



Dominant
Enterprise Berhad
199101010894 (221206 - D)

ANNUAL REPORT 2023

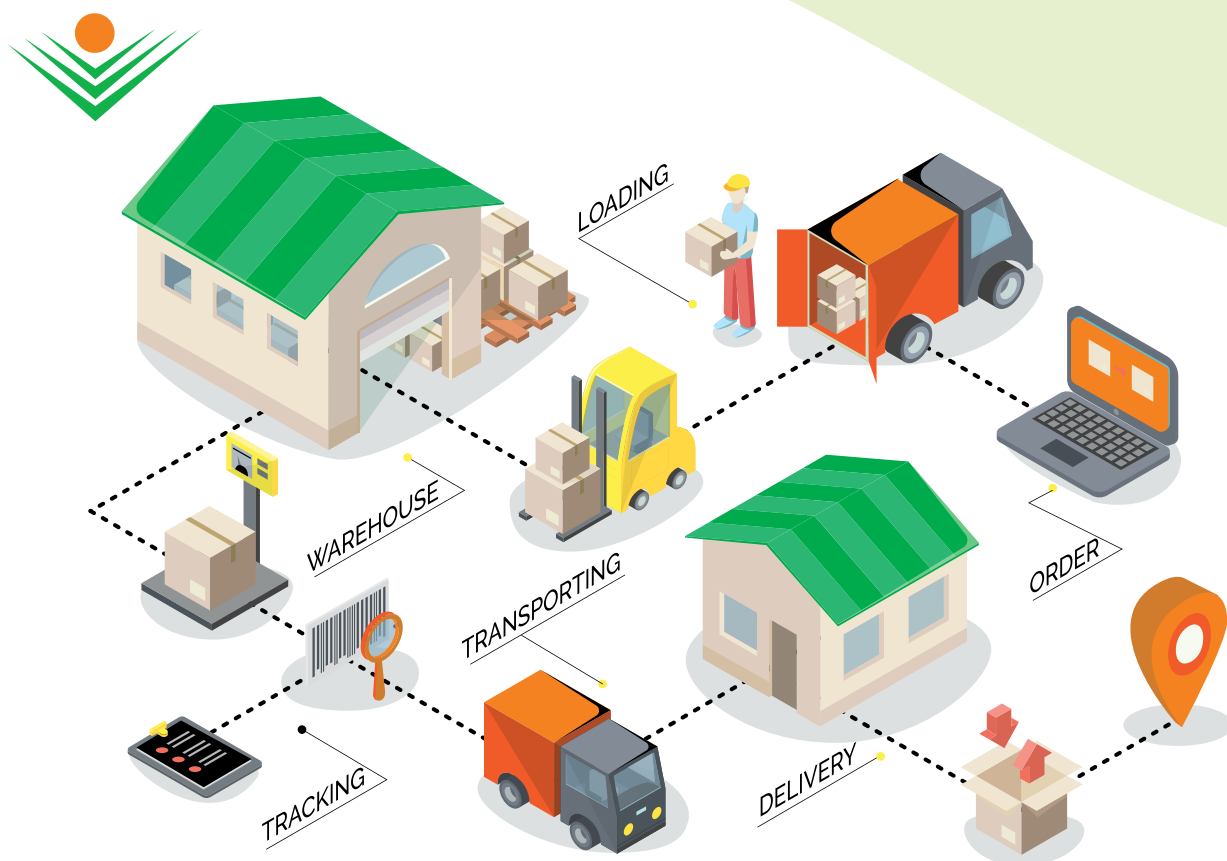


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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty First Annual General Meeting (“31st AGM”) of DOMINANT ENTERPRISE BERHAD will be held at **Holiday Villa Hotel, Ruby 5, Level 8, No. 260, Jalan Dato’ Sulaiman, Taman Abad, 80250 Johor Bahru** on **Monday, 28 August 2023 at 10.00 a.m. and at any adjournment thereof**, for the following purposes :-

ORDINARY BUSINESS

Resolution on Proxy Form

- | | | |
|-----|---|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2023 and the Reports of the Directors and Auditors thereon. | (Explanatory Note 1) |
| 2. | To approve the payment of a Single Tier Final Dividend of 1.0 sen per share in respect of the financial year ended 31 March 2023. | Ordinary Resolution 1
(Explanatory Note 2) |
| 3. | To approve the Directors’ fee of RM100,000 payable to Waldersee Chan Chung Ching, the Non-Executive Chairman for the financial year ended 31 March 2023. | Ordinary Resolution 2
(Explanatory Note 3) |
| 4. | To approve the Directors’ fee of RM40,000 payable to Johnson Kandasamy A/L David Nagappan, the Non-Independent Non-Executive Director for the financial year ended 31 March 2023. | Ordinary Resolution 3
(Explanatory Note 3) |
| 5. | To approve the Directors’ fee of RM40,000 payable to Han Hing Siew, the Independent Non-Executive Director for the financial year ended 31 March 2023. | Ordinary Resolution 4
(Explanatory Note 3) |
| 6. | To approve the Directors’ fee of RM40,000 payable to Noor Hazelin Binti Hashim, the Independent Non-Executive Director for the financial year ended 31 March 2023. | Ordinary Resolution 5
(Explanatory Note 3) |
| 7. | To approve the Directors’ fee of RM40,000 payable to Tan Yin Beng, the Independent Non-Executive Director for the financial year ended 31 March 2023. | Ordinary Resolution 6
(Explanatory Note 3) |
| 8. | To approve the payment of Directors’ Benefits payable up to an amount of RM30,000 from the close of 31 st Annual General Meeting until conclusion of the 32 nd Annual General Meeting in year 2024. | Ordinary Resolution 7
(Explanatory Note 3) |
| 9. | To re-elect the following Directors who retire by rotation pursuant to Clause 76(3) of the Constitution of the Company :- | |
| 9.1 | Owee Geok Choon | Ordinary Resolution 8
(Explanatory Note 4) |
| 9.2 | Johnson Kandasamy A/L David Nagappan | Ordinary Resolution 9
(Explanatory Note 4) |
| 9.3 | Noor Hazelin Binti Hashim | Ordinary Resolution 10
(Explanatory Note 4) |
| 10. | To re-appoint Messrs. BDO PLT as Auditors of the Company for the financial year ending 31 March 2024 and to authorise the Board of Directors to fix their remuneration. | Ordinary Resolution 11
(Explanatory Note 5) |



NOTICE OF ANNUAL GENERAL MEETING (continued)

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions, with or without modifications:

- 11. SPECIAL RESOLUTION**

WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016

Special Resolution
(Explanatory Note 6)

“THAT the shareholders of the Company do hereby waive their statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company under Section 85 of the Companies Act 2016 (“the Act”), read together with Clause 12(3) of the Constitution of the Company.

THAT the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine subject to passing Ordinary Resolution 12 – Authority to Issue and Allot Shares of the Company pursuant to Sections 75 and 76 of the Act.”

- 12. AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

Ordinary Resolution 12
(Explanatory Note 7)

“THAT contingent upon the passing of the Special Resolution on waiver of pre-emptive rights under Section 85 of the Companies Act 2016 (“the Act”) and pursuant to Sections 75 and 76 of the Act, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“New Shares”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“Proposed General Mandate”).

THAT such approval on the Proposed General Mandate shall continue to be in force until:

 - a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
 - b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
 - c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”



NOTICE OF ANNUAL GENERAL MEETING (continued)

SPECIAL BUSINESS (continued)

13. To transact any other business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the 31st Annual General Meeting of the Company a single tier final dividend of 1.0 sen per share in respect of the financial year ended 31 March 2023, if approved, will be payable on 27 September 2023 to shareholders whose names appear in the Record of Depositors on 8 September 2023.

A depositor shall qualify for entitlement only in respect of:-

- (a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 8 September 2023 in respect of ordinary transfers; and
- (b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD DOMINANT ENTERPRISE BERHAD

YONG MAY LI (f) (LS 0000295)
MAICSA Affiliate - AF: 000019
(SSM Practicing Certificate No. 202008000285)
WONG CHEE YIN (f) (MAICSA 7023530)
(SSM Practicing Certificate No. 202008001953)

Company Secretaries
Johor Bahru
28 July 2023

NOTES:

- 1. For the purpose of determining who shall be entitled to attend this Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 21 August 2023. Only a member whose name appears on this Record of Depositors shall be entitled to attend this Annual General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
- 2. A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- 3. A member of the Company who is entitled to attend and vote at an Annual General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the Annual General Meeting.
- 4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- 5. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- 7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.



NOTICE OF ANNUAL GENERAL MEETING (continued)

NOTES: (continued)

8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or adjourned Annual General Meeting at which the person named in the appointment proposes to vote:*
 - (i) *In hard copy form*
In the case of an appointment made in hard copy form, the proxy form must be deposited at the registered office of the Company situated at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor.
 - (ii) *By electronic means via facsimile*
In the case of an appointment made by facsimile transmission, the proxy form must be received via facsimile at facsimile no. 07-3328096.
 - (iii) *By electronic means via email*
In the case of an appointment made via email transmission, the proxy form must be received via email at chloe.soon@my.tricorglobal.com.

For options (ii) and (iii), the Company may request any member to deposit original executed proxy form to its registered office before or on the day of meeting for verification purpose.

 - (iv) *By electronic means via TIIH Online*
In the case of an appointment made via TIIH Online, this Proxy Form must be deposited via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Details on the procedure for electronic lodgement of Proxy Form via TIIH Online.
9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or adjourned Annual General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
10. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*
11. *Last date and time for lodging the proxy form is Saturday, 26 August 2023 at 10.00 a.m.*
12. *Please bring an ORIGINAL of the following identification papers (where applicable) and present it to the registration staff for verification:*
 - a. *Identity card (NRIC) (Malaysian), or*
 - b. *Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or*
 - c. *Passport (Foreigner).*
13. *For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the ORIGINAL certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.*

EXPLANATORY NOTES :

1. ITEM 1 OF THE AGENDA - AUDITED FINANCIAL STATEMENTS

This Agenda item is meant for discussion only as an approval from shareholders for the Audited Financial Statements is not required pursuant to the provisions of Sections 248(2) and 340(1) of the Companies Act 2016. Hence, this Agenda item is not put forward for voting by shareholders of the Company.

2. ITEM 2 OF THE AGENDA **ORDINARY RESOLUTION 1: SINGLE TIER FINAL DIVIDEND**

The Board has considered a Single Tier Final Dividend of 1.0 sen per share recommended for the shareholders' approval and the Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within 12 months immediately after the distributions are made on 27 September 2023 in accordance with the requirements under Section 132(2) and (3) of the Companies Act 2016.



NOTICE OF ANNUAL GENERAL MEETING (continued)

EXPLANATORY NOTES : (continued)

**3. ITEMS 3 TO 8 OF THE AGENDA RESPECTIVELY
ORDINARY RESOLUTIONS 2 TO 6: PAYMENT OF DIRECTORS' FEES
ORDINARY RESOLUTION 7: PAYMENT OF DIRECTORS' BENEFITS**

In compliance with Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Ordinary Resolutions 2 to 6 are proposed to seek shareholders' approval for the payment of Directors' fees for the financial year ended 31 March 2023.

The total estimate of Directors' Benefits payable under Ordinary Resolution 7 comprised of Directors' training expenses and meetings allowances for all Directors for the period from the close of the 31st Annual General Meeting until the conclusion of the 32nd Annual General Meeting in year 2024. In the event the proposed amount is insufficient, approval will be sought at the next AGM for the shortfall.

**4. ITEMS 9 OF THE AGENDA
ORDINARY RESOLUTIONS 8 TO 10: RE-ELECTION OF DIRECTORS**

Please refer to the Statement Accompanying the Notice of AGM for information.

**5. ITEM 10 OF THE AGENDA
ORDINARY RESOLUTION 11: RE-APPOINTMENT OF AUDITORS**

The Board has through the Audit Committee, considered the re-appointment of BDO PLT as the Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 31st Annual General Meeting are disclosed in the Audit Committee Report of the 2023 Annual Report.

EXPLANATORY NOTE ON SPECIAL BUSINESS:

**6. ITEM 11 OF THE AGENDA
SPECIAL RESOLUTION – WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016**

The Special Resolution pertains to the waiver of pre-emptive rights granted to the shareholders under Section 85 of the Companies Act 2016. By voting in favour of the Special Resolution, the shareholders of the Company would be waiving their statutory pre-emptive right. The Special Resolution if passed, would allow the Directors to issue new shares to any person under the Proposed General Mandate without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

**7. ITEM 12 OF THE AGENDA
ORDINARY RESOLUTION 12 – AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

Ordinary Resolution 12 proposed under item 12 of the Agenda is for the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). Subject to passing the Special Resolution on the waiver of pre-emptive rights under Section 85 of the Companies Act 2016, the Ordinary Resolution proposed under item 12, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of the issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company ("Proposed General Mandate")

As at the date of this Notice, no new shares have been issued pursuant to the mandate obtained at the 30th Annual General Meeting of the Company held on 29 August 2022, and accordingly no proceeds were raised.



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. Further details of individuals who are standing for election as directors (excluding directors standing for re-election):

There is no person seeking election as Director of the Company at this Annual General Meeting.

2. Further details of individuals who are standing for re-election as directors:

The Directors who are standing for re-election at the 31st AGM are Mr Owee Geok Choon, Mr Johnson Kandasamy A/L David Nagappan and Puan Noor Hazelin Binti Hashim ("Retiring Directors") whose profiles are set out on page 10 respectively of the 2023 Annual Report.

The Nominating Committee ("NC") conducts a Board Evaluation annually to determine whether the Board, Board Committees and Directors are performing and discharging their duties effectively. The Board is satisfied with the overall results of the Board Evaluation conducted for the financial year ended 31 March 2023.

The Retiring Directors meet the criteria prescribed under Paragraph 2.20A of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. None of the Retiring Directors has any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries.

The NC has conducted a review and assessment of the Retiring Directors in accordance with the Directors' Fit and Proper Policy and is satisfied that they have met the criteria prescribed by the said Policy.

The NC and Board have also conducted an assessment on the independence of Puan Noor Hazelin Binti Hashim, an Independent Director of the Company and are satisfied that she has complied with the criteria prescribed by the MMLR.

The Board (save for the Retiring Directors who have abstained from deliberation on discussions relating to their own re-election), believes that the contribution, commitment, and performance of the Retiring Directors continue to be invaluable and relevant to the long-term sustainable goals and success of the Company and strongly supports their re-election as Directors.

3. A statement relating to general mandate for issue of securities in accordance with paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

The general mandate for issue of shares is for the renewal of the general mandate obtained from the members at the 30th Annual General Meeting held on 29 August 2022 and no new shares of the Company have been issued pursuant to the said general mandate.

The purpose of this general mandate is for possible fund-raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration.



CORPORATE INFORMATION

Board of Directors

Mr. Waldersee Chan Chung Ching
Non-Executive Chairman

Mr. Johnson Kandasamy A/L David Nagappan
Non-Independent Non-Executive Director

Mr. Owee Geok Choon
Managing Director

Puan Noor Hazelin Binti Hashim
Independent Non-Executive Director

Mr. Teo Yu Chin
Executive Director

Mr. Han Hing Siew
Independent Non-Executive Director

Ms. Cha Shi Jiu
Executive Director

Mr. Tan Yin Beng
Independent Non-Executive Director



Audit Committee

Mr. Han Hing Siew (*Chairman*)
Puan Noor Hazelin Binti Hashim
Mr. Tan Yin Beng
Mr. Johnson Kandasamy A/L David Nagappan

Auditors

BDO PLT (LLP0018825-LCA & AF0206)
Suite 18-04, Level 18 Menara Zurich,
15 Jalan Dato' Abdullah Tahir,
80300 Johor Bahru, Johor, Malaysia
Tel : 607 – 331 9815
Fax : 607 – 331 9817

Company Secretary

Yong May Li (LS0000295)
(SSM Practicing CertificateNo. 202008000285)
Wong Chee Yin (MAICSA 7023530)
(SSM Practicing CertificateNo. 202008001953)

Registered Office

Suite 1301, 13th Floor, City Plaza,
Jalan Tebrau,
80300 Johor Bahru, Johor, Malaysia
Tel : 607 – 3322088
Fax : 607 – 3328096
Email:info@my.tricorglobal.com

Principal Bankers

Affin Bank Berhad
AmBank (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank Group
United Overseas Bank Group

Share Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia.
Tel : 603 – 2783 9299
Fax : 603 – 2783 9222
Email:is.enquiry@my.tricorglobal.com

