	-
Total undiscounted financial liabilities	32,957,387	33,154,913	30,288,708	2,727,532	138,673
COMPANY					
2022					
Non-derivative financial liabilities					
Other payables and accruals, representing total undiscounted financial liabilities	**3,102,093**	**3,102,093**	**3,102,093**	**-**	**-**
2021					
Non-derivative financial liabilities					
Other payables and accruals	13,451,067	13,451,067	13,451,067	-	-
Amount due to subsidiaries	49,530	49,530	49,530	-	-
Total undiscounted financial liabilities	13,500,597	13,500,597	13,500,597	-	-

34. FINANCIAL INSTRUMENTS (cont'd)

34.5 Interest rate risk

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

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

	2022 RM	2021 RM
GROUP		
Fixed rate instruments		
Financial assets	**5,547,634**	1,534,814
Financial liabilities	-	647,824
Floating rate instrument		
Financial liability	**1,485,440**	1,461,933
COMPANY		
Fixed rate instruments		
Financial assets	-	1,023,796

Sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for variable rate instruments

An increase/decrease of 25 basis points as at the end of the reporting period would have an insignificant impact to the Group's and the Company's (loss)/profit before tax. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

34.6 Foreign currency risk

The Group is exposed to foreign currency risk mainly on purchases that are denominated in currencies other than the functional currency of the Group entities. The currencies giving rise to this risk are United States Dollar ("USD") and Renminbi ("RMB").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's (loss)/profit before tax. A 10% strengthening of RM against the following currencies at the end of the reporting period would have increased/ (decreased) in (loss)/profit before tax by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

	GROUP	
	2022 RM	2021 RM
USD	-	(22,583)
RMB	**(26,454)**	(25,241)
(Decrease)/Increase in (loss)/profit before tax	**(26,454)**	(47,824)

34. **FINANCIAL INSTRUMENTS (cont'd)**

34.7 **Equity price risk**

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's and the Company's other investments which are the equity securities quoted in Malaysia.

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Company.

Sensitivity analysis for equity price risk

As at the end of the reporting period, if the share prices of the quoted equity securities had been 5% higher/lower, with all other variables held constant, it would have an insignificant impact to the Group's and the Company's (loss)/profit before tax.

35. **FAIR VALUE MEASUREMENT**

The carrying amounts of the Group's and the Company's financial assets (other than investments in quoted financial instruments) and financial liabilities as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

35.1 **Fair value measurement of financial assets**

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Carring Amount RM
GROUP AND COMPANY					
2022					
Financial assets					
Other investments	**184,800**	**-**	**-**	**184,800**	**184,800**
2021					
Financial asset					
Other investments	167,250	-	-	167,250	167,250

Level 1 fair value

Level 1 fair value of the other investments is derived by reference to their quoted market prices in active markets at the end of reporting period.

Policy on transfer between levels

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

35. **FAIR VALUE MEASUREMENT (cont'd)**

35.2 **Fair value measurement of non-financial assets**

The following table shows the levels within the hierarchy of non-financial assets for which fair value is disclosed as at the end of the reporting period:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Carring Amount RM
GROUP					
2022					
Investment properties					
- Leasehold land	**-**	**9,280,000**	**-**	**9,280,000**	**493,897**
- Buildings	**-**	**7,580,000**	**-**	**7,580,000**	**5,768,856**
2021					
Investment properties					
- Freehold land	-	830,000	-	830,000	552,000
- Leasehold land	-	9,280,000	-	9,280,000	511,658
- Buildings	-	9,790,000	-	9,790,000	6,962,588
COMPANY					
2022					
Investment properties					
- Leasehold land	**-**	**9,280,000**	**-**	**9,280,000**	**493,897**
- Buildings	**-**	**7,580,000**	**-**	**7,580,000**	**5,768,856**
2021					
Investment properties					
- Leasehold land	-	9,280,000	-	9,280,000	511,658
- Buildings	-	8,120,000	-	8,120,000	6,028,613

Fair value

The fair value for investment properties for disclosure purposes is categorised under Level 2 of the fair value hierarchy (refer to Note 2.2 to the financial statements for definition of fair value hierarchy). The fair value is derived based on appraisal performed by independent professional valuers using the market comparison approach. Selling prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size, age and condition of the building. The most significant input into this valuation approach is price per square foot of comparable properties.