Stock Exchange

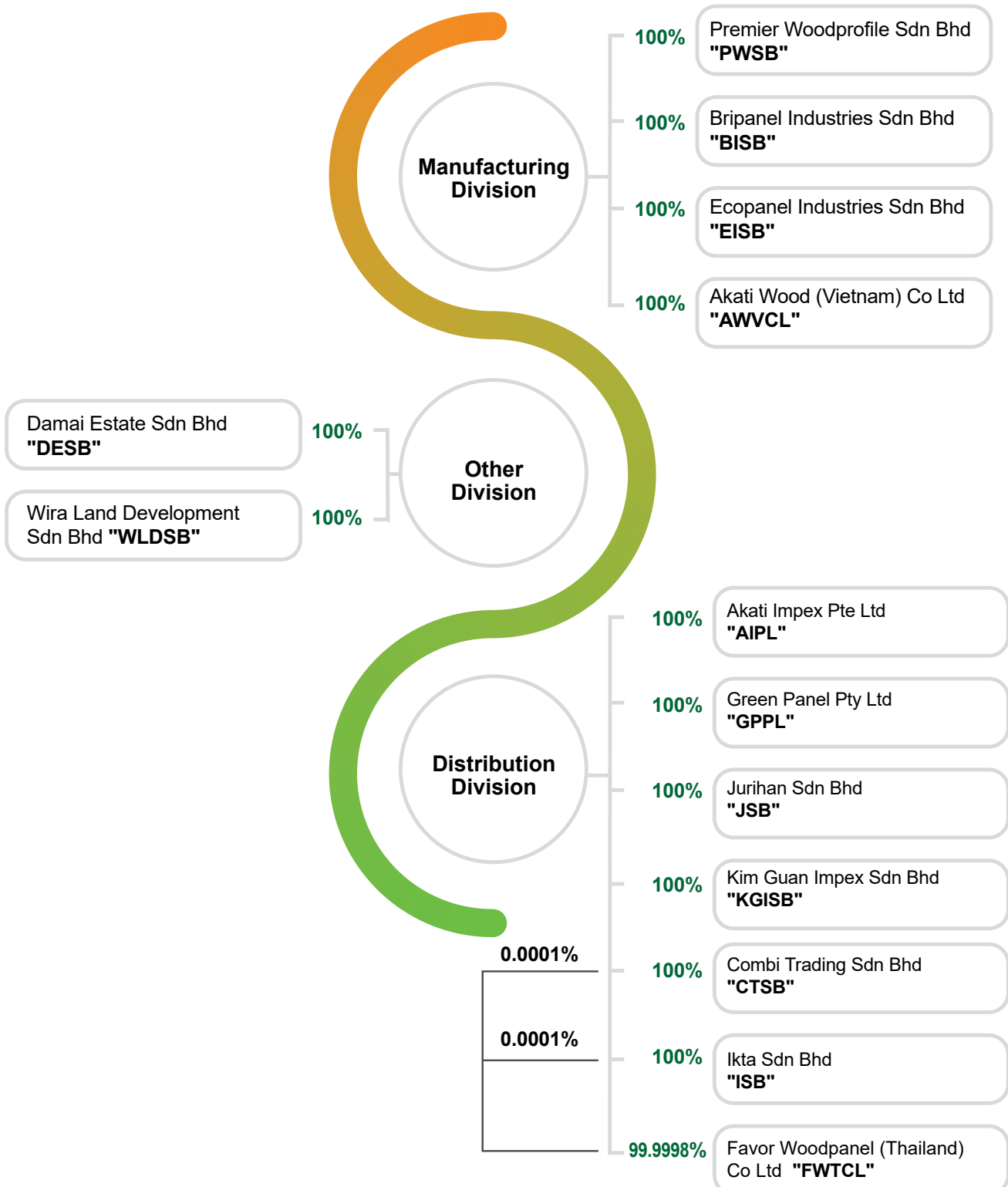
Main Market of Bursa Malaysia Securities
Berhad 200301033577 (635998-W)
Stock Name: DOMINAN
Stock Code : 7169



CORPORATE STRUCTURE



**Dominant
Enterprise
Berhad**
("DEB")





DIRECTORS' PROFILE

Waltersee Chan Chung Ching

Non-Executive Chairman

Male, aged 47, Malaysian, was appointed as the Non-Executive Chairman of Dominant on 1 October 2020. He graduated with a Bachelor of Laws from University College London, UK in 1999. He currently serves as the Head of Legal and Compliance for a multinational corporation in Singapore.

Owee Geok Choon

Managing Director

Male, aged 52, Malaysian, was appointed to the Board of Dominant on 18 April 2003. He was appointed as Deputy Managing Director on 1 January 2010 and was re-designated as Deputy Managing Director cum Chief Executive Officer on 25 February 2015, and was re-designated to Managing Director on 1 September 2018. He graduated with a Bachelor of Commerce majoring in Accounting from Monash University, Australia in 1993. He started his career with AIPL as an Export Marketing Executive. With his dedication and ability, he was later offered the position of General Manager in CTSB in 1996. Apart from overseeing the day-to-day operations of the Group, he is also responsible for the business development and implementation of marketing strategies for DEB.

Teo Yu Chin

Executive Director

Male, aged 42, Malaysian, was appointed to the Board of Dominant on 1 October 2013. He graduated with a Bachelor of Electrical Engineering from Pennsylvania State University, USA in 2002. He started his career with United Overseas Bank (Malaysia) Berhad as Commercial and Corporate Banker in 2003. In 2007, he joined Verml Industries Sdn. Bhd. as General Manager. He joined Dominant on 1 January 2013 and is responsible for overseeing the day-to-day operations of AIPL, FWTCL and JSB.

Cha Shi Jiu

Executive Director

Female, aged 44, Singaporean, appointed as Alternate Director to Mr Cha Aku Wai @ Sia Ah Kow with effect from 1 February 2019 and redesignated as Executive Director on 1 October 2020. She graduated with a Bachelor of Science (Hons), Actuarial Science from the London School of Economics and Political Science, UK in 2001. She started her career in Singapore as an actuarial analyst with a consulting firm, Watson Wyatt Insurance Consulting Pte. Ltd. Subsequently, she worked in two multinational insurance companies namely Prudential Singapore and Allianz Singapore, before joining a social enterprise Singapore insurer, NTUC Income Co-operative, where she worked as a senior manager in the Chief Actuary Office. Her roles included regulatory financial reporting, risk management and compliance, as well as corporate finance projects.

Johnson Kandasamy A/L David Nagappan

Non-independent Non-Executive Director

Male, aged 62, Malaysian, was appointed to the Board of Dominant on 1 November 2004 and was re-designated as Senior Independent Non-Executive Director on 27 August 2018. However, on 1 October 2020, he was re-designated as a Non-Independent Non-Executive Director. He started his career in accountancy in 1981 as an audit trainee with a local accounting firm. Prior to establishing his own accounting firm, JK David & Co. in 2002, he served in various capacities in two other local accounting firms. He is a Chartered Accountant registered with the Malaysian Institute of Accountants, a Fellow of the Association of Chartered Certified Accountants, an approved tax agent and a Chartered Tax Practitioner registered with the Chartered Tax Institute of Malaysia.

He is an Independent Non-Executive Director of Apollo Food Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Noor Hazelin Binti Hashim

Independent Non-Executive Director

Female, aged 51, Malaysian, was appointed to the Board of Dominant on 28 February 2017. She graduated with a Bachelor of Law (Honours) from International Islamic University of Malaysia in 1995 and was admitted in Malaysian Bar in 1996. She is the founder and managing partner of Hazelin & Associates since 1997.



DIRECTORS' PROFILE (continued)

Han Hing Siew

Independent Non-Executive Director

Male, aged 65, Malaysian, was appointed to the Board of Dominant on 1 June 2018. He graduated with a Bachelor of Commerce degree majoring in Accounting from the University of Otago New Zealand in 1981. He is a Chartered Accountant registered with the Malaysian Institute of Accountants since 1992. He is a Certified Financial Planner registered with the Financial Planning Association of Malaysia since 2003.

He joined AmInvestment Bank Berhad (formerly Arab-Malaysian Merchant Bank Berhad) in 1991 and retired in 2016. He has served as Head of Investment Banking for the Southern Region which encompassed Corporate Advisory services (for Corporate Finance & Debt Capital Market), Corporate Loans, Treasury Solutions and Stockbroking services.

He is currently an Independent Non-Executive Director of Country View Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Tan Yin Beng

Independent Non-Executive Director

Male, aged 69, Malaysian, was appointed to the Board of Dominant on 1 October 2020. He graduated with a Bachelor of Science (Hons) in Mechanical Engineering from Portsmouth University (Formerly Portsmouth Polytechnic), England United Kingdom. He joined Panasonic System Networks Malaysia Sdn Bhd in March 1979 since inception. A total of 38 years 4 months from construction of factory as a trainee Engineer in 1979 progressively promoted until the position as Managing Director for 8 years and last 3 years as Senior Executive Advisor. He is a Fellow of The Institution of Engineer Malaysia (FIEM).

Family Relationship of Directors

None of the directors has any family relationship with any directors and/or major shareholders of the Company other than as disclosed below :-

1. Waldersee Chan Chung Ching is the spouse of Cha Shi Jiu and son-in-law of Cha Aku Wai @ Sia Ah Kow (Executive Director of Dominant's subsidiaries and Substantial Shareholder)
2. Cha Shi Jiu is the spouse of Waldersee Chan Chung Ching and daughter of Cha Aku Wai @ Sia Ah Kow (Executive Director of Dominant's subsidiaries and Substantial Shareholder)

Conflict of Interest

None of the directors has any conflict of interest with the Company.

Conviction of Offence

None of the directors has been convicted of any offence within the past 5 years other than traffic offences.

Securities Holdings

The particulars of the directors' shareholdings are set out in page 120 of this Annual Report.

KEY SENIOR MANAGEMENT INFORMATION

The key management team of Dominant Group of companies is headed by Mr Owee Geok Choon, who is the Managing Director of the Group. He is assisted by two (2) Executive Directors namely Mr Teo Yu Chin and Ms Cha Shi Jiu. All three (3) of them are the key senior management and their profile are set out on page 10 of this Annual Report.



MANAGEMENT DISCUSSION & ANALYSIS

Financial year ended 31 March 2023 ("FY2023") was a challenging year for the Group. Although most economies started to re-open their borders with COVID-19 moving into an endemic phase, global business environment continues to face many challenges and uncertainties. Geopolitical tension resulting from the Ukraine-Russia war and skyrocketing global inflation have suppressed economic growth, affecting businesses worldwide.

Despite the challenging business landscape, the Group remained profitable this financial year. The Group will continue to focus on its core businesses to consolidate its presence as the preferred and trusted market leader in the wood panel industry.

BUSINESS AND OPERATIONS

The Group has two core business segments, comprising distribution and manufacturing.

The distribution segment's activities are carried out by seven subsidiaries, namely Combi Trading Sdn Bhd, Ikta Sdn Bhd, Kim Guan Impex Sdn Bhd, Jurihan Sdn Bhd, Akati Impex Pte Ltd, Green Panel Pty Ltd and Favor Woodpanel (Thailand) Co Ltd. Through these companies, Dominant distributes wood panel and building material products to furniture manufacturers, interior designers, construction-related players and packaging companies in Malaysia, Singapore, Australia, Thailand and Vietnam.

Meanwhile, the manufacturing segment's business activities are executed by four subsidiaries, namely Premier Woodprofile Sdn Bhd, Bripanel Industries Sdn Bhd, Ecopanel Industries Sdn Bhd, and Akati Wood (Vietnam) Co. Ltd. These companies manufacture laminated wood panel products, wrapped MDF mouldings and furniture components for furniture manufacturers & interior design industries.

FINANCIAL REVIEW

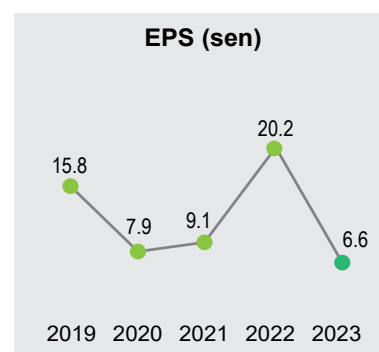
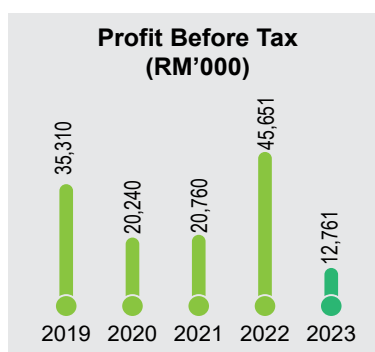
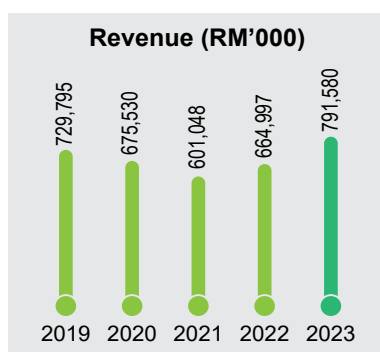
Group revenue in FY2023 rose 19.0% to RM791.6 million compared to RM665.0 million previously, driven mainly by the gradual opening of the economy as restrictions resulting from the COVID-19 pandemic eases.

Revenue from the distribution segment contributed RM644.8 million or 81.5% of group revenue, increasing 29.2% from RM499.2 million a year ago.

Revenue from the manufacturing segment fell 12.0% to RM145.4 million from RM165.2 million a year ago, due mainly to the slowdown in the country's furniture export industry.

Group operating profit fell 50.9% to RM27.9 million in FY2023, from RM56.8 million previously.

Group profit before tax reduced to RM12.8 million in FY2023 from RM45.7 million a year ago.



ASSETS, LIABILITIES AND EQUITY

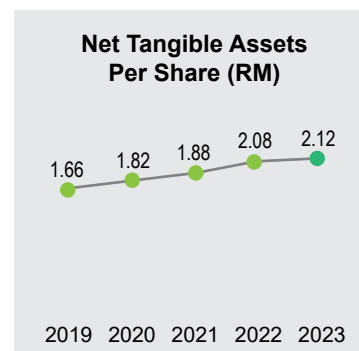
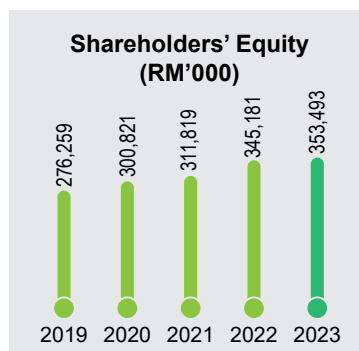
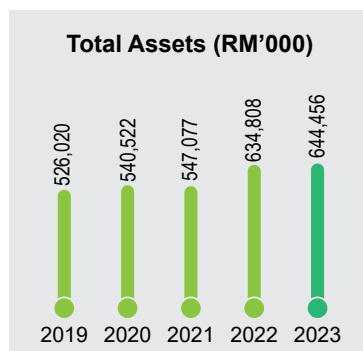
The Group's total asset base increased to RM644.5 million as at 31 March 2023 from RM634.8 million a year ago. This was mainly driven by higher valuation of properties, additions of property, plant and equipment and land held for property development.

The Group's total liability base increased to RM291.0 million as at 31 March 2023 from RM289.6 million previously. Bank borrowings increased to RM232.8 million from RM225.3 million.



MANAGEMENT DISCUSSION & ANALYSIS (continued)

ASSETS, LIABILITIES AND EQUITY (continued)



Group shareholders' equity rose to RM353.5 million, from RM345.2 million previously on higher retained earnings and revaluation reserve.

CAPITAL STRUCTURE AND CAPITAL RESOURCES

During the financial year ended 31 March 2019, the Group has entered into an agreement to purchase three parcels of industrial land in Muar totalling 18.4 acres, for RM12.8 million. The industrial land parcels are expected to be delivered in June 2024.

The Group has also purchased a piece of 9.7 acres of light industrial freehold land in Senai Airport City during the financial year ended 31 March 2022, for RM21.2 million. This piece of land has been delivered in December 2022, and the Group is currently working on the building plan.

For financial year ending 2024, the Group is constructing three warehouses in Johor Bahru on land parcels owned by the Group. Cost of construction excluding mechanical and electrical is estimated to be RM7.3 million. These warehouses will be rented out upon completion of construction.

These projects are financed by internally generated funds and bank borrowings.

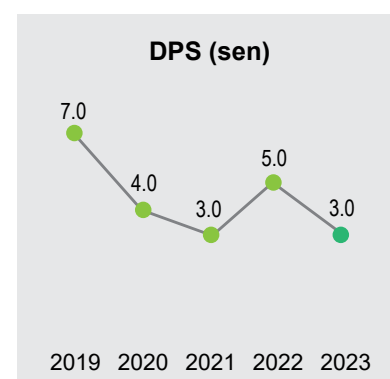
Dominant's debt over debt plus equity ratio remains at a comfortable position of 0.37 times as at 31 March 2023, allowing the Group sufficient flexibility to fund a larger project base, withstand any economic fluctuations and capture future opportunities.

DIVIDENDS

The Board of Directors of Dominant has declared and distributed three interim dividends in respect of FY2023, namely the first single-tier interim dividend of 1.0 sen per share paid on 27 October 2022, the second single-tier interim dividend of 0.5 sen per share paid on 22 December 2022, and the third single-tier interim dividend of 0.5 sen per share paid on 30 March 2023.

Furthermore, the Board is proposing a final single-tier dividend of 1.0 sen per share in respect of FY2023, subject to shareholders' approval at the upcoming Annual General Meeting.

In total, Dominant has declared dividends of 3.0 sen per share in respect of FY2023, equivalent to a dividend payout of approximately RM4.9 million, representing 45.4% of FY2023 net profit.





MANAGEMENT DISCUSSION & ANALYSIS (continued)

OPERATIONAL HIGHLIGHTS

Distribution

Revenue derived from distribution segment made up 81.5% of the Group's revenue, which increased from 75.1% last year. The Group aims to continue to enhance our distribution network coverage in the coming years for both local and overseas markets.

Manufacturing

The increased production capacity of the Group as a result of an additional line installed in our Dengkil factory allows the Group to expand our customer base to include furniture manufacturers not just for the export market but also for local market.

CHALLENGES

The Group has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. The Group is aware of the various internal and external risks that may negatively impact its future prospects.