Policy on transfer between levels

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

36. **CAPITAL MANAGEMENT**

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

36. **CAPITAL MANAGEMENT (cont'd)**

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

The Group considers its total equity and total borrowings to be the key components of its capital structure. The Group monitors capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP	
	2022	2021
	RM	RM
Total borrowings	**1,485,440**	2,109,757
Less: Cash and bank balances	**(32,127,269)**	(12,344,862)
Net cash surplus	**(30,641,829)**	(10,235,105)
Total equity	**104,064,762**	98,044,666
Gearing ratio	**Net cash**	Net cash

37. **WARRANTS**

On 22 November 2019, the Company completed its bonus issue of 57,493,372 free warrants on the basis of one (1) warrant for every four (4) ordinary shares held.

The main features of the warrants are as follows:

(i) The warrants may be exercised at any time during the tenure of the warrants of five (5) years including and commencing from 22 November 2019 and ending on 21 November 2024. Each warrant carries the entitlement to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.25 and shall be satisfied fully in cash and subjected to adjustments in accordance with the respective Deed Polls; and

(ii) The warrants are not entitled to any dividend, right, allotment or other distribution in the Company until and unless such warrant holders exercise their warrant.

There were no warrants exercised as at the end of the reporting period.

38. **EVENT AFTER THE REPORTING PERIOD**

On 27 April 2022, the Company has offered 24,932,200 number of options to eligible employees under the Company's Employees' Share Option Scheme ("ESOS") to subscribe for new ordinary shares in the Company. The ESOS exercise price is offered at RM0.2368 per share option.

Analysis of Shareholdings as at 30 June 2022

Total number of Issued shares	:	358,758,600 Ordinary shares
Voting Rights	:	On show of hands, 1 vote for 1 person
	:	On a poll, 1 vote for 1 ordinary share

* Excluding 8,784,500 ordinary shares held as treasury shares

ANALYSIS OF SHAREHOLDINGS AS AT 30 JUNE 2022

Size of shareholdings	Number of Shareholders	% of total shareholders	Number of Shares	% of total Issues Capital
Less than 100 shares	6	0.25	273	0.00
100 to 1,000 shares	344	14.66	274,673	0.08
1,001 to 10,000 shares	881	37.54	5,535,300	1.54
10,001 to 100,000 shares	852	36.30	31,796,300	8.86
100,001 to less than 5% of issued shares	261	11.12	188,186,773	52.46
5% and above of issued shares	3	0.13	132,965,281	37.06
Total	**2,347**	**100.00**	**358,758,600**	**100.00**

SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2022

Name	Number of Shares Held			
	Direct	%	Deemed	%
WWT Wellness Solutions Sdn. Bhd.	60,064,100	16.74	-	-
Goh Choon Lye	-	-	60,064,100 *	16.74
Nada Wangi Sdn. Bhd.	72,901,181	20.32	-	-
Ooi Soon Hong	-	-	72,901,181 #	20.32

Note :

* Deemed interested by virtue of his shareholdings of not less than 20% in WWT Wellness Solutions Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Deemed interested by virtue of his shareholdings of not less than 20% in Nada Wangi Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2022

Name	Number of Shares Held			
	Direct	%	Deemed	%
Ooi Soon Hong	-	-	72,901,181 #	20.32
Lim Shiou Ghay	5,098,000	1.42	6,136,000 ^	1.71
Tan Chee Keong	3,000,000	0.84	-	-
Lee Chiong Meng	1,000,000	0.28	-	-

Note :

Deemed interested by virtue of his shareholdings of not less than 20% in Nada Wangi Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

^ Deemed interested by virtue of his shareholdings of not less than 20% in Epic Paradigm Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