The greatest and most immediate risk faced by the Group is the slowdown in the global economy. The Group's customer base is made up of a large proportion of furniture manufacturers for the export market, tying the Group's performance to the performance of the global economy. To counter this, the Group has continued to diversify its customers to include those that serve the local market, and at the same time, keep in close contact with our export-oriented customers to stay updated with their circumstances.

Fluctuating exchange rate is another challenge the Group will need to manage. The uncertainty in the movement of Malaysian Ringgit against the US dollar will result in volatility in the Group's profit. To manage this risk, the Group diligently monitors the movement of the foreign exchange rate and implements hedging as the need arises. The Group also strives to pass on movements in prices of stocks due to exchange rate fluctuation to our customers as much as possible, to minimise volatility to our profit.

Inflation continues to be another challenge that the Group faces. Inflation is expected to remain high, increasing the Group's operating expenses. The current high interest rate environment will also increase the Group's costs of borrowing. To mitigate this risk, the Group has leveraged on technology and automation to keep labour costs low, monitor our expenses closely, continue with our strategy to diversify sources of supplies, as well as ensure efficient cash flow management to minimise our borrowings.

PROSPECTS

Although the outlook for the global economy in the coming financial year is looking gloomy and uncertain, we remain cautiously optimistic about the Group's prospects. The Group will continue to focus on strengthening our position as market leader in the wood panel industry.

By keeping up to date with changing product needs, the Group is looking to expand our customer base and capture a bigger market share both locally and overseas. This includes working with our suppliers to source for more eco-friendly products to meet the increasing market demand, as well as broadening our product offerings to make us a one-stop shop to our customers.

The Group continues to be on the lookout for new investment or collaboration opportunities related to furniture and construction industries. Other non-related opportunities are also not ruled out as diversification also presents greater opportunities for growth.

In addition, the Group continues to work towards reducing operating costs by investing in new technologies and automated machinery to enhance efficiency and competitiveness.

The Group has built a strong positive reputation in the market over the years. Together with a sound financial position, despite the challenging market environment, we believe that the Group will continue to grow in the coming financial year.



SUSTAINABILITY STATEMENT

GENERAL

The Company and its subsidiaries (“Dominant Group” or “the Group”) recognises the importance of the sustainability of its business activities and their economic, environment and social impact. Hence, the Group is committed to operate its businesses in an economically, environmentally and socially sustainable manner, balancing business opportunities and risks and to further create value to its stakeholders in the long-term.

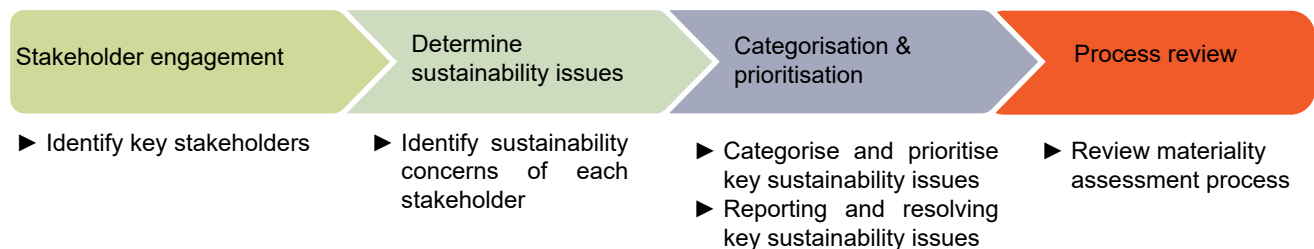
SUSTAINABILITY GOVERNANCE STRUCTURE

The sustainability governance structure of the Group is established in the following manner:



MATERIAL ASSESSMENT PROCESS

We carry out materiality assessment annually to identify and assess sustainability matters relevant to the Group as follows:











SUSTAINABILITY STATEMENT (continued)

STAKEHOLDER ENGAGEMENT

As the highest governance body within the Group, the Board assumes the ultimate responsibility for the integration of sustainability in the Group.

Based on engagement with the various stakeholders, we determined the following material sustainability issues for the year under review:

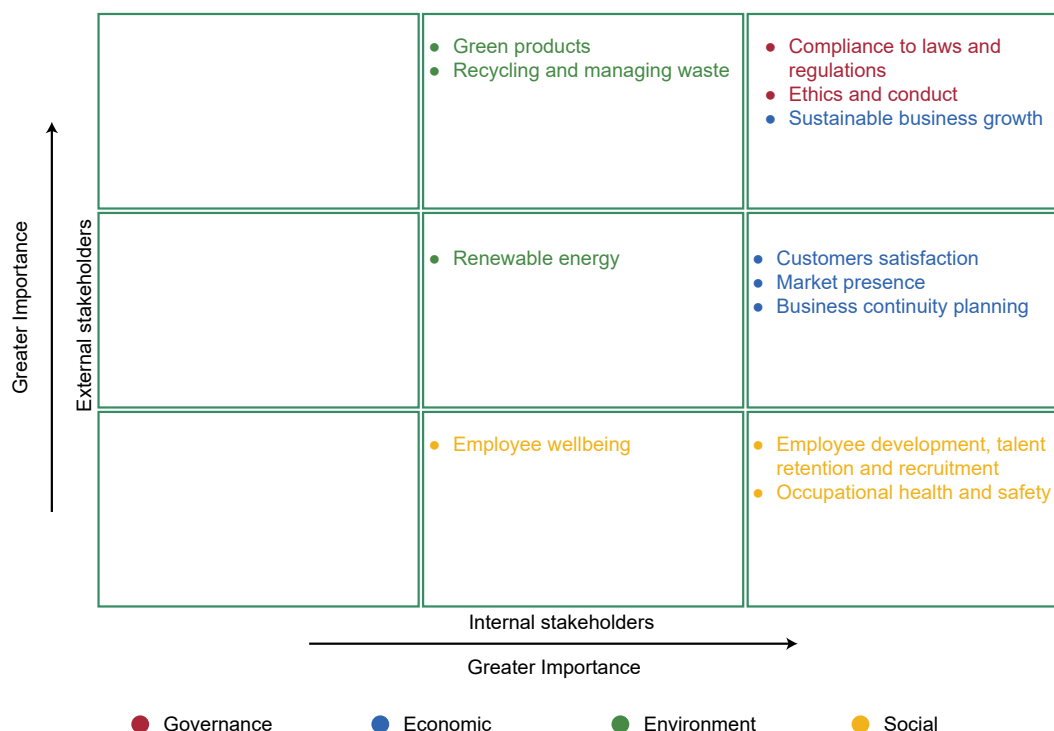
Stakeholder	Matters of concern	Engagement approaches
 Employees	<ul style="list-style-type: none"> • Career development and growth prospects • Discrimination • Remuneration commensurate with job responsibilities • Training opportunities and job security • Occupational safety and health • Employee welfare 	<ul style="list-style-type: none"> • Induction programme • Annual performance appraisal • Recreational activities • Volunteer opportunities • Learning and Development programmes • Regular Group-wide communication on Group policies • Annual education merit award
 Government & Regulators	<ul style="list-style-type: none"> • Compliance with laws and regulations 	<ul style="list-style-type: none"> • Annual financial audit • Noise compliance testing • Compliance to safety regulations • Compliance to hostel regulations • Permits and Licenses • Site visits and meetings
 Customers	<ul style="list-style-type: none"> • Customers' satisfaction • Long term business relationship • New/alternative products • Competitive pricing • Timely delivery • Credit worthiness 	<ul style="list-style-type: none"> • Regular customer visits • Customers' feedback • Active participation in activities organised by related industry associations • Social media • Customer audit
 Shareholders & Investors	<ul style="list-style-type: none"> • Long term sustainable growth • Diversification • Risk management • Group governance • Financial returns 	<ul style="list-style-type: none"> • Corporate website • Annual general meetings • Quarterly reporting • Annual report • Analyst meetups • Media coverage
 Suppliers, Bankers & Business partners	<ul style="list-style-type: none"> • Procurement process • Business sustainability • Reliability • Prompt payment • Credit terms 	<ul style="list-style-type: none"> • Quality feedback form • Periodic supplier visits • Supplier briefings and trainings • Attend exhibitions suppliers participate in • Regular meetings and correspondence
 Community	<ul style="list-style-type: none"> • Job creation for local communities • Provide help to the needy 	<ul style="list-style-type: none"> • Company website and social media • Charity club, WeCare, set up to drive volunteer/charity events



SUSTAINABILITY STATEMENT (continued)

MATERIALITY ASSESSMENT

We assessed the significance of each of the sustainability matters identified on its level of impact and influence to the Group, based on internal rating criteria and methodology. The result of the assessment is shown in the matrix below.



Material matters	Sustainability strategies
Governance	
1 Compliance to laws and regulations	Risk management; Board management & overall oversight
2 Ethics and conduct	Comply with Code of Ethics and Conduct, Anti-Bribery and Corruption Policy, Gift and Hospitality Policy, Whistleblowing Policy and Fit and Proper Policy
Economic	
3 Customers satisfaction	Understand customers' needs and manage customers' expectations
4 Market presence	Manage branding, reputation and increasing competition
5 Sustainable business growth	Expansion plans to maximise economic value, managing all risks and opportunities
6 Business continuity planning	Ensure personnel and assets are protected and are able to function quickly in the event of a disaster
Environment	
7 Recycling & managing waste	Proper waste management
8 Green Products	Work with more suppliers of green products; Sales and manufacture of environmentally friendly products
9 Renewable energy	Use of solar energy to generate electricity for factory operation
Social	
10 Employee development, talent recruitment & retention	Attract, engage, inspire and retain talent; internship programme, referral programme
11 Occupational health and safety	Ensure awareness through communication and training
12 Employee wellbeing	Fair employment and welfare and actively engage with employees through various events



SUSTAINABILITY STATEMENT (continued)

GOVERNANCE

Dominant Group strives to abide by all laws and regulations applicable to its business, and to conduct its business ethically and with integrity.

A Code of Conduct and Ethics has been adopted by the Group to provide guidance to its directors and employees on business conduct and maintaining a healthy corporate culture. The Group has put in place Standard Operating Policies and Procedures to guide all employees on their responsibilities and obligations they need to fulfil to comply to all applicable laws and regulations.

The Group has zero tolerance for any form of bribery and corruption and has put in place an Anti-Bribery and Corruption Policy, and a Gift and Hospitality Policy to provide guidance to all stakeholders. These policies begin at the top, with the Board of Directors setting a clear moral compass with the development and implementation of policies and practices at the highest level of decision-making. The same is cascaded to all employees.

A whistleblowing policy has also been developed and adopted by the Group to encourage individuals to be confident in raising their concerns without fear of reprisal, discrimination or adverse consequences.

The Group is pleased to share that there was no material breach of laws and regulations and none of our directors or employees were involved in any bribery and corruption practices or unethical behaviour in the financial year ended 31 March 2023.

ECONOMIC

As a leading manufacturer of wood-based wrapped MDF mouldings and flat laminated wood panel products, Dominant Group is also one of the major distributors of MDF, particleboard, plywood and other wood panel products in Malaysia.

The Group is aware that its businesses are exposed to various risks, hence effective risk management must be an integral part of its management practices. We are committed to the development of an effective enterprise risk management framework which will allow us to well manage the risks involved and continue to grow our businesses.

Meeting customers' needs and expectations is crucial to the Group in this increasingly competitive environment. The Group is dedicated to provide both quality and service to its customers. We place great importance on our customers' feedback to constantly improve our products and services. Through the good customer service provided to its customers, the Group has built up a favourable reputation in the industry, helping to sustain and grow its business over the years.

The COVID-19 pandemic has caused disruptions to businesses worldwide. The Group was, fortunately, able to manoeuvre through the storm as it was able to quickly put in place an efficient business continuity plan. The Group recognises that business continuity planning is important and will continue to maintain and even enhance its business continuity management.

ENVIRONMENT

The Group is putting in extra effort to introduce environmentally friendly products to the furniture and packing industries to cater to our customers' growing demand for green products. The Group has always strived to be environmentally responsible, ensuring that our operations adhere to industry best practice, reducing waste and pollution. We source our raw materials from sustainable forests and rubberwood plantations. We seek to educate our customers and the public about the benefits of using environmentally-friendly products and we are constantly sourcing and promoting such products to the market either through our sales colleagues or social media.

The Group ensures that any waste generated from its operations are either recycled or disposed of in a responsible manner.

The Group has started using solar energy in one of our manufacturing plants that is environmentally friendly, while saving on electricity expenses and earning from excess electricity generated. The solar panels have contributed 458,000 kWh (2022: 273,000 kWh) of our energy requirements during FY2023. This has enabled the Group to reduce our carbon footprint by more than 292,370 kg (2022: 174,340 kg) of reduced CO₂ emissions for the FY2023.

In addition, the Group is continuing its effort in switching from fluorescent lights to Light Emitting Diodes ("LED") in our premises to save on electricity and improve energy efficiency. We have also installed motion and light sensors around our facilities to reduce the wastage of electricity and to ensure the lights are switched on only when necessary.



SUSTAINABILITY STATEMENT (continued)

SOCIAL

Dominant Group takes its social responsibilities seriously and we are committed to address and monitor all aspects of social responsibilities within the environment we conduct business in.

Our People

The Group believes that its employees are its greatest assets and are critical to the overall success of the Group. During the pandemic period, the Group adheres strictly to all pandemic related regulations and policies, and ensures that our employees are well protected. Despite COVID-19 transitioning into the endemic phase, we continue to encourage our employees to keep the workplace safe. Employees are also able to work from home should the need arises.

The Group strives to be fair in the way we treat our employees with regards to the terms and conditions of their employment. We observe and comply with all required workforce rules and regulations in the Group's operations, including reasonable working hours, fair overtime compensation, public holidays and annual leave for our employees.

To continuously engage our employees, the Group has taken steps to be transparent and open in its communication, and makes effort to recognise employees for their efforts and contribution. Social activities are also encouraged and organised in the workplace to build rapport among employees.

The Group continues to invest in human resources to develop our employees and ensure that their well-being is taken care of. Appropriate trainings are provided and further studies sponsorships are available to our employees as part of their personal and career development with the Group.

The Group also recognises the importance of a good education and as part of our corporate social responsibility initiative, the Group has set up an Education Award. To encourage the children of our employees to do well in school, the Group provides these awards annually to those who have achieved good academic results. This education award is available for children of all employees, from primary school to university.

Community Commitments

The economic slowdown due to the pandemic, and resulting loss of jobs had affected the livelihood of the community in many ways. To help the unemployed in the community, the Group has put up recruitment banners in our premises, and branches have been conducting regular walk-in job interviews for local job seekers, when possible, as part of our effort to drive a shared and sustainable economic growth while simultaneously equipping the local communities with marketable skill sets.

Also, as part of the Group's commitment to contribute to the community, a charity club, WeCare, has been formed to take proactive steps to help the needy and less fortunate. Through this charity club, the Group and our employees make regular donations to old folks' homes or orphanages, and our employees are also offered opportunities to do volunteer work. This club is funded by the Group and its employees.



Throughout the financial year 2023, the Group's key initiatives include the below activities. We believe with the country opening up post pandemic, we will have more opportunities to participate in more of such meaningful activities.

Charity Event: Charity Walk Desa SJK(C) Thai Hong
Charity Event: Visit Persatuan Kebajikan Benih Anggerik
Charity Event: Visit Persatuan Kebajikan Amal Lexin

This statement was made in accordance with a resolution of the Board of Directors dated 5 July 2023.



AUDIT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE OF MEETINGS

The composition of the Audit Committee (“AC”) and details of members’ attendance of meetings held during the financial year ended 31 March 2023 are as follows:-

Name	Designation	No of meetings	
		Held	Attended
Han Hing Siew (Member of MIA)	Chairman/ Independent Non-Executive Director	5	5
Johnson Kandasamy A/L David Nagappan (Member of MIA)	Member/ Non-Independent Non-Executive Director	5	4
Noor Hazelin Binti Hashim	Member/ Independent Non-Executive Director	5	5
Tan Yin Beng	Member/ Independent Non-Executive Director	5	5

All members of the AC shall be financially literate and at least one of them shall be a member of the Malaysian Institute of Accountants or a person who fulfills the requirements under Paragraph 15.09(1)(c)(ii) and (iii) of the Main Market Listing Requirements. No alternate Director shall be appointed as a member of the Audit Committee.

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee are available on the Group’s website at www.dominant.com.my.

ACTIVITIES

During the financial year ended 31 March 2023 and up to the date of this Statement, the Audit Committee had carried out its duties in accordance with the terms of reference which included the following:

- Reviewed the unaudited quarterly financial results and recommended to the Board for announcements;
- Reviewed the audited financial statements for financial year ended 2022 and financial year ended 2023 to ensure the financial reports presented a true and fair view;
- Reviewed the proposed Single Tier Interim/Final/Special Final Dividend and recommended to the Board for approval;
- Reviewed the results and issues arising from the external audit and discussed the areas of concern with the External Auditors in the absence of management;
- Reviewed and recommended to the Board the re-appointment of External Auditors and reviewed their audit plan;
- Assessed the performance, suitability, objectivity and independence of Internal Auditors and recommended to the Board for re-appointment;
- Reviewed the external audit fees including non-audit fees proposed and recommended the same for approval by the Board;
- Reviewed the Audit Committee Report, Management Discussion and Analysis, Corporate Governance Overview Statement, Corporate Governance Report, Sustainability Statement, and Statement on Risk Management and Internal Control to be disclosed in Annual Report financial year ended 2022 and Annual Report financial year ended 2023;
- Reviewed Internal Audit Reports and Management’s responses on recommendations raised in the report;
- Advised Management to rectify and improve control procedures based on the Internal Audit Reports; and
- Reviewed the Risk Management Report and discussed the areas of concern with the management, including implications from the COVID-19 pandemic;

In addition, the AC also assessed the performance of the External Auditors. In conducting the assessment, the AC had taken the following into consideration, among other criteria:

- Independence and objectivity;
- Competency, quality of service and non-audit services rendered by the External Auditors;
- Rigor and quality of the audit;
- Effectiveness and timeliness of communicating and reporting to the AC;
- Adequacy of resources used; and
- Appropriateness of audit fee to support a quality audit

Having assessed and deliberated on the matter, the AC was satisfied that the External Auditors continued to possess the competency, objectivity, independence and experience required to fulfil their duties effectively and agreed to recommend that the Board table the re-appointment of the External Auditors at the coming 31st Annual General Meeting 2023.



AUDIT COMMITTEE REPORT (continued)

INTERNAL AUDIT FUNCTIONS

The internal audit department of the Group has continued to assist the Audit Committee in discharging its duties and responsibilities by undertaking regular and systematic reviews of the Group's risk management framework and internal processes and controls. The internal audit department also carries out regular checks to ensure compliance with standard operating procedures to provide reasonable assurance that the Group's processes and controls continue to remain relevant and effective.

AC held two (2) private sessions with Internal Auditors ("IA") without the presence of Management on 29 August 2022 and 24 November 2022 in connection with IA's audit for the financial year ended 2023.

Overview of the Group's approaches in maintaining a sound risk management framework and effective internal controls are stated in the Statement on Risk Management and Internal Control on page 30 and 31 of this annual report.

This report was made in accordance with a resolution of the Board of Directors dated 5 July 2023.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Dominant Enterprise Berhad ("DEB" or "Company") is pleased to report to the shareholders on the manner in which DEB and its Subsidiaries ("Group") has applied the principles and complied with the best practices outlined in the Malaysian Code on Corporate Governance 2021 ("the Code") for the financial year ended 31 March 2023.

The Board recognises the importance of adopting corporate governance as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and is committed to continue practising good corporate governance throughout the Group.

This statement shall be read in conjunction with the Corporate Governance Report which is available on the Group's website at www.dominant.com.my.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD COMPOSITION

The Company continues to be led and managed by an effective Board where the present members of the Board are drawn from diverse professional backgrounds with a good mix of skills and experience in different fields such as accounting & finance, marketing, engineering, law and business administration. The Board currently has eight (8) members, comprising three (3) Independent Non-Executive members, two (2) Non-Independent Non-Executive members (including the Chairman) and three (3) Executive members. Out of the eight (8) members, three (3) of them are independent, representing 37.5% of the Board.

The Board composition complies with Paragraph 15.02 of the Main Market Listing Requirements ("MMLR") of Bursa Securities which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, to be independent. The Board also met the MMLR in having at least one (1) woman Director on the Board and actually have two (2) women Directors in the Board presently.

Although Practice 5.2 of the Code states that the Board must comprise a majority of independent directors, the Board is of the view that the current size and composition of the Board of majority being non-executive directors are considered adequate to provide an optimum mix of skills, experience and expertise. With the current Board size, there is no disproportionate imbalance of power and authority within the Board, between the non-independent and independent directors. The Board is satisfied with the current Board composition and is of the view that the composition fairly reflects the interest of the minority shareholders of the Company. The Board will continue to monitor and review the Board's size and composition as needed.

2. BOARD ROLE AND RESPONSIBILITIES

The Board has overall responsibility for the performance of the Group, which includes strategic planning towards the Company's strategic objectives and to ensure that resources are made available to the management to enable them to meet those objectives.

The Board meets its responsibilities to shareholders by closely monitors the business performance of the Group, reviews the adequacy and integrity of Internal Control System, identifies potential risks and ensures appropriate systems are implemented in order to manage any potential risks. Strategic plans are reported by the Management to the Board during regular meetings. The Management highlights its thought process and reasoning behind the strategies while the Board offers opinions, views and inputs to ensure that such strategies are able to support the Group's business direction.

The Managing Director ("MD") is responsible for overseeing the day-to-day management and implementation of strategic plans as approved by the Board. The Chairman carries out a leadership role in the conduct of the Board and its relations to shareholders and other stakeholders. The roles of the Chairman and MD are independent with clear division of responsibilities between them to ensure balance of power and authority.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

2. BOARD ROLE AND RESPONSIBILITIES (continued)

Matters reserved for Board:

- a) Appointment and resignation of Directors and Board Committees members based on recommendations of the Nominating Committee;
- b) Approval and/or amendment on Terms of References of Board Committees;
- c) Disclosure of corporate governance practices in the Annual Report;
- d) Approval of the remuneration packages for all Directors and Senior Executives based on recommendations of the Remuneration Committee;
- e) Approval of Group's business strategy, opportunity and operational plans and budgets;
- f) Review the Group's performance on business strategy and opportunity and operational plans;
- g) Approval of quarterly and annual financial statements;
- h) Approval of the Annual Report and Statutory Financial Statements;
- i) Approval of dividends;
- j) Review of the effectiveness of the Group's system of internal controls; and
- k) Any other matters requiring the convening of a general meeting of shareholders or any class of shareholders.

A Board Charter Policy has been adopted and is available on the Company's website at www.dominant.com.my.

3. BOARD COMMITTEES

The Board has delegated certain of its responsibilities to three (3) committees. These are the Audit, Nominating and Remuneration Committees. All committees have written Terms of Reference and have the authority to look into particular issue and report or make recommendations to the Board.

(i) Audit Committee

The composition of the Audit Committee, Terms of Reference and the summary of the Committee's activities are set out on page 20 of this Annual Report.

(ii) Nominating Committee

The members of the Nominating Committee ("NC") comprise exclusively of Non-Executive Directors, majority of whom are Independent Directors, and their attendance of meetings during the financial year ended 31 March 2023 are as follows:

Committee	Attendance
Noor Hazelin Binti Hashim (Chairman)	2/2
Han Hing Siew	2/2
Johnson Kandasamy A/L David Nagappan	2/2
Tan Yin Beng	2/2

The roles and responsibilities of NC include identifying, selecting and recommending candidates for new board appointments. NC believes that the on-boarding process of Directors should not be based on any gender discrimination. As such, the evaluation of suitable candidates is based solely on the candidates' competency, professionalism, qualification, character, time commitment, integrity, experience and the ability to meet the needs of the Group.

NC has also carried out an annual assessment and evaluation on the effectiveness of the Board as a whole, the various Committees of the Board and the individual Directors. Assessment on the contribution of individual Director and Committee member was based on criteria such as role and duties, knowledge, expertise, integrity, time commitment, independence and training programs attended. Assessment on independence for all Independent Directors ("ID") was also carried out, and these included Independence as per Listing Requirements, knowledge of the Group's business operation, the required mixed of skill, ability to contribute balanced opinion to the Board's decision making process, independent and free from any relationship which could cause any ID to lose his independent judgement ability. Criteria for Board Assessment included Board's composition and structure, experience, mix of skills, succession planning, principal responsibilities and Board governance. The Committee also reviewed the structure, size and composition of the Board and will recommend retiring directors for re-election at the Company's forthcoming Annual General Meeting.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

3. BOARD COMMITTEES (continued)

New Appointment of Directors

All nominations for the appointment of new Directors shall be assessed by NC and to be recommended to the Board for approval. The actual decision as to who should be nominated should be the responsibility of the full Board after considering the recommendations made by NC. In making the recommendations, the NC should also consider candidates proposed by the MD, and within the bounds of practicability, by any other Senior Executive, Director or Shareholder.

The NC has adopted a nomination process as follows: -

- a) Identification of candidates;
- b) Evaluation of suitability of candidates;
- c) Meeting up with candidates;
- d) Final deliberation by NC; and
- e) Recommendation to the Board of Directors.

Re-Election of Directors

In compliance with the Constitution of the Company, one third (1/3) of the Directors shall retire by rotation at each Annual General Meeting ("AGM"), and a Director who is appointed during the year shall retire at the next AGM and shall be eligible for re-election. The Constitution provides that all Directors shall retire from office at least once every three (3) years. Prior to re-election, the Nominating Committee shall ensure that its recommendation shall be subject to a satisfactory performance evaluation outcome of the individual Director, with due consideration to the tenure of the Director and the extent to which the Director's expertise, skills, knowledge, and experience interplay with those of other Board members, as well as their roles as committee members. The Board will also include its statement of support in the notes accompanying the notice of general meeting together with any information shareholders may require in making an informed decision on the appointment.

Directors' Fit and Proper Policy

In compliance to the MMLR, the Group has established on 31 May 2022 a formal and transparent Fit and Proper Policy for appointment of new Directors and re-election of its Directors. The Board and the NC shall conduct the fit and proper assessment prior to the appointment of any candidate as a Director or making recommendation for the re-election of an existing Director.

Foster Commitment

In line with the recommendation of the Code whereby the Board should set out expectation on time commitment for its members and protocols for accepting new directorships, Directors shall notify the Chairman before accepting any new directorship outside the Group, indicating the estimated time required to be spent on the new appointment. The Directors are also required to comply at all times with the restriction on the number of directorships as prescribed in the Listing Requirement.

Tenure of Independent Director ("ID")

Practice 5.3 of the Code states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine years, an Independent Director may continue to serve on the board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

As of 31 March 2023, there was no Independent Non-Executive Director whose tenure exceeds a cumulative period beyond nine (9) years. The Board has in essence complied with Practice 5.3 of the Code which stipulates that the tenure of an Independent Director should not exceed a term limit of nine (9) years.

The Terms of Reference of NC is available on the Group's website at www.dominant.com.my.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

3. BOARD COMMITTEES (continued)

(iii) Remuneration Committee

The Remuneration Committee ("RC") was formed to assist the Board in reviewing remuneration for Directors and Senior Executives. The RC members and their attendance of meetings during the financial year ended 31 March 2023 are as follows :

Committee	Attendance
Tan Yin Beng (Chairman)	1/1
Johnson Kandasamy A/L David Nagappan	1/1
Han Hing Siew	1/1
Noor Hazelin Binti Hashim	1/1

Remuneration Policies:

- The RC reviews the remuneration packages of Executive Directors and Senior Executives and makes recommendations to the Board for approval. In its review, the RC considers various factors, among others, the compensation levels for comparable positions in other similar public listed companies, Director's fiduciary duties, time commitment expected, and the Group's performance.
- The fees payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree.
- The Directors shall be reimbursed for all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company, including travelling and other expenses incurred in attending board meetings of the Company.

The remuneration of each Director for the financial year ended 31 March 2023 is set out as follows (also as key senior management): -

Name	Amount in Ringgit Malaysia (RM'000)			
	Directors Fee	Salary & Other Emoluments	Meeting Allowance	EPF
EXECUTIVE DIRECTORS				
Owee Geok Choon	-	1,030	3	106
Teo Yu Chin	-	668	3	64
Cha Shi Jiu	-	734	3	95
NON-EXECUTIVE DIRECTORS				
Waldersee Chan Chung Ching	100	-	3	-
Johnson Kandasamy A/L David Nagappan	40	-	3	-
Noor Hazelin Binti Hashim	40	-	3	-
Han Hing Siew	40	-	3	-
Tan Yin Beng	40	-	3	-

The Terms of Reference of the RC are available on the Company's website at www.dominant.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

4. BOARD MEETINGS

The Board meets on a quarterly basis to review the quarterly results of the Group prior to announcement to Bursa Malaysia Securities Berhad. The Board discusses significant operational issues and material development. All meetings are scheduled at least five (5) working days in advance to enable the Board to go through the agendas and prepare in advance to the meeting.

For the financial year ended 31 March 2023, four (4) meetings were held. The attendance record of the members of the Board meetings is as follows :-

Executive Directors	Attendance	Non-Executive Directors	Attendance
Owee Geok Choon	4/4	Waldersee Chan Chung Ching	4/4
Teo Yu Chin	4/4	Johnson Kandasamy A/L David Nagappan	4/4
Cha Shi Jiu	4/4	Noor Hazelin Binti Hashim	4/4
		Han Hing Siew	4/4
		Tan Yin Beng	4/4

In addition to the quarterly meetings, the Non-Executive Directors have met without the presence of Executive Directors to discuss on the strategic, governance and operational issues for the financial year ended 31 March 2023 in accordance with the recommendation of the Code.

5. SUPPLY OF INFORMATION

The Board members have full and timely access to all relevant information and records, and the unrestricted access to the advice and services of the Company Secretary and Auditors. Notice of meetings and agenda, accompanied by detailed reports, are circulated to all Board members in a timely manner to provide sufficient time to the member to seek prior clarification, if any, and to prepare in advance for the meetings. All issues discussed during the Board meetings are recorded by the Company Secretary and all minutes of meetings are kept in the minutes book at the registered office.

The Company Secretaries shall organise and attend all Board and Board Committee meetings, ensure meetings are properly convened, recorded, and resolutions passed are maintained accordingly at the registered office of the Company, and assist the Chairman in the preparation and conducting of general meetings. They are also responsible to advise the Board on any new updates relating to statutory and regulatory requirements, ensure the Group's compliance with its legal and regulatory requirements.

Where necessary, the Directors may seek independent professional advice at the Group's expense in order to discharge their duties and responsibilities effectively. If a Board member considers it necessary to seek such advice, the member shall first discuss with the Chairman and bring the matter to the Board during Board meetings. The seeking of independent professional advice and the proposed cost should be presented to Board for approval.

In discharging its duties efficiently and effectively, the Board is assisted by Company Secretaries namely Yong May Li (f) and Wong Chee Yin (f) and the details of the Company Secretaries are disclosed in Practice 1.5 of CG Report.

6. DIRECTORS' TRAINING

Beside the Mandatory Accreditation Programme ("MAP") that had been attended by all Directors pursuant to Paragraph 15.08 of the MMLR, the Directors are aware of the importance of continuous training to upgrade themselves on the changes to regulatory requirements and the impact of such regulatory requirements have on the Group and to further enhance their skills and knowledge to better equip themselves to effectively discharge their duties. The Company Secretary will often circulate the relevant guidelines on statutory and regulatory requirements from time to time to keep the Board regularly updated on new regulations.

Directors will also attend trainings recommended by NC based on its annual performance assessment on the training and development needs of Directors. These updates and trainings shall enable Directors to discharge their responsibilities and duties more effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

6. DIRECTORS' TRAINING (continued)

The courses attended during the financial year under review are as below:

Director	Seminar/ Course
Waldersee Chan Chung Ching	Mental Health Awareness Privacy and Security Awareness Training Evolving Our Approach to Talent Planning
Owee Geok Choon	UOBM Wholesale Banking Webinar - Navigating Through The Volatile Market Managing Your Business Post - Budget 2023 by OCBC
Teo Yu Chin	UOB Malaysia- Global Connectivity and Sustainability- Are We ready? Malaysia Thai Chamber of Commerce - Indochina Malaysian Business Chambers E-Forum 2022 Malaysian Thai Chamber of Commerce - The Future of ASEAN
Cha Shi Jiu	UOBM Wholesale Banking Webinar - Navigating Through The Volatile Market Circular Economy Conference 2022 MIRA Webinar - What Should Investor Relations Know About Section 17A - MACC Act 2009 UOB - Global Markets Economic Forum 2023
Johnson Kandasamy A/L David Nagappan	Audit Committee Conference 2022 MIA Virtual Conference Series: MPERS And SMEs Financial Reporting Conference 2022 Planning & Risk Assessment In Audits of Financial Statements
Noor Hazelin Binti Hashim	Career and Trading Opportunities in Derivatives Market Leadership for Enterprise Sustainability Asia (LESA) 2023 Conference CABE Malaysia International Conference 2023: Embedding Sustainability
Han Hing Siew	Audit Oversight Board Conversation with Audit Committees Drafting Sustainability Statement or Report, Identifying and Scoping Contents for Meaningful Disclosure and Monitoring Understanding the Amendment to Listing Requirement 2022, Guidelines on Conduct of Directors of Listed Corporation & their Subsidiaries and Issued by Securities Commission, and the application of Fit & Proper Policy, and Solvency Test under Companies Act 2016
Tan Yin Beng	Audit Oversight Board Conversation with Audit Committees Drafting Sustainability Statement or Report, Identifying and Scoping Contents for Meaningful Disclosure and Monitoring Understand ESG: Good ESG Leads To Better Enterprise Assessment Of The Board, Board Committees and Individual Directors Metaverse: Roadmap To Adoption and Opportunities Engagement Quality Reviews and Documentation: ISQM 2, ISA 220 Revised, ISA 230 Conversation With Audit Committees - Session 2



CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Relationship with External Auditors (“EA”)

The Board, through the Audit Committee, always maintains an appropriate and transparent relationship with the EA. The EA attend the Audit Committee meeting at least twice during the financial year to discuss their audit plans, audit findings and their review of the Company and the Group financial statements.

The EA had provided their assurance to the Audit Committee that they are in compliance with the independence requirements set out in the by-laws (on Professional Ethics, Conduct and Practice) and the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (‘IESBA Code’). With the recommendation from the Audit Committee, the Board is agreeable and satisfied with the suitability and independence of the EA.

The Audit Committee had evaluated the performance, suitability, objectivity and independence of the EA and made recommendations to the Board on their re-appointment and audit fees.