THIRTY LARGEST SHAREHOLDERS AS AT 30 JUNE 2022

No.	Name	No. of Shares Held	%
1	WWT WELLNESS SOLUTIONS SDN. BHD.	60,064,100	16.74
2	NADA WANGI SDN. BHD.	46,508,077	12.96
3	NADA WANGI SDN. BHD.	26,393,104	7.36
4	MAYBANK NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAN TUAN SAM	16,841,700	4.69
5	INSPIRE SENSE SDN. BHD.	13,463,700	3.75
6	KERJAYA PROSPEK (M) SDN BHD	9,492,600	2.65
7	SUPPTECH HOLDINGS SDN BHD	9,072,973	2.53
8	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOW WOOI HUAT (STA 2)	8,685,000	2.42
9	AB MALIK BIN ABDULLAH	8,071,500	2.25
10	H.M. WEALTH MANAGEMENT SDN. BHD.	7,450,000	2.08
11	EPIC PARADIGM SDN. BHD.	6,136,000	1.71
12	LEE KUANG SHING	6,000,000	1.67
13	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SHIOU GHAY (M01)	5,098,000	1.42
14	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HAFIDAH BINTI PAWANCHIK	3,679,300	1.03
15	TEOH CHOO EE	3,113,900	0.87
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE KEONG	3,000,000	0.84
17	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG HONG BOON	1,995,800	0.56
18	OOI YONG PING	1,956,700	0.55
19	FAMI TAUFEQ BIN FAKARUDIN	1,935,000	0.54
20	LEE THEAN YEW	1,500,000	0.42
21	LIM TUAN GUAN	1,213,000	0.34
22	WONG KEAN SEONG	1,200,000	0.33
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YEW BENG (E-SJA)	1,200,000	0.33
24	M & A NOMINEE (TEMPATAN) SDN BHD FOR LEE YEAP KEONG	1,178,700	0.33
25	ONG SEE WAH	1,174,000	0.33
26	LIEW POH TAI	1,150,000	0.32
27	TAY KOK LEONG	1,150,000	0.32
28	CHEONG SING YEE	1,100,000	0.31
29	WONG SHU YAN	1,100,000	0.31
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD MOHD TERMIZI BIN MAMAT @ MUHAMAD	1,000,000	0.28
	TOTAL	**251,923,154**	**70.22**

Analysis of Warrant Holdings as at 30 June 2022

Total number of Warrant	:	57,493,372
Total number of Warrant Outstanding	:	57,493,372
Exercise Price per Warrant	:	0.25
Exercise Period of Warrant	:	22 November 2019 to 21 November 2024
Exercise Rights	:	Each Warrant entitles the registered holder to subscribe for 1 new ACME share at the Exercise Price during the Exercise Period and shall be subjected to adjustments in accordance with the provisions of the Deed Poll.

ANALYSIS OF WARRANTS HOLDINGS AS AT 30 JUNE 2022

Size of Warrant	Number of Warrant Holders	% of total Warrant Holders	Number of Warrant	% of total Issues Capital
Less than 100	54	5.98	2,110	0.00
100 to 1,000	347	38.43	136,050	0.24
1,001 to 10,000	258	28.57	990,799	1.72
10,001 to 100,000	175	19.38	6,621,500	11.52
100,001 to less than 5% of issued warrants	66	7.31	27,874,375	48.48
5% and above warrants	3	0.33	21,868,538	38.04
Total	**903**	**100.00**	**57,493,372**	**100.00**

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2022

Name	Number of Warrants Held				
	Direct	%	Deemed		%
Ooi Soon Hong	-	-	18,225,295	#	31.70
Lim Shiou Ghay	974,500	1.70	1,534,000	^	2.67

\# Deemed interested by virtue of his shareholdings of not less than 20% in Nada Wangi Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

^ Deemed interested by virtue of his shareholdings of not less than 20% in Epic Paradigm Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