2. Risk Management

The Board recognises the importance of Risk Management in the process of pursuing the Company’s objectives. The Risk Management Committee, which comprises of the Group’s Executive Directors and Senior Executives, assists the Board in its commitment to establish an ongoing process of identifying, evaluating and managing any risks faced by the Group.

3. Internal Control

The internal audit function is performed in-house and the costs incurred for the internal audit function in respect of the financial year ended 31 March 2023 is approximately RM 368,000. The Statement on Risk Management and Internal Control as detailed under pages 30 and 31 of this annual report provides an overview of the state of internal controls within the Group.

The Audit Committee had also evaluated the performance of the Internal Auditors (“IA”) and had made recommendation to the Board for the IA team to continue with their duties.

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

1. Corporate Disclosure and Communication with Stakeholders

The Board continues to acknowledge the need for shareholders and investors to be provided with timely disclosures on material business matters affecting the Group. All such information is released to shareholders through the Group’s quarterly results, annual report and public announcements in a timely manner. In addition, shareholders are encouraged to participate at the Group’s Annual General Meeting (“AGM”) where members of the Board, Senior Management and the external auditors are available to respond to shareholders’ questions. The Company’s AGM is the principal forum for dialogue and communication with its shareholders and investors. The notice of AGM will be dispatched to Shareholders at least 28 days before the date of meeting.

Shareholders, investors and members of the public may also forward their queries to the Company at Tel: 607-558 8318, Fax: 607-554 3720, Email: debgroup@dominant.com.my or through the enquiry form accessible through the Group’s website at www.dominant.com.my.

Furthermore, the Board is committed to upkeep the values of transparency, integrity, impartiality and accountability in the conduct of the Group’s business and affairs. An Anti-Bribery and Corruption Policy and a Gift and Hospitality Policy have been adopted to further strengthen these values, while a Whistleblowing Policy has been adopted to provide a structured reporting channel and guidance to all employees of the Group and members of the public to disclose any improper conduct. These policies are available on the Group’s website at www.dominant.com.my.

2. Poll Voting

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad, the Company has conducted poll voting for all the resolutions set out in the notice of general meetings. The Company will appoint polling agent and scrutineer to validate the vote cast at the AGM.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (continued)

3. Financial Reporting

It is the Board's responsibility to present a balanced and meaningful assessment of the Group's position and prospects through the annual financial statements. The Board is also responsible for taking reasonable steps to safeguard the assets of the Group, and to mitigate fraud, irregularities, material misstatements and losses. It is the Board's duty to ensure all accounting records are properly kept.

The Board has undertaken various steps to ensure that timely, accurate and up-to-date financial information are announced to Bursa Malaysia Securities Berhad. In preparing the financial statements, the Board has ensured that the Group has consistently and prudently applied appropriate accounting policies, and is compliant to relevant Financial Reporting Standards. The Board has also ensured that the financial statements complied with the Companies Act 2016 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

ADDITIONAL COMPLIANCE INFORMATION

(i) Audit and Non-Audit Fees

The amount of audit fees paid or payable to the auditors for the financial year ended 31 March 2023:

	The Group RM	The Company RM
Audit Fees	239,961	20,000
Non-Audit Fees	4,400	1,000

(ii) Material Contract

There were no material contracts involving directors or major shareholders other than those entered in the ordinary course of business by the Company disclosed in the financial statements.

This statement was made in accordance with a resolution of the Board of Directors dated 5 July 2023.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

This Statement is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, requires listed issuer to make a statement in their annual report about their state of internal control as a Group.

Board of Directors' Responsibilities

The Board continues with its commitment to maintain a sound risk management framework and effective internal controls in the Group. In pursuing these objectives, the Board recognises that having such framework and controls can only provide reasonable but not absolute assurance against any material misstatement or losses.

A formal Board Charter has been adopted which is designed to provide guidance to directors in discharging their duties. Regular Board meetings are held where important matters are discussed to ensure the Board maintains full and effective supervision over key issues. The Board is also assisted by the various committees with clearly defined responsibilities. The Executive Committee comprising the Executive Directors and Senior Management participate actively in the day-to-day operations of each of the Group's subsidiary. Significant corporate matters are brought to the Board and Audit Committee for further deliberation and reviews.

Risk Management and Internal Control

The following represent the key elements of the Group's risk management framework and internal controls:

1. A Risk Management Committee, comprising of the Managing Director as the Chairperson, other Executive Directors and a consultant employed by the Group has been formed. The Committee meets as and when required, but at least twice a year, to discuss and review the risk profile of the Group, with a report to the Audit Committee for review. The latest report dated 28 February 2023 was submitted with no exception noted.
2. A structured risk management framework for identifying, assessing and measuring business risks of the Group is in place and is established within the risk appetite of the Group.
3. The Audit Committee has full access to both internal and external auditors. For each financial year, an audit plan is presented by the external auditors to the Audit Committee for its review and approval. In addition, quarterly financial reports and audited financial statements are also presented to the Audit Committee for assessment.
4. Internal Auditors ("IA") conduct regular reviews on the effectiveness of the Group's internal controls through its visits to the Group's branches and business divisions. During the financial year, IA had conducted reviews of all the branches located in Malaysia, Singapore, Thailand and Vietnam. Reports were presented to both the Audit Committee and Senior Management to highlight the audit findings. It is also IA's responsibility to monitor the adherence of standard operating procedures by all employees.
5. An organisation structure chart has been drawn with clearly defined level of responsibilities, delegation of authority and proper segregation of duties.
6. A Standard Operating Procedures Manual with clearly defined procedures on each task delegated is maintained. All departmental heads have been instructed to give full guidance to their staff to ensure that they are well trained on their job. This manual is reviewed annually and revised as and when required to meet operational needs.
7. The Management is committed to employ suitably qualified staff to ensure operation efficiency. Performance appraisal system is in place with the objective of ensuring staff are competent to carry out their duties and responsibilities.
8. The Group maintains adequate insurance coverage on all assets.
9. The Executive Directors review all areas of significant financial risk, and recommend any capital projects and investments after due assessment, to the Board for approval.
10. The Executive Directors and Senior Management meet on a quarterly basis. Management accounts are presented to the Executive Directors as and when required to facilitate the review of financial and operational performance of the business divisions.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Risk Management and Internal Control (continued)

The following represent the key elements of the Group's risk management framework and internal controls: (continued)

11. Treasury department manages the Group's cash balances and exposure to currency transaction risks through monitoring procedures and forward contracts on foreign currency respectively.
12. An Anti-Bribery and Corruption Policy and a Gift and Hospitality Policy have been adopted by the Group in accordance to Section 17A on corporate liability of the Malaysian Anti-Corruption Commission Act 2009. A whistleblowing policy has been developed and adopted by the Group to encourage individuals to be confident in raising their concerns without fear of reprisal, discrimination or adverse consequences. A Fit and Proper Policy for the appointment and re-election of Directors has also been adopted by the Group to improve Board quality and promote greater transparency.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Board of Directors and management thereon. The external auditors have reported to the Board that nothing has come to their attention that causes them to believe on the basis of the procedures performed and evidence obtained, that the Statement on Risk Management and Internal Control, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is it factually inaccurate.

Conclusion

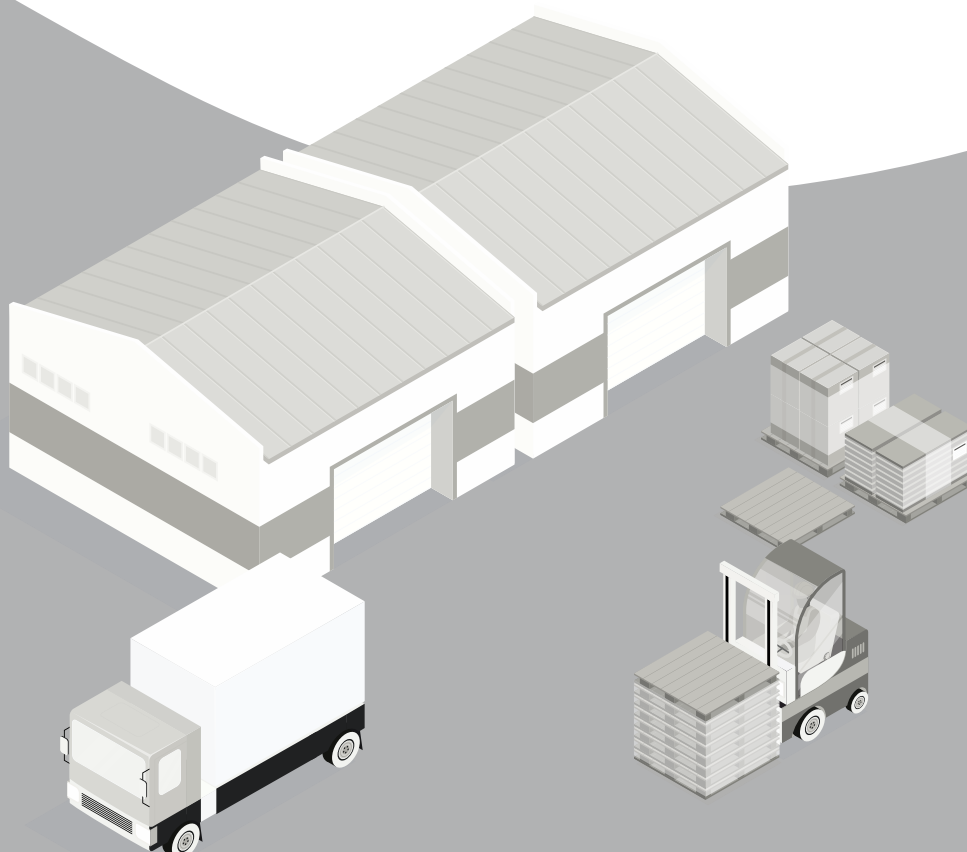
The Board has received assurance from the Managing Director that the Group's risk management framework and internal controls are relevant and operating adequately and effectively in all material aspects.

The Board is of the view that the risk management framework and internal controls are operating effectively and has not resulted in any significant breakdown or weaknesses that would cause any material loss to the Group for the financial year ended 31 March 2023.

This statement was made in accordance with a resolution of the Board of Directors dated 5 July 2023.

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and providing management services. The principal activities of the subsidiaries are mainly manufacturing of laminated wood panel products, wrapped mouldings and furniture components and distribution of wood products. The principal activities and details of the subsidiaries are set out in Note 11 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group	Company
	RM	RM
Profit for the financial year	<u>10,822,720</u>	<u>5,208,506</u>
Profit attributable to owners of the parent	<u>10,822,720</u>	<u>5,208,506</u>

DIVIDENDS

Dividends paid, declared or proposed by the Company since the end of the previous financial year were as follows:

	RM
In respect of financial year ended 31 March 2022:	
Final single tier dividend of 1 sen per ordinary share, paid on 22 September 2022	1,652,402
Special final single tier dividend of 1 sen per ordinary share, paid on 22 September 2022	1,652,402
In respect of financial year ended 31 March 2023:	
First single tier interim dividend of 1 sen per ordinary share, paid on 27 October 2022	1,652,402
Second single tier interim dividend of 0.5 sen per ordinary share, paid on 22 December 2022	826,201
Third single tier interim dividend of 0.5 sen per ordinary share, paid on 30 March 2023	<u>826,201</u>
	<u>6,609,608</u>

The Directors recommend a single tier final dividend of 1 sen per ordinary share, amounting to RM1,652,402 in respect of the financial year ended 31 March 2023. The proposed dividends will be subject to approval by shareholders of the Company at the Annual General Meeting. The financial statements for the financial year ended 31 March 2023 do not reflect these proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2024.

RESERVES AND PROVISIONS

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



DIRECTORS' REPORT (continued)

ISSUE OF SHARES AND DEBENTURES

There were no issues of new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Dominant Enterprise Berhad

Mr. Owee Geok Choon
Mr. Teo Yu Chin
Ms. Cha Shi Jiu
Mr. Waldersee Chan Chung Ching
Mr. Johnson Kandasamy A/L David Nagappan
Puan Noor Hazelin Binti Hashim
Mr. Han Hing Siew
Mr. Tan Yin Beng

Subsidiaries of Dominant Enterprise Berhad

Mr. Owee Geok Choon
Mr. Teo Yu Chin
Ms. Cha Shi Jiu
Mr. Chan Han Ching
Mr. Chin Soon Kong
Mr. Cha Aku Wai @ Sia Ah Kow
Mr. Ong Teng Ser
Mr. Teo Choon Kiat @ Teo Chuan Kit

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and options over ordinary shares in the Company and of its related corporations during the financial year ended 31 March 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

Shares in the Company	[----- Number of ordinary shares -----]			
	Balance as at 1.4.2022	Bought	Sold	Balance as at 31.3.2023
<u>Direct interests:</u>				
Mr. Owee Geok Choon	753,903	-	-	753,903
Mr. Teo Yu Chin	143,484	-	-	143,484
Ms. Cha Shi Jiu	1,715,512	-	-	1,715,512
Mr. Waldersee Chan Chung Ching	1,200,000	-	-	1,200,000
<u>Indirect interests:</u>				
Mr. Owee Geok Choon	50,400	-	-	50,400
Ms. Cha Shi Jiu	1,200,000	-	-	1,200,000
Mr. Waldersee Chan Chung Ching	1,715,512	-	-	1,715,512

Shares in the ultimate holding company	[----- Number of ordinary shares -----]			
	Balance as at 1.4.2022	Bought	Sold	Balance as at 31.3.2023
NS Pacific Sdn. Bhd.				
<u>Direct interests:</u>				
Mr. Owee Geok Choon	300	-	-	300
Mr. Teo Yu Chin	1,410	-	-	1,410
Ms. Cha Shi Jiu	100	-	-	100

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares and options over ordinary shares in the Company or ordinary shares, options over ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

DIRECTORS' REPORT (continued)

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 March 2023 were as follow:

	Group RM	Company RM
Salaries and other emoluments	3,088,845	1,910,653
Fees	260,000	260,000
Contribution to defined contribution plans	271,293	225,266
	3,620,138	2,395,919

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for the Directors or officers and the auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT (continued)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)

(d) In the opinion of the Directors:

- (i) there has not arisen 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 financial year in which this report is made; and
- (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) 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.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

ULTIMATE HOLDING COMPANY

The Directors regard NS Pacific Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2023 were as follows:

	Group RM	Company RM
Audit fees	239,961	20,000
Non-audit fees	4,400	1,000

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



Owee Geok Choon
Director

Johor Bahru
5 July 2023



Teo Yu Chin
Director



STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 42 to 119 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,



Owee Geok Choon
Director

Johor Bahru
5 July 2023



Teo Yu Chin
Director

STATUTORY DECLARATION

I, Owee Geok Choon, being the Director primarily responsible for the financial management of Dominant Enterprise Berhad, do solemnly and sincerely declare that the financial statements set out on pages 42 to 119 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)
Johor Bahru in the state of)
Johor Darul Ta'zim this)
5 July 2023)



Owee Geok Choon

Before me:





INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOMINANT ENTERPRISE BERHAD (INCORPORATED IN MALAYSIA)

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of Dominant Enterprise Berhad, which comprise the statements of financial position as at 31 March 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 42 to 119.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matter of the Group

Recoverability of trade receivables

As at 31 March 2023, trade receivables of the Group amounted to RM198,075,806. The details of trade receivables and the related credit risks have been disclosed in Note 14 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

Audit response

Our audit procedures included the following:

- a) recomputed the probability of default using historical data and forward looking information of the Group;
- b) recomputed the correlation coefficient between forward looking factors and historical credit losses to determine the appropriateness of the forward looking information of the Group;
- c) inquiries of management to assess the rationale underlying the relationship between the forward looking information and expected credit losses; and
- d) verified the level of cash received subsequent to the end of the reporting period for its effect in reducing the amounts outstanding as at the end of the reporting period.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOMINANT ENTERPRISE BERHAD (INCORPORATED IN MALAYSIA) (continued)

Key Audit Matters (continued)

Key Audit Matter of the Company

We have determined that there is no key audit matter to communicate in our report in respect of the audit of the 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 or 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:

- (a) 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.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOMINANT ENTERPRISE BERHAD (INCORPORATED IN MALAYSIA) (continued)

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

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) 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.
- (f) 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 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 subsidiaries of which we have not acted as auditors, are disclosed in Note 11 to the financial statements.