THIRTY LARGEST WARRANTS HOLDERS AS AT 30 JUNE 2022

No.	Name	Holdings	%
1	NADA WANGI SDN. BHD.	11,627,019	20.22
2	NADA WANGI SDN. BHD.	6,598,276	11.48
3	SUPPTECH HOLDINGS SDN BHD	3,643,243	6.34
4	H.M. WEALTH MANAGEMENT SDN. BHD.	2,180,000	3.79
5	AB MALIK BIN ABDULLAH	2,027,000	3.53
6	LIM TUAN GUAN	1,637,000	2.85
7	EPIC PARADIGM SDN. BHD.	1,534,000	2.67
8	LEE KUANG SHING	1,500,000	2.61
9	GOH GIM EAM	1,400,000	2.44
10	OH EWE FATT	1,020,000	1.77
11	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SHIOU GHAY (M01)	974,500	1.70
12	TEOH CHOO EE	909,300	1.58
13	CHEN BOON CHEONG	603,600	1.05
14	GUNN CHIT EOW	600,000	1.04
15	LOH XIN CI, SELINA	550,000	0.96
16	TAN SWEE BOON	530,000	0.92
17	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR TAN KHAI TECK	500,000	0.87
18	ONG AI HOON	500,000	0.87
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD BRANDON DOMINIC CHAN WAI CHUN	497,000	0.86
20	CHIEW KENG CHAI	493,900	0.86
21	CHAN KOK WAI	425,000	0.74
22	LEE YEEN FONG	400,000	0.70
23	TAN KEAT SEANG	400,000	0.70
24	CHOOI HENG YUEN	400,000	0.70
25	LIM CHOON LENG	400,000	0.70
26	ADRIAN YEI ZHENG YIK	380,000	0.66
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG SWEE KEAT (E-PTS)	350,000	0.61
28	LIEW POH TAI	350,000	0.61
29	LIEW PENG CHUEN @ LIEW AH CHOY	300,000	0.52
30	ONG SEE WAH	293,500	0.51
	TOTAL	**43,023,338**	**74.83**

List of Properties

<table>
<tr><th>Title</th><th>Description/ Existing Use</th><th>Tenure</th><th>Total Land Area/ Floor area (square meter)</th><th>Approximate age of building</th><th>Net Book Value as at 31.03.2022 (RM’000)</th></tr>
<tr><td>Lot 5805 H.S. (D) 5828, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 7 Nov 2049)</td><td>23,708.50 (land)
10,231.65 (building)</td><td>33 years</td><td>461 (land)
3,652 (building)</td></tr>
<tr><td>Lot PT 3699, Mukim Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 24 Apr 2058)</td><td rowspan="4">2,394.67 (land)</td><td rowspan="8">31 years</td><td rowspan="8">33 (land)
2,117 (building)</td></tr>
<tr><td>Lot PT 3700, Mukim Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 24 Apr 2058)</td></tr>
<tr><td>Lot PT 3701, Mukim Sik, Pekan Sik, Kedah Darul Aman</td><td>Indusrial Building</td><td>Leasehold for 60 years (Expiry on 24 Apr 2058)</td></tr>
<tr><td>Lot PT 3702, Mukim Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 24 Apr 2058)</td></tr>
<tr><td>Lot PT 3723, Bandar Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 23 Mar 2054)</td><td rowspan="4">2,394.67 (land)</td></tr>
<tr><td>Lot PT 3724, Bandar Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 23 Mar 2054)</td></tr>
<tr><td>Lot PT 3725, Bandar Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 23 Mar 2054)</td></tr>
<tr><td>Lot PT 3726, Mukim Sik, Pekan Sik, Kedah Darul Aman</td><td>Industrial Building</td><td>Leasehold for 60 years (Expiry on 23 Mar 2054)</td></tr>
<tr><td>H.S (D) 27713, PT 758, H.S (D) 27270, PT 407, Mukim 7, Seberang Perai Utara, Pulau Pinang</td><td>Development Land</td><td>Freehold</td><td>45,099.24 (land)</td><td>-</td><td>12,953</td></tr>
<tr><td>Lot No. 336, Geran Mukim 480, Tempat Thean Teik, Mukim 13, Daerah Timor Laut, Pulau Pinang</td><td>Development Land</td><td>Freehold</td><td>8,726.02 (land)</td><td>-</td><td rowspan="2">32,382</td></tr>
<tr><td>Lot No. 337, Geran Mukim 481, Tempat Thean Teik, Mukim 13, Daerah Timor Laut, Pulau Pinang</td><td>Development Land</td><td>Freehold</td><td>7,888.83 (land)</td><td>-</td></tr>
</table>

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 32nd Annual General Meeting of the Company will be conducted on a fully virtual basis via the online meeting platform at www.registrar-braxton.com.my on Tuesday, 30 August 2022 at 10.30 a.m. for the following purposes:-

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2022 and the Reports of the Directors and Auditors thereon. **Please refer to the Explanatory Notes**

2. To approve the payment of Directors' fees and Directors' benefits of up to RM100,000.00 for the financial year ending 31 March 2023. **Ordinary Resolution 1**

3. To re-elect Mr Lim Shiou Ghay who retires in accordance with the Company's Constitution pursuant to Article 111 of the Company's Constitution. **Ordinary Resolution 2**

4. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Ordinary Resolution 3**

As Special Business:

5. To consider and if thought fit, to pass with or without modifications the following resolution:-

   ORDINARY RESOLUTION
   AUTHORITY TO ISSUE SHARES
   "That pursuant to Sections 75 and 76 of the Companies Act, 2016, and subject to the approvals of the relevant Governmental and / or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at such time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **Ordinary Resolution 4**

6. To transact any other business for which due notices shall have been given in accordance with the Companies Act 2016.

By Order of the Board,

WONG YEE LIN (MIA15898)
SSM Practicing No: 201908001793
HING POE PYNG (MAICSA 7053526)
SSM Practicing No: 202008001322
Joint Company Secretaries

Date: 29 July 2022

Notes:

(1) A member entitled to attend and vote is entitled to appoint one or more proxies to attend, vote and speak in his / her stead, and a proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. The proxy so appointed shall be entitled to vote on any matter which may properly come before the meeting.

(2) A Member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting. Where a Member appoints two (2) proxies, the appointment shall be invalid unless he / she specifies the proportions of his / her shareholdings to be represented by each proxy.

(3) Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

(4) Where a Member is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of two (2) proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.

(5) The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.

(6) The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 24 hours before the time for holding the Meeting or any adjournments thereof PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his / her proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s). Proxy form via facsimile or electronic mail will not be accepted.

(7) For the purpose of determining a Member who shall be entitled to attend the meeting, the Company shall be requesting the Depository to issue a General Meeting Record of Depositors ("ROD") as at 23 August 2022. Only Depositors whose name appears on the ROD shall be entitled to attend the said meeting or appoint proxies to attend and / or vote on his / her behalf.

(8) All resolutions as set out in this notice of 32nd Annual General Meeting are to be voted by poll.

Explanatory Note on Ordinary Business

Item 1 of the Agenda

To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon.
This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

Ordinary Resolution 1 – Payment of Directors' fees and Directors' benefits
The proposed Ordinary Resolution 1 is to facilitate payment of Directors' fees and Directors' benefits on current financial year basis, calculated based on the number of scheduled Board and Committee meetings for financial year ending 31 March 2023 and assuming that all Directors will hold office until the end of the financial year. In the event the Directors' fees and Directors' benefits proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees and benefits to meet the shortfall.

Explanatory Note on Special Business

Ordinary Resolution 4 – Authority to issue shares
The proposed ordinary resolution 4, if passed, will enable the Directors to allot and issue shares in the Company up to an amount not exceeding 10% of the issued share capital (excluding Treasury Shares) of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.

As at the date of this Notice, the Company had issued a total of 59,793,100 new ordinary shares at an issue price of RM0.146 per ordinary share (via private placement), pursuant to Section 75 and Section 76 of the Companies Act 2016 under the general authority which was approved at the 31st Annual General Meeting held on 22 September 2021 which will lapse at the conclusion of the 32nd Annual General Meeting to be held on 30 August 2022. The total proceeds of RM8,729,792.60 from private placement exercise had been utilised as follows:-

Purpose	Proposed Utilisation RM	Actual Utilisation RM	Balance to be Utilised RM	Proposed Time frame of Utilisation
Property Development Projects	7,622,028	-	7,622,028	Within 12 months from the listing date of placement shares
Working Capital	1,000,000	-	1,000,000	Within 12 months from the listing date of placement shares
Expenses related to the corporate exercise	107,765	107,765	-	Within 1 month from the listing date of placement shares
Total	8,729,793	107,765	8,622,028	

A renewal of this authority is being sought at the 32nd Annual General Meeting under proposed Ordinary Resolution 4.

This authority if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, acquisition(s) and / or settlement of banking facility(ies).

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his / her proxy consent to the Company (and / or its agents / service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the Annual General Meeting, and any adjournment thereof.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming Annual General Meeting.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the explanatory note on the proposed Ordinary Resolution 4 as stated in the Notice of Annual General Meeting of the Company for details.

ACME HOLDINGS BERHAD
(189740-X)198901012432

Proxy Form

No of shares held	
CDS Account No.	

*I / We ______________________________ *NRIC / Company No. ____________________
(Full Name in Block Letters)

of ______________________________ being *a Member / Members of
(Full Address)

ACME Holdings Berhad, hereby appoint (Proxy 1) ______________________________
(Full Name in Block Letters)

* NRIC / Passport No. ____________________ of ______________________________

____
(Full Address)

and* / or failing him / her* (Proxy 2), ______________________________
(Full Name in Block Letters)

* NRIC / Passport No. ____________________ of ______________________________
(Full Address)

____

and* / or failing him* / her, the Chairman of the Meeting, as *my / our proxy / proxies to attend and vote for *me / us and on *my / our behalf at the 32nd Annual General Meeting of the Company to be held on a fully virtual basis via the online meeting platform at www.registrar-braxton.com.my on Tuesday, 30 August 2022 at 10:30 a.m. and at any adjournment thereof to vote as indicated below:

AGENDA

To receive the Audited Financial Statements for the year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon			
Ordinary Resolution		**For**	**Against**
1.	Approval of payment of Directors' fees and Directors' benefits for the financial year ending 31 March 2023		
2.	Re-election of Mr. Lim Shiou Ghay as Director		
3.	Re-appointment of Messrs. Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix the Auditors' remuneration		
4.	Proposed Authority to Issue Shares		

Please indicate with an "**X**" in the spaces provided above as to how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his / her discretion.

The proportion of *my / our holding to be represented by *my / our proxies are as follows:-

Proxy 1	%
Proxy 2	%
	100%

In the case of a vote taken by a show of hands, the First Proxy shall vote on *my / our behalf.

As witness my hand this ……………. day of …………………… , 2022.

....
Signature of Member (s) / Common Seal

* Strike out whichever is inapplicable

Notes:
1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his / her stead, and a proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. A Member shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting. Where a Member appoints two (2) proxies, the appointment shall be invalid unless he / she specifies the proportions of his / her shareholdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
5. The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Registered Office, 51-8-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than 24 hours before the time for holding the Meeting or any adjournment thereof PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his / her proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).
7. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 64(3) of the Company's Articles of Association (Constitution) and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 23 August 2022 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and / or speak and / or vote in his / her behalf.
8. All resolutions as set out in this notice of 32nd Annual General Meeting are to be voted by poll.

PERSONAL DATA POLICY

By submitting the duly executed Form of Proxy, the member and his / her proxy consent to the Company (and / or its agents / service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the Annual General Meeting, and any adjournment thereof.

Fold along this line

Stamp

The Secretaries
ACME HOLDINGS BERHAD
Company No.: 198901012432 (189740-X)
Registered Office
51-8-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Georgetown
Penang, Malaysia.

Fold along this line

ACME HOLDINGS BERHAD

Company No.: 198901012432 (189740-X)
(Incorporated in Malaysia)

Property development division:
488A-16-01 Office Tower
Kompleks Midlands Park
Jalan Burma
10350 Georgetown, Penang.
Tel: (604) 210 9911

www.acmeholdings.com.my