Other Matters

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



BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
5 July 2023



Francis Cyril A/L S R Singam
03056/04/2025 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	165,673,358	163,593,298	38,301	35,774
Right-of-use assets	8	20,141,018	16,767,210	287,156	367,292
Investment properties	9	31,024,820	30,656,373	-	-
Inventories	10	27,603,883	6,012,774	-	-
Investments in subsidiaries	11	-	-	92,050,476	92,050,476
Other investment	12	-	-	-	-
Deferred tax assets	20	118,926	118,926	-	-
Goodwill	13	836,556	836,556	-	-
		245,398,561	217,985,137	92,375,933	92,453,542
Current assets					
Inventories	10	126,429,268	161,605,036	-	-
Trade and other receivables	14	207,448,694	183,621,216	17,842,577	19,870,092
Current tax assets		2,107,974	233,469	232,414	226,293
Short term investments	15	53,772,973	55,471,950	28,787,969	31,114,924
Cash and bank balances	16	9,298,445	15,891,040	81,486	115,640
		399,057,354	416,822,711	46,944,446	51,326,949
TOTAL ASSETS		644,455,915	634,807,848	139,320,379	143,780,491
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	17	83,097,429	83,097,429	83,097,429	83,097,429
Reserves	18	270,395,718	262,083,210	17,527,792	18,928,894
TOTAL EQUITY		353,493,147	345,180,639	100,625,221	102,026,323



STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023 (continued)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
LIABILITIES					
Non-current liabilities					
Borrowings	19	26,354,682	13,426,099	-	-
Lease liabilities	8	3,066,535	2,959,407	46,521	114,088
Deferred tax liabilities	20	12,331,582	12,017,894	-	-
		41,752,799	28,403,400	46,521	114,088
Current liabilities					
Trade and other payables	21	39,186,549	42,725,156	38,581,070	41,575,198
Borrowings	19	206,468,497	211,878,185	-	-
Lease liabilities	8	2,962,616	2,198,063	67,567	64,882
Current tax liabilities		592,307	4,422,405	-	-
		249,209,969	261,223,809	38,648,637	41,640,080
TOTAL LIABILITIES		290,962,768	289,627,209	38,695,158	41,754,168
TOTAL EQUITY AND LIABILITIES		644,455,915	634,807,848	139,320,379	143,780,491

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	24	791,579,667	664,996,994	13,569,317	17,588,365
Finance income	25	560,498	1,180,570	477,352	779,784
Other operating income		6,413,460	16,909,172	366,143	52,801
Changes in inventories of work-in-progress and finished goods		(623,392,637)	(453,145,683)	-	-
Raw materials and consumables used		(100,279,398)	(122,693,016)	-	-
Employee benefits	26	(28,621,364)	(28,977,406)	(5,718,126)	(5,618,868)
Directors' remuneration	27	(3,620,138)	(5,451,252)	(2,395,919)	(3,641,326)
Depreciation of property, plant and equipment	7	(3,692,025)	(3,086,911)	(6,994)	(6,933)
Depreciation of right-of-use assets	8	(3,058,141)	(2,724,409)	(80,136)	(33,390)
Other operating expenses		(14,145,606)	(14,852,356)	(997,201)	(730,456)
Finance costs	28	(8,983,235)	(6,505,026)	(5,930)	(2,574)
Profit before tax	29	12,761,081	45,650,677	5,208,506	8,387,403
Tax expense	30	(1,938,361)	(12,272,426)	-	(125,706)
Profit for the financial year		<u>10,822,720</u>	<u>33,378,251</u>	<u>5,208,506</u>	<u>8,261,697</u>

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (continued)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations	30(a)	1,731,357	(471,072)	-	-
Items that will not be reclassified subsequently to profit or loss					
Fair value adjustment on revaluation of properties	30(a)	2,368,039	7,063,949	-	-
Total other comprehensive income, net of tax		4,099,396	6,592,877	-	-
Total comprehensive income		14,922,116	39,971,128	5,208,506	8,261,697
Profit attributable to owners of the parent		10,822,720	33,378,251	5,208,506	8,261,697
Total comprehensive income attributable to owners of the parent		14,922,116	39,971,128	5,208,506	8,261,697
Earnings per ordinary share attributable to owners of the parent (sen)					
- Basic	32	6.55	20.20		
- Diluted	32	6.55	20.20		

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



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

Group	Note	[-----Non-distributable-----]			Distributable		Total equity RM
		Share capital RM	Revaluation reserve RM	Foreign exchange translation reserve RM	Retained earnings RM		
Balance at 1 April 2022		83,097,429	55,464,849	6,197,149	200,421,212		345,180,639
Profit for the financial year		-	-	-	10,822,720		10,822,720
Other comprehensive income							
Fair value adjustment on revaluation of properties, net of tax		-	2,368,039	-	-		2,368,039
Foreign currency translations, net of tax		-	-	1,731,357	-		1,731,357
Total comprehensive income		-	2,368,039	1,731,357	10,822,720		14,922,116
Transactions with owners							
Dividends paid	31	-	-	-	(6,609,608)		(6,609,608)
Balance at 31 March 2023		83,097,429	57,832,888	7,928,506	204,634,324		353,493,147



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

Group	Note	[-----Non-distributable-----]			<u>Distributable</u>	
		Share capital	Revaluation reserve	Foreign exchange translation reserve	Retained earnings	Total equity
		RM	RM	RM	RM	RM
Balance at 1 April 2021		83,097,429	48,400,900	6,668,221	173,652,569	311,819,119
Profit for the financial year		-	-	-	33,378,251	33,378,251
Other comprehensive income						
Fair value adjustment on revaluation of properties, net of tax		-	7,063,949	-	-	7,063,949
Foreign currency translations, net of tax		-	-	(471,072)	-	(471,072)
Total comprehensive income		-	7,063,949	(471,072)	33,378,251	39,971,128
Transactions with owners						
Dividends paid	31	-	-	-	(6,609,608)	(6,609,608)
Balance at 31 March 2022		83,097,429	55,464,849	6,197,149	200,421,212	345,180,639

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



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

Company	Note	<u>Non-distributable</u>	<u>Distributable</u>	Total equity
		Share capital RM	Retained earnings RM	
Balance at 1 April 2022		83,097,429	18,928,894	102,026,323
Profit for the financial year		-	5,208,506	5,208,506
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	5,208,506	5,208,506
Transactions with owners				
Dividends paid	31	-	(6,609,608)	(6,609,608)
Balance at 31 March 2023		83,097,429	17,527,792	100,625,221
Balance at 1 April 2021		83,097,429	17,276,805	100,374,234
Profit for the financial year		-	8,261,697	8,261,697
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	8,261,697	8,261,697
Transactions with owners				
Dividends paid	31	-	(6,609,608)	(6,609,608)
Balance at 31 March 2022		83,097,429	18,928,894	102,026,323

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

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

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		12,761,081	45,650,677	5,208,506	8,387,403
Adjustments for:					
Property, plant and equipment					
- depreciation	7	3,692,025	3,086,911	6,994	6,933
- reversal of impairment losses	7	-	(19,944)	-	-
- written off	7	17,539	28,474	-	-
- gain on disposal	29	(219,780)	(196,137)	-	(23,998)
Depreciation of right-of-use assets	8	3,058,141	2,724,409	80,136	33,390
Gain on termination of lease		(1,530)	(15,745)	-	-
Fair value adjustment on investment properties	9	(47,987)	(593,893)	-	-
(Written back)/Write down of slow-moving inventories	10	(113,000)	1,530,394	-	-
Impairment losses on receivables					
- additions	14	803,779	1,301,520	-	-
- reversals	14	(1,326,198)	(1,090,271)	-	-
Fair value gain on short term investments	15	(897,157)	(86,628)	(298,300)	(28,803)
Dividend income	24	-	-	(5,000,000)	(12,400,000)
Interest income	25	(560,498)	(1,180,570)	(477,352)	(779,784)
Interest expense	28	8,983,235	6,505,026	5,930	2,574
Bad debts written off	29	72,418	-	-	-
Unrealised (gain)/loss on foreign exchange	29	(321,683)	(164,271)	1,228	1,470
Operating profit/(loss) before working capital changes		25,900,385	57,479,952	(472,858)	(4,800,815)
Changes in working capital:					
Inventories		29,208,196	(58,947,019)	-	-
Trade and other receivables		(22,211,395)	(31,910,092)	(10,944)	45,073
Trade and other payables		(3,773,598)	(4,995,598)	(3,037,948)	999,223
Cash generated from/(used in) operations		29,123,588	(38,372,757)	(3,521,750)	(3,756,519)
Interest paid		(160,583)	(188,231)	-	-
Tax paid		(8,113,796)	(8,244,967)	(6,121)	(384,170)
Net cash from/(used in) operating activities		20,849,209	(46,805,955)	(3,527,871)	(4,140,689)



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (continued)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received from subsidiaries	24	-	-	5,000,000	12,400,000
Interest received	25	560,498	1,180,570	477,352	779,784
Net repayments from/(to) subsidiaries		-	-	2,037,228	(16,553,334)
Net advances to ultimate holding company		(6,970)	-	-	-
Net withdrawal of short-term investments	15(a)	2,596,134	14,812,503	2,625,255	15,174,650
Property, plant and equipment					
- Proceeds from disposal		260,231	211,387	-	24,000
- Additions	7(c)	(3,400,681)	(10,046,634)	(9,521)	(2,652)
Investment properties					
- Proceeds from disposal		770,000	-	-	-
- Additions	9	(35,000)	(63,790)	-	-
Net cash from investing activities		744,212	6,094,036	10,130,314	11,822,448
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash payments on right-of-use assets	8	-	(419,914)	-	(200,682)
Dividends paid	31	(6,609,608)	(6,609,608)	(6,609,608)	(6,609,608)
Interest paid		(8,569,994)	(6,044,931)	-	-
Net repayments to subsidiaries		-	-	43,820	(820,178)
Repayments of term loans		(2,815,865)	(2,974,888)	-	-
Net (repayment)/proceeds of borrowings		(6,843,808)	58,570,540	-	-
Repayments of lease liabilities	8	(3,070,189)	(2,699,521)	(70,812)	(23,604)
Net cash (used in)/from financing activities		(27,909,464)	39,821,678	(6,636,600)	(7,654,072)
Net (decrease)/increase in cash and cash equivalents		(6,316,043)	(890,241)	(34,157)	27,687
Cash and cash equivalents at beginning of financial year		15,499,383	16,439,322	115,640	87,955
Effects of exchange rate fluctuations on cash and cash equivalents		(31,087)	(49,698)	3	(2)
Cash and cash equivalents at end of financial year	16(b)	9,152,253	15,499,383	81,486	115,640



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

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings* (Note 19)	Lease liabilities (Note 8)	
	Group	Group	Company
	RM	RM	RM
Balance as at 1 April 2022	224,912,627	5,157,470	178,970
Cash flows	(9,659,673)	(3,070,189)	(70,812)
Non-cash flows:			
- Additions	-	3,558,607	-
- Drawdown of term loans	16,751,428	-	-
- Effect of foreign exchange	672,605	218,499	-
- Termination	-	(87,894)	-
- Interest expense	-	252,658	5,930
Balance as at 31 March 2023	<u>232,676,987</u>	<u>6,029,151</u>	<u>114,088</u>
Balance as at 1 April 2021	168,751,295	6,112,384	-
Cash flows	55,595,652	(2,699,521)	(23,604)
Non-cash flows:			
- Additions	-	1,725,100	200,000
- Drawdown of term loans	1,082,850	-	-
- Effect of foreign exchange	(517,170)	(25,435)	-
- Termination	-	(226,921)	-
- Interest expense	-	271,863	2,574
Balance as at 31 March 2022	<u>224,912,627</u>	<u>5,157,470</u>	<u>178,970</u>

* Borrowings exclude bank overdrafts.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

1. CORPORATE INFORMATION

Dominant Enterprise Berhad ('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 Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor, Malaysia.

The principal place of business of the Company is located at No. 2, Jalan Gemilang 1, Taman Perindustrian Maju Jaya, 81300 Johor Bahru, Johor, Malaysia.

The Directors regard NS Pacific Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

The consolidated financial statements for the financial year ended 31 March 2023 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 5 July 2023.

2. PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and providing management services. The principal activities of the subsidiaries are set out in Note 11 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 5 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- (a) The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- (b) Substantive potential voting rights held by the Company and by other parties;
- (c) Other contractual arrangements; and
- (d) Historic patterns in voting attendance.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- (b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- (c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the serviced are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

- (a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.
- (b) Other contingent consideration that:
 - (i) is within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9.
 - (ii) is not within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Business combinations (continued)

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

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 4.8 to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land and building are stated at cost less any accumulated depreciation and any accumulated impairment losses. Freehold land and buildings are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Freehold land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax, if any, and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

Depreciation is calculated to write off the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings	2%
Plant and machinery	4% - 10%
Motor vehicles and forklifts	10% - 20%
Electrical fittings and installations	10%
Office equipment, furniture and fittings	5% - 10%
Stores, cabin and renovations	10%



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment and depreciation (continued)

Freehold land has unlimited useful life and is not depreciated. Construction-in-progress comprises a warehouse under construction and is not depreciated until such time when the asset is available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.9 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

4.5 Leases

The Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

- (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

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

Right-of-use asset

The right-of-use asset is initially recorded at cost, which comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Leases (continued)

The Group as a lessee (continued)

Right-of-use asset (continued)

Subsequent to the initial recognition, the right-of-use asset except for leasehold land are stated at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Leasehold land related to a class of property, plant and equipment to which the Group applies valuation model in MFRS 16, the Group elects to apply revaluation model to all of the right-of-use asset that related to that class of property, plant and equipment.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

Leasehold land	50 years to 99 years
Buildings	2 years to 6 years
Motor vehicles	20%

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest in the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group as a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and are recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

4.6 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

The fair value of investment properties reflect among other things, rental income from current leases and other assumption that market participants would use when pricing investment properties under current market conditions.

Fair values of investment properties are based on valuations by registered independent valuers with appropriate recognised professional qualification and have recent experience in the location and category of the investment properties being valued.

A gain or loss arising from a change in fair value of investment properties is recognised in profit or loss for the period in which arises.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Investment properties (continued)

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

4.7 Investments

Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

4.8 Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the interest of the Group in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the share of the net fair value of net assets of the associates' identifiable assets and liabilities by the Group at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the share of the net fair value of the associate's identifiable assets and liabilities by the Group over the cost of investment is included as income in the determination of the share of the associate's profit or loss by the Group in the period in which the investment is acquired.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries), inventories, deferred tax assets and investment properties measured at fair value, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill that has an indefinite useful life is tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with MFRS 8 *Operating Segments*.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to profit or loss.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets 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.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve account of the same asset. However, to the extent that an impairment loss in the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Inventories

- (a) Inventories of raw materials, work-in-progress, finished goods, consumables and trading merchandise

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

Cost is determined using the first-in, first-out formula. Cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct costs and a proportion of production overheads based on normal operating capacity of the production facilities.

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

- (b) Land held for property development

Land held for property development consist of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property 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.

4.11 Financial instruments

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

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Financial instruments (continued)

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss (FVTPL), directly attributable transaction costs.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of any impairment losses, if any.

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income (FVTOCI), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequently to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by the Group in the management of its short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Financial instruments (continued)

(a) Financial assets (continued)

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

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

Financial liabilities are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities measured at FVTPL or financial liabilities measured at amortised cost.

(i) Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group that does not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for the Group's own credit risk increase or decrease which is recognised in other comprehensive income. Net gain or losses on derivatives include exchange differences.

(ii) Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For financial liabilities measured at amortised cost, gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Financial instruments (continued)

(b) Financial liabilities (continued)

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statements of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity instruments

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

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

4.12 Impairment of financial assets

The Group applies the simplified approach to measure expected credit loss ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

The Group considers credit loss experience and observable data such as current changes and futures forecasts in economic conditions of the Group's industry to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Impairment of financial assets (continued)

Impairment for other receivables, equity loan and amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. Credit impaired refers to any individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

The probability of non-payment other receivables equity loan and amounts due from subsidiaries is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables, equity loan and amounts due from subsidiaries.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

4.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.14 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by foreign subsidiaries to the Group and Company, and real property gains taxes payable on disposal of properties.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on distribution of retained earnings to companies in the Group) and real property gains taxes payable on disposal of properties, if any.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statements of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Income taxes (continued)

(b) Deferred tax (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

- (i) the same taxable entity; or
- (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of the reporting period.

4.15 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.16 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Contingent liabilities and contingent assets (continued)

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4.17 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted and are expensed when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiaries make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

4.18 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each entities of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia ('RM'), which is the functional and presentation currency of the Company.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Foreign currencies (continued)

(c) Foreign operations

Financial statements of foreign operations are translated at end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to items reflected in profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of the reporting period.

4.19 Revenue recognition

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

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

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

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers.

Sale of goods

Revenue from sale of goods is recognised at a point in time when the goods has been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

Revenue recognition not in relation to performance obligations is described below:

(a) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(b) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentive provide to the lessee is recognised as reduction of rental income over the lease term on a straight line basis.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Revenue recognition (continued)

(c) Other income

(i) Management fee

Management fee from rendering of services is recognised when the services are rendered to the subsidiaries.

(ii) Interest income

Interest income is recognised as it accrues, using the effective interest method.

4.20 Operating segments

Operating segments are defined as components of the Group that:

- (a) Engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:
 - (i) The combined reported profit of all operating segments that did not report a loss; and
 - (ii) The combined reported loss of all operating segments that reported a loss.
- (c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five percent (75%) of the Group's revenue. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.21 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 Earnings per share (continued)

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.22 Fair value measurements

The fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

- (a) The condition and location of the asset; and
- (b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant 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 fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

5.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
<i>Annual Improvements to MFRS Standards 2018-2020</i>	1 January 2022
<i>Reference to the Conceptual Framework</i> (Amendments to MFRS 3 <i>Business Combinations</i>)	1 January 2022
<i>Property, Plant and Equipment - Proceeds before Intended Use</i> (Amendments to MFRS 116 <i>Property, Plant and Equipment</i>)	1 January 2022
<i>Onerous Contracts - Cost of Fulfilling a Contract</i> (Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>)	1 January 2022

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Group and the Company.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i> (Amendment to MFRS 17 <i>Insurance Contracts</i>)	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
<i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i> (Amendments to MFRS 112 <i>Income Taxes</i>)	1 January 2023
<i>International Tax Reform - Pillar Two Model Rules</i> (Amendments to MFRS 112 <i>Income Taxes</i>)	1 January 2023
<i>Lease liability in a sale and leaseback</i> (Amendments to MFRS 16 <i>Leases</i>)	1 January 2024
<i>Classification of Liabilities as Current or Non-current</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2024
<i>Non-current Liabilities with Covenants</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2024
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investments in Associates and Joint Ventures</i>)	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments since the effects would only be observable in future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Recoverability of trade receivables

Recoverability of trade receivables requires management to exercise significant judgements in determining the probability of default by trade receivables and appropriate forward looking information.



NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023 (continued)

7. PROPERTY, PLANT AND EQUIPMENT

Group 2023	Balance as at 1.4.2022 RM	Additions RM	Disposals RM	Written off RM	Reclassi- fication (Note 8) RM	Depreciation charge for the financial year RM	Fair value adjustment RM	Exchange differences RM	Balance as at 31.3.2023 RM
Carrying amount									
Freehold land	76,185,001	-	-	-	-	-	-	-	76,185,001
Buildings	62,795,448	1,153,036	-	-	-	(1,507,463)	344,770	48,001	62,833,792
Plant and machinery	5,251,966	411,657	-	-	-	(656,031)	-	1	5,007,593
Motor vehicle and forklifts	2,588,514	184,366	(18,766)	-	41,439	(871,956)	-	48,656	1,972,253
Electrical fittings and installation	1,896,056	101,782	-	-	-	(207,250)	-	4,707	1,795,295
Office equipment, furniture and fittings	3,030,448	276,440	(21,685)	(17,539)	-	(405,285)	-	16,208	2,878,587
Stores, cabin and renovations	345,581	889,200	-	-	-	(44,040)	-	6,184	1,196,925
Construction-in-progress	11,500,284	2,303,628	-	-	-	-	-	-	13,803,912
	163,593,298	5,320,109	(40,451)	(17,539)	41,439	(3,692,025)	344,770	123,757	165,673,358
[-----At 31.3.2023 -----]									
							Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Freehold land	-	-	-	-	-	76,185,001	-	-	76,185,001
Buildings	-	-	-	-	-	76,074,854	(13,229,026)	(12,036)	62,833,792
Plant and machinery	16,529,365	-	-	-	-	-	(11,521,772)	-	5,007,593
Motor vehicles and forklifts	10,503,925	-	-	-	-	-	(8,531,672)	-	1,972,253
Electrical fittings and installation	2,579,784	-	-	-	-	-	(784,489)	-	1,795,295
Office equipment, furniture and fittings	6,358,775	-	-	-	-	-	(3,480,188)	-	2,878,587
Stores, cabin and renovations	1,783,182	-	-	-	-	-	(586,257)	-	1,196,925
Construction-in-progress	13,803,912	-	-	-	-	-	-	-	13,803,912
	51,558,943	152,259,855					(38,133,404)	(12,036)	165,673,358



NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023 (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Balance as at 1.4.2021	Additions	Disposals	Written off	Reclassi- fication (Note 8)	Reclassi- fication (Note 9)	Reclassi- fication	Depreciation charge for the financial year	Fair value adjustment	Reversal of impairment losses	Exchange differences	Balance as at 31.3.2022
2022	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Carrying amount												
Freehold land	77,657,728	-	-	-	-	(6,428,256)	(95,246)	-	5,050,775	-	-	76,185,001
Buildings	40,288,024	2,937,576	-	-	-	-	17,497,013	(1,198,969)	3,202,338	19,944	49,522	62,795,448
Plant and machinery	3,459,397	2,387,308	(2,558)	-	-	-	-	(592,181)	-	-	-	5,251,966
Motor vehicle and forklifts	1,923,341	1,181,748	(5)	-	252,126	-	-	(768,252)	-	-	(444)	2,588,514
Electrical fittings and installation	130,529	597,966	-	-	-	-	1,284,816	(117,735)	-	-	480	1,896,056
Office equipment, furniture and fittings	2,119,583	1,137,527	(6,487)	(28,474)	-	-	176,717	(367,590)	-	-	(828)	3,030,448
Stores, cabin and renovations	390,520	6,200	(6,200)	-	-	-	-	(42,184)	-	-	(2,755)	345,581
Construction- in-progress	34,366,733	2,881,159	-	-	(330,465)	(6,553,843)	(18,863,300)	-	-	-	-	11,500,284
	160,335,855	11,129,484	(15,250)	(28,474)	(78,339)	(12,982,099)	-	(3,086,911)	8,253,113	19,944	45,975	163,593,298



NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023 (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

	[-----At 31.3.2022-----]				
	Cost RM	Valuation RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
Freehold land	-	76,185,001	-	-	76,185,001
Buildings	-	75,406,511	(12,599,027)	(12,036)	62,795,448
Plant and machinery	16,101,114	-	(10,849,148)	-	5,251,966
Motor vehicle and forklifts	10,816,190	-	(8,227,676)	-	2,588,514
Electrical fittings and installation	2,471,246	-	(575,190)	-	1,896,056
Office equipment, furniture and fittings	6,161,488	-	(3,131,040)	-	3,030,448
Stores, cabin and renovations	868,069	-	(522,488)	-	345,581
Construction-in-progress	11,500,284	-	-	-	11,500,284
	47,918,391	151,591,512	(35,904,569)	(12,036)	163,593,298



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2023	Balance as at 1.4.2022 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.3.2023 RM
Carrying amount				
Office equipment	35,774	9,521	(6,994)	38,301

[----- At 31.3.2023 -----]

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Office equipment	91,541	(53,240)	38,301

Company 2022	Balance as at 1.4.2021 RM	Additions RM	Disposal RM	Depreciation charge for the financial year RM	Balance as at 31.3.2022 RM
Carrying amount					
Motor vehicle	2	-	(2)	-	-
Office equipment	40,055	2,652	-	(6,933)	35,774
	40,057	2,652	(2)	(6,933)	35,774

[----- At 31.3.2022 -----]

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Office equipment	82,020	(46,246)	35,774

- (a) Had the revalued freehold land and buildings been carried at cost less accumulated depreciation, the carrying amounts would have been:

	Group	
	2023 RM	2022 RM
Freehold land	49,340,189	49,340,189
Buildings	45,628,533	45,543,641
	94,968,722	94,883,830



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) The fair value of the properties of the Group are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Freehold land	-	-	76,185,001	76,185,001
Buildings	-	-	62,833,792	62,833,792
	-	-	139,018,793	139,018,793
2022				
Freehold land	-	-	76,185,001	76,185,001
Buildings	-	-	62,795,448	62,795,448
	-	-	138,980,449	138,980,449

- (i) Freehold land and buildings ('properties') of the Group were revalued on 31 March 2023 and 31 March 2022 by the Directors based on valuation exercise carried out by an independent firm of registered professional valuers.
- (ii) The fair value measurements of the properties (at valuation) are based on the highest and best use which does not differ from their actual use.
- (iii) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 March 2023 and 31 March 2022.
- (iv) The significant unobservable inputs used in determining the Level 3 fair value measurements by external valuers using cost or comparison approach valuation techniques, comparing the subject properties with similar properties in the locality or larger neighbourhood which were recently sold and asking selling prices with adjustments made for location, size, shape and terrain of land, accessibility, tenure, title restriction if any, availability of infrastructure and other relevant characteristics.

Description of valuation techniques used and key inputs to valuation on properties measured at Level 3:

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
Freehold land	Comparison method	Price per square foot	RM15 to RM105 (2022: RM15 to RM105)	Lower price per square foot, lower fair value.
Buildings	Comparison method	Price per square foot	RM27 to RM77 (2022: RM27 to RM77)	Lower price per square foot, lower fair value
Buildings	Cost method	Estimated replacement cost per square foot	RM52 to RM177 (2022: RM50 to RM177)	Higher estimated replacement cost, lower fair value.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) The fair value of the properties of the Group are categorised as follows: (continued)

(v) The following table shows a reconciliation of balances of properties whose fair values have been classified in Level 3 of the fair value hierarchy:

	Group	
	2023	2022
	RM	RM
Balance as at 1 April 2022/2021	138,980,449	117,945,752
Additions	1,153,036	2,937,576
Depreciation charge on properties	(1,507,463)	(1,198,969)
Exchange differences	48,001	49,522
Fair value adjustment	344,770	8,253,113
Reversal of impairment losses	-	19,944
Transfer from construction work-in-progress	-	17,401,767
Transfer to investment properties (Note 9)	-	(6,428,256)
	<u>139,018,793</u>	<u>138,980,449</u>
Balance as at 31 March 2023/2022	<u>139,018,793</u>	<u>138,980,449</u>

(c) During the financial year, the Group and Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Purchase of property, plant and equipment	5,320,109	11,129,484	9,521	2,652
Financed by term loans	(1,919,428)	(1,082,850)	-	-
	<u>3,400,681</u>	<u>10,046,634</u>	<u>9,521</u>	<u>2,652</u>
Cash payments on purchase of property, plant and equipment	<u>3,400,681</u>	<u>10,046,634</u>	<u>9,521</u>	<u>2,652</u>

(d) Included in the construction-in-progress of the Group is the interest capitalised for project not ready for its intended use during the financial year amounting to RM290,875 (2022: RM265,007).



NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023 (continued)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group and the Company as lessee

(i) Right-of-use assets

Group Carrying amount	Balance as at 1.4.2022 RM	Additions RM	Depreciation RM	Reclassi- fication (Note 7) RM	Termination RM	Fair value adjustment RM	Exchange differences RM	Balance as at 31.3.2023 RM
Leasehold land	11,078,027	-	(259,333)	-	-	2,615,278	153,611	13,587,583
Buildings	4,036,327	3,558,607	(2,515,884)	-	(86,364)	-	181,946	5,174,632
Motor vehicle	1,652,856	-	(282,924)	(41,439)	-	-	50,310	1,378,803
	16,767,210	3,558,607	(3,058,141)	(41,439)	(86,364)	2,615,278	385,867	20,141,018

[-----At 31.3.2023 -----]				
Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM	
-	16,078,006	(2,490,423)	13,587,583	
11,954,195	-	(6,779,563)	5,174,632	
1,805,888	-	(427,085)	1,378,803	
13,760,083	16,078,006	(9,697,071)	20,141,018	



NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023 (continued)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

THE GROUP AND THE COMPANY AS LESSEE (CONTINUED)

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

Group	Carrying amount	Balance as at 1.4.2021 RM	Additions RM	Depreciation RM	Reclassi- fication (Note 7) RM	Reclassi- fication (Note 9) RM	Termination RM	Fair value adjustment RM	Exchange differences RM	Balance as at 31.3.2022 RM
Leasehold land		11,185,843	-	(252,060)	330,465	(453,859)	-	111,150	156,488	11,078,027
Buildings		5,219,638	1,245,100	(2,189,306)	-	-	(211,176)	-	(27,929)	4,036,327
Motor vehicle		1,283,150	899,914	(283,043)	(252,126)	-	-	-	4,961	1,652,856
		<u>17,688,631</u>	<u>2,145,014</u>	<u>(2,724,409)</u>	<u>78,339</u>	<u>(453,859)</u>	<u>(211,176)</u>	<u>111,150</u>	<u>133,520</u>	<u>16,767,210</u>

[-----At 31.3.2022 -----]				
Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM	
-	13,293,948	(2,215,921)	11,078,027	
10,086,323	-	(6,049,996)	4,036,327	
1,855,241	-	(202,385)	1,652,856	
<u>11,941,564</u>	<u>13,293,948</u>	<u>(8,468,302)</u>	<u>16,767,210</u>	



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

(I) Right-of-use assets (continued)

Company	Balance as at 1.4.2022	Depreciation	Balance as at 31.3.2023
Carrying amount	RM	RM	RM
Motor vehicle	367,292	(80,136)	287,156
	[-----At 31.3.2023-----]		
	Cost	Accumulated depreciation	Carrying amount
	RM	RM	RM
Motor vehicle	400,682	(113,526)	287,156

Company	Balance as at 1.4.2021	Additions	Depreciation	Balance as at 31.3.2022
Carrying amount	RM	RM	RM	RM
Motor vehicle	-	400,682	(33,390)	367,292
	[-----At 31.3.2022-----]			
	Cost	Accumulated depreciation	Carrying amount	
	RM	RM	RM	
Motor vehicle	400,682	(33,390)	367,292	

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

(II) Lease liabilities

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Balance as at 1 April	5,157,470	6,112,384	178,970	-
Additions	3,558,607	1,725,100	-	200,000
Lease payments	(3,070,189)	(2,699,521)	(70,812)	(23,604)
Interest expenses	252,658	271,863	5,930	2,574
Termination of lease	(87,894)	(226,921)	-	-
Exchange differences	218,499	(25,435)	-	-
Balance as at 31 March	<u>6,029,151</u>	<u>5,157,470</u>	<u>114,088</u>	<u>178,970</u>
Represented by:				
Current liabilities	2,962,616	2,198,063	67,567	64,882
Non-current liabilities	3,066,535	2,959,407	46,521	114,088
	<u>6,029,151</u>	<u>5,157,470</u>	<u>114,088</u>	<u>178,970</u>
Lease liabilities owing to financial institutions	599,954	836,501	114,088	178,970
Lease liabilities owing to non-financial institutions	5,429,197	4,320,969	-	-
	<u>6,029,151</u>	<u>5,157,470</u>	<u>114,088</u>	<u>178,970</u>

(a) The Group has certain leases of hostel with lease term of 12 months or less. The Group and Company applies the "short-term lease" exemption for these leases.

(b) The following are the amounts recognised in profit or loss:

	Group	
	2023 RM	2022 RM
Depreciation of right-of-use assets	3,058,141	2,724,409
Interest expense on lease liabilities (included in finance costs)	252,658	271,863
Expense relating to short-term leases (included in other operating expenses)	<u>989,368</u>	<u>1,004,254</u>



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

(II) Lease liabilities (continued)

(b) The following are the amounts recognised in profit or loss: (continued)

	Company	
	2023	2022
	RM	RM
Depreciation of right-of-use assets	80,136	33,390
Interest expense on lease liabilities (included in finance costs)	5,930	2,574
Expense relating to short-term leases (included in other operating expenses)	221,600	24,000

(c) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Included in net cash on operating activities:				
Payment relating to short-term leases	989,368	1,004,254	221,600	24,000
Interest paid in relation to lease liabilities	252,658	271,863	5,930	2,574
Included in net cash on financing activities:				
Purchase of right-of-use assets	-	419,914	-	200,682
Payment of lease liabilities	3,070,189	2,699,521	70,812	23,604
	<u>4,312,215</u>	<u>4,395,552</u>	<u>298,342</u>	<u>250,860</u>

(d) The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(e) Had the revalued leasehold land been carried at cost less accumulated depreciation, the carrying amounts would have been:

	Group	
	2023	2022
	RM	RM
Leasehold land	<u>2,941,077</u>	<u>2,972,912</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

(f) The fair value of the properties of the Group are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Leasehold land	-	-	13,587,583	13,587,583
2022				
Leasehold land	-	-	11,078,027	11,078,027

- (i) Leasehold land ('properties') of the Group were revalued on 31 March 2023 and 31 March 2022 by the Directors based on valuation exercise carried out by an independent firm of registered professional valuers.
- (ii) The fair value measurements of the properties (at valuation) are based on the highest and best use which does not differ from their actual use.
- (iii) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 March 2023 and 31 March 2022.
- (iv) The significant unobservable inputs used in determining the Level 3 fair value measurements by external valuers using comparison approach valuation techniques, comparing the subject properties with similar properties in the locality or larger neighbourhood which were recently sold and asking selling prices with adjustments made for location, size, shape and terrain of land, accessibility, tenure, title restriction if any, availability of infrastructure and other relevant characteristics.

Description of valuation techniques used and key inputs to valuation on properties measured at Level 3:

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
Leasehold land	Comparison method	Price per square foot	RM30 to RM139 (2022: RM30 to RM139)	Lower price per square foot, lower fair value.

- (v) The following table shows a reconciliation of balances of properties whose fair values have been classified in Level 3 of the fair value hierarchy:

	Group	
	2023 RM	2022 RM
Balance as at 1 April 2022/2021	11,078,027	11,185,843
Depreciation charge on properties	(259,333)	(252,060)
Exchange differences	153,611	156,488
Fair value adjustment	2,615,278	111,150
Transfer to property, plant and equipment (Note 7)	-	330,465
Transfer to investment properties (Note 9)	-	(453,859)
Balance as at 31 March 2023/2022	13,587,583	11,078,027



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group and the Company as lessee (continued)

(g) During the financial year, the following cash payments on right-of-use assets:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Addition of right-of-use assets	3,558,607	2,145,014	-	400,682
Financed by lease arrangement	-	(480,000)	-	(200,000)
Addition via lease liabilities	(3,558,607)	(1,245,100)	-	-
Cash payments on right-of-use assets	-	419,914	-	200,682

(h) Weighted average incremental borrowing rate of the lease liabilities of the Group and the Company as at the end of the reporting period is 4.20% (2022: 4.61%) per annum and 4.03% (2022: 4.03%) per annum respectively.



NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023 (continued)

9. INVESTMENT PROPERTIES

Group 2023	Balance as at 1.4.2022 RM	Additions RM	Disposals RM	Fair value adjustment RM	Exchange differences RM	Balance as at 31.3.2023 RM		
At fair value								
Freehold land	8,200,013	-	(770,000)	47,987	-	7,478,000		
Leasehold land	9,286,732	-	-	-	591,734	9,878,466		
Buildings	13,169,628	35,000	-	-	463,726	13,668,354		
	30,656,373	35,000	(770,000)	47,987	1,055,460	31,024,820		
Group 2022	Balance as at 1.4.2021 RM	Additions RM	Reclassi- fication (Note 7) RM	Reclassi- fication (Note 8) RM	Reclasi- fication RM	Fair value adjustment RM	Exchange differences RM	Balance as at 31.3.2022 RM
At fair value								
Freehold land	722,013	-	-	-	6,428,256	1,049,744	-	8,200,013
Leasehold land	8,826,862	-	-	453,859	240,174	(288,270)	54,107	9,286,732
Buildings	6,917,348	63,790	-	-	6,313,669	(167,581)	42,402	13,169,628
Construction-in-progress	-	-	12,982,099	-	(12,982,099)	-	-	-
	16,466,223	63,790	12,982,099	453,859	-	593,893	96,509	30,656,373

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

9. INVESTMENT PROPERTIES (continued)

- (a) Direct operating expenses arising from investment properties during the financial year are as follows:

	Group	
	2023	2022
	RM	RM
Rental income	1,523,735	841,523
Quit rent and assessment		
- generating rental income	(116,262)	(81,481)
Insurance		
- generating rental income	(23,555)	(21,653)
	<u>1,383,918</u>	<u>738,389</u>

- (b) The fair value of investment properties of the Group are categorised as follows:

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2023				
Freehold land	-	-	7,478,000	7,478,000
Leasehold land	-	-	9,878,466	9,878,466
Buildings	-	-	13,668,354	13,668,354
	<u>-</u>	<u>-</u>	<u>31,024,820</u>	<u>31,024,820</u>
2022				
Freehold land	-	-	8,200,013	8,200,013
Leasehold land	-	-	9,286,732	9,286,732
Buildings	-	-	13,169,628	13,169,628
	<u>-</u>	<u>-</u>	<u>30,656,373</u>	<u>30,656,373</u>

- (i) Investment properties of the Group were revalued on 31 March 2023 and 31 March 2022 by the Directors based on valuation exercise carried out by an independent firm of registered professional valuers.
- (ii) The fair value measurements of the properties (at valuation) are based on the highest and best use which does not differ from their actual use.
- (iii) During the previous financial year, certain properties have been transferred from property, plant and equipment and right-of-use assets to investment properties, since the properties were no longer used by the Group and leased to third parties.
- (iv) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 March 2023 and 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

9. INVESTMENT PROPERTIES (continued)

(b) The fair value of investment properties of the Group are categorised as follows: (continued)

- (v) The significant unobservable inputs used in determining the Level 3 fair value measurements by external valuers using cost or comparison approach valuation techniques, comparing the subject properties with similar properties in the locality or larger neighbourhood which were recently sold and asking selling prices with adjustments made for location, size, shape and terrain of land, accessibility, tenure, title restriction if any, availability of infrastructure and other relevant characteristics.

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3:

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
Freehold land	Comparison method	Price per square foot	RM2 to RM103 (2022: RM2 to RM103)	Lower price per square foot, lower fair value.
Leasehold land	Comparison method	Price per square foot	RM30 to RM531 (2022: RM30 to RM531)	Lower price per square foot, lower fair value.
Buildings	Comparison method	Price per square foot	RM243 to RM416 (2022: RM 243 to RM416)	Lower price per square foot, lower fair value.
Buildings	Cost method	Estimated replacement cost per square foot	RM91 to RM175 (2022: RM91 to RM175)	Higher estimated replacement cost, lower fair value.

- (vi) The following table shows a reconciliation of balances of investment properties whose fair values have been classified in Level 3 of the fair value hierarchy:

	Group	
	2023	2022
	RM	RM
Balance at beginning of financial year	30,656,373	16,466,223
Additions	35,000	63,790
Disposals	(770,000)	-
Exchange differences	1,055,460	96,509
Fair value adjustment	47,987	593,893
Transfer from:		
- construction-in-progress (Note 7)	-	12,982,099
- right-of-use assets (Note 8)	-	453,859
Balance at end of financial year	<u>31,024,820</u>	<u>30,656,373</u>



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

9. INVESTMENT PROPERTIES (continued)

(c) The Group as lessor

The Group has entered into non-cancellable lease agreements on warehouse with third parties.

The Group has aggregate future minimum lease receivable under the above non-cancellable operating leases as at the end of each reporting period as follows:

	Group	
	2023	2022
	RM	RM
Less than one (1) year	607,762	1,278,250
One (1) to two (2) years	40,000	306,384
Two (2) to three (3) years	-	40,000
	<u>647,762</u>	<u>1,624,634</u>

10. INVENTORIES

		Group	
		2023	2022
	Note	RM	RM
Non-current			
Land held for property development	(c)	<u>27,603,883</u>	<u>6,012,774</u>
Current			
At cost			
Raw materials		22,842,226	30,465,533
Work-in-progress		364,902	782,663
Finished goods		3,078,566	7,876,952
Consumables		58,847	94,472
Trading merchandise		<u>100,084,727</u>	<u>122,385,416</u>
		<u>126,429,268</u>	<u>161,605,036</u>

(a) During the financial year, the Group had written back of slow moving inventories of RM113,000 (2022: write down of slow moving inventories of RM1,530,394).

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

10. INVENTORIES (continued)

(b) Land held for property development

Group 2023	Balance as at 1.4.2022 RM	Additions RM	Balance as at 31.3.2023 RM
At cost			
Freehold land	6,012,774	21,591,109	27,603,883
Group 2022	Balance as at 1.4.2021 RM	Additions RM	Balance as at 31.3.2022 RM
At cost			
Freehold land	6,012,774	-	6,012,774

(c) During the financial year, additions of land held for property development of the Group include an amount of RM14,832,000 (2022: nil) financed by term loans from financial institution.

11. INVESTMENTS IN SUBSIDIARIES

	Note	Company 2023 RM	2022 RM
At cost			
Unquoted shares			
At beginning/end of financial year		15,844,930	15,844,930
Accumulated impairment loss			
At beginning/end of financial year		(501,782)	(501,782)
Unquoted shares, at cost		15,343,148	15,343,148
Equity loans	(a)	76,707,328	76,707,328
		<u>92,050,476</u>	<u>92,050,476</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

11. INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Interest in equity held by the Company		Principal activities
		2023 %	2022 %	
Premier Woodprofile Sdn. Bhd.	Malaysia	100	100	Manufacturing of wrapped mouldings and furniture components
Bripanel Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing of laminated wood panel products
Ecopanel Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing of laminated wood panel products
Combi Trading Sdn. Bhd.	Malaysia	100	100	Distribution of wood products
Ikta Sdn. Bhd.	Malaysia	100	100	Distribution of wood products
Jurihan Sdn. Bhd.	Malaysia	100	100	Distribution of wood products and building materials
Kim Guan Impex Sdn. Bhd.	Malaysia	100	100	Distribution of wood products and building materials
Damai Estate Sdn. Bhd.	Malaysia	100	100	Property management
Wira Land Development Sdn. Bhd.	Malaysia	100	100	Property development
Akati Impex Pte. Ltd.*	Singapore	100	100	Importers, distributors and exporters of all types of wood products
Akati Wood (Vietnam) Co., Ltd.*	Vietnam	100	100	Manufacturing of laminated wood panel products and distribution of wood products
Green Panel Pty. Ltd. #	Australia	100	100	Distribution of wood products
Favor Woodpanel (Thailand) Co., Ltd.**	Thailand	100	100	Importers, distributors and exporters of all types of wood products

* Subsidiaries audited by BDO member firms

** Subsidiaries not audited by BDO member firms

Not required to be audited under the local legislations

- (a) The Directors of the Company had assessed the nature of the amounts owing by subsidiaries and determined that an outstanding balance amounted to RM76,707,328 (2022: RM76,707,328) shall constitute an equity loan to subsidiaries as these amounts are unsecured, interest free and settlement is neither planned nor likely to occur in the foreseeable future and are considered to be part of the investment of the Company providing the subsidiaries with a long term source of additional capital.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

12. OTHER INVESTMENT

	Group	
	2023	2022
	RM	RM
<u>At fair value through profit or loss</u>		
Equity investment outside Malaysia	843,575	843,575
Fair value loss recognised	(843,575)	(843,575)
	<u>-</u>	<u>-</u>

Equity investment are in-kind shares settlement from a debtor in prior years amounted to RM843,575 which was recorded as equity investment at FVTPL as opted by management. However, a trading halt had been imposed since June 2017, hence management is of the view that the fair value of the shares is nil. The quoted shares were delisted on 28 May 2021.

13. GOODWILL

	Group	
	2023	2022
	RM	RM
Cost		
At beginning/end of financial year	1,059,306	1,059,306
Accumulated impairment loss		
At beginning/end of financial year	(222,750)	(222,750)
Net carrying amount	<u>836,556</u>	<u>836,556</u>

(a) Allocation of goodwill

Goodwill arising from business combinations has been allocated to two (2) individual cash-generating units ('CGU') for impairment testing as follows:

	2023	2022
	RM	RM
Manufacturing of wood products	571,808	571,808
Distribution of wood products	264,748	264,748
	<u>836,556</u>	<u>836,556</u>

(b) For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

13. GOODWILL (continued)

- (c) The recoverable amount of the CGUs have been identified based on calculations using cash flow projections from financial budgets approved by management covering a five-year period. The following key assumption are used to generate the financial budgets:

	2023	2022
	%	%
Sales growth rates	5.0	5.0
Pre-tax discount rate	8.0	7.0

Management is not aware of any reasonable possible changes in the key assumptions that would cause the carrying amount of the CGUs to materially exceed its recoverable amounts.

- (d) The calculations of value in use for the CGUs are most sensitive to the following assumptions:

- (i) Sales growth rate

The forecasted sales growth rate is based on business past performance and management's expectations of market development.

- (ii) Pre-tax discount rate

Discount rate reflects the current market assessment of the risks specific to each CGU. This is the benchmark used by management to assess the operating performance of the CGU.

14. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables					
Third parties		200,094,987	176,888,753	-	-
Less: Impairment losses	(f)	(2,019,181)	(2,821,840)	-	-
		198,075,806	174,066,913	-	-
Other receivables					
Third parties		429,265	524,294	1,226	164
Deposits		1,277,051	1,266,314	19,800	3,000
Amounts owing by ultimate holding company		6,970	-	-	-
Amounts owing by subsidiaries		-	-	17,760,685	19,799,144
		1,713,286	1,790,608	17,781,711	19,802,308
Prepayments	(g)	7,659,602	7,763,695	60,866	67,784
		207,448,694	183,621,216	17,842,577	19,870,092



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

14. TRADE AND OTHER RECEIVABLES (continued)

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 7 to 90 days (2022: 7 to 90 days) from the date of invoice. They are recognised at their original invoiced amounts, which represent their fair value on initial recognition.
- (b) Amounts owing by subsidiaries are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.
- (c) The currency exposure profile of receivables and prepayments is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	173,398,423	153,860,604	17,180,027	18,354,094
Thai Baht	10,054,383	7,623,954	-	683
Singapore Dollar	9,379,178	10,374,392	-	-
United States Dollar	6,677,439	6,086,772	662,550	1,514,160
Vietnamese Dong	6,781,094	4,426,663	-	-
Australian Dollar	780,775	1,093,718	-	1,155
Others	377,402	155,113	-	-
	<u>207,448,694</u>	<u>183,621,216</u>	<u>17,842,577</u>	<u>19,870,092</u>



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

14. TRADE AND OTHER RECEIVABLES (continued)

(d) Lifetime expected loss allowance for trade receivables of the Group are as follows:

	Gross carrying amount RM	Life time ECL allowance RM	Carrying amount RM
As at 31 March 2023:			
Not past due	170,625,131	-	170,625,131
Past due:			
Less than 30 days	18,320,444	-	18,320,444
31 to 120 days	6,915,232	-	6,915,232
More than 120 days	2,214,999	-	2,214,999
	27,450,675	-	27,450,675
Individual assessment	2,019,181	(2,019,181)	-
	<u>200,094,987</u>	<u>(2,019,181)</u>	<u>198,075,806</u>
As at 31 March 2022:			
Not past due	153,318,783	-	153,318,783
Past due:			
Less than 30 days	15,090,833	-	15,090,833
31 to 120 days	5,404,164	-	5,404,164
More than 120 days	253,133	-	253,133
	20,748,130	-	20,748,130
Individual assessment	2,821,840	(2,821,840)	-
	<u>176,888,753</u>	<u>(2,821,840)</u>	<u>174,066,913</u>

During the financial year, the Group did not renegotiate the terms of any trade receivables. These receivables are not secured by any collateral.

(e) Impairment for other receivables and amounts owing by subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model.

The Group and the Company defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays and past due information. No expected credit loss is recognised arising from other receivables as it is negligible.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

14. TRADE AND OTHER RECEIVABLES (continued)

- (f) Trade receivables that are past due and impaired at the end of the reporting period and the reconciliation of movements in allowance for impairment loss accounts is as follows:

	Group	
	2023 RM	2022 RM
At beginning of financial year	2,821,840	2,829,764
Charge for the financial year	803,779	1,301,520
Written off	(303,987)	(215,052)
Reversals	(1,326,198)	(1,090,271)
Exchange differences	23,747	(4,121)
	<u>2,019,181</u>	<u>2,821,840</u>
At end of financial year	<u>2,019,181</u>	<u>2,821,840</u>

- (g) Included in prepayments of the Group are:

- (i) RM5,465,665 (2022: RM4,240,176) representing advance payments for the purchase of trading merchandise;
- (ii) RM111,992 (2022: RM418,165) representing advance payments for purchase of machinery and equipment; and
- (iii) RM2,118,976 in previous financial year represented advance payment for purchase of land.

- (h) Information on financial risks of trade and other receivables is disclosed in Note 36 to the financial statements.

15. SHORT TERM INVESTMENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At fair value through profit or loss				
- short term investments	<u>53,772,973</u>	<u>55,471,950</u>	<u>28,787,969</u>	<u>31,114,924</u>

- (a) The reconciliation of movements in the short term investments is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Balance as at beginning of financial year	55,471,950	70,197,825	31,114,924	46,260,771
Net withdrawal	(2,596,134)	(14,812,503)	(2,625,255)	(15,174,650)
Fair value gain through profit or loss	<u>897,157</u>	<u>86,628</u>	<u>298,300</u>	<u>28,803</u>
Balance as at end of financial year	<u>53,772,973</u>	<u>55,471,950</u>	<u>28,787,969</u>	<u>31,114,924</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

15. SHORT TERM INVESTMENTS (continued)

- (b) The investments are managed by a licensed financial institution incorporated in Malaysia. The recoverable amount was determined based on the last transaction price on 31 March 2023 and 31 March 2022.
- (c) Short term investments are denominated in Ringgit Malaysia ('RM').
- (d) Information on the fair value hierarchy is disclosed in Note 35(d) to the financial statements.

16. CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash and bank balances	9,298,445	15,891,040	81,486	115,640

- (a) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Ringgit Malaysia	7,456,606	12,573,007	81,418	115,574
Australian Dollar	268,984	1,204,616	-	-
United States Dollar	591,351	635,326	-	-
Vietnamese Dong	168,859	586,680	-	-
Thai Baht	419,831	352,692	35	35
Singapore Dollar	317,009	466,851	33	31
Others	75,805	71,868	-	-
	9,298,445	15,891,040	81,486	115,640

- (b) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash and bank balances	9,298,445	15,891,040	81,486	115,640
Bank overdrafts included in borrowings (Note 19)	(146,192)	(391,657)	-	-
	9,152,253	15,499,383	81,486	115,640

- (c) No expected credit losses are recognised arising from the deposits with financial institutions because the probability of default by these financial institutions are negligible.
- (d) Information on financial risks of cash and bank balances is disclosed in Note 36 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

17. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares	RM	Number of shares	RM
Issued and fully paid-up ordinary shares:				
At beginning/end of financial year	165,240,206	83,097,429	165,240,206	83,097,429

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meeting of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

18. RESERVES

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-distributable:				
Revaluation reserve	57,832,888	55,464,849	-	-
Foreign exchange translation reserve	7,928,506	6,197,149	-	-
	65,761,394	61,661,998	-	-
Distributable:				
Retained earnings	204,634,324	200,421,212	17,527,792	18,928,894
	270,395,718	262,083,210	17,527,792	18,928,894

(a) Revaluation reserve

Revaluation reserve comprises net surplus on revalued properties.

(b) Foreign exchange translation reserve

The foreign exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

19. BORROWINGS

		Group	
	Note	2023 RM	2022 RM
Current liabilities			
Unsecured			
Bankers' acceptances		177,541,690	181,221,520
Bank overdrafts	16	146,192	391,657
Term loans		4,042,581	3,029,572
Revolving credits		2,500,939	2,506,968
Trust receipts		22,237,095	24,728,468
		<u>206,468,497</u>	<u>211,878,185</u>
Non-current liabilities			
Unsecured			
Term loans		<u>26,354,682</u>	<u>13,426,099</u>
Total borrowings			
Bankers' acceptances		177,541,690	181,221,520
Term loans		30,397,263	16,455,671
Trust receipts		22,237,095	24,728,468
Revolving credits		<u>2,500,939</u>	<u>2,506,968</u>
		232,676,987	224,912,627
Bank overdrafts	16	<u>146,192</u>	<u>391,657</u>
		<u>232,823,179</u>	<u>225,304,284</u>

- (a) Bankers' acceptances and trust receipts of the Group are repayable within 180 days (2022: 180 days).
- (b) Revolving credits of the Group are repayable within 12 months (2022: 12 months).
- (c) The bank borrowings of the subsidiaries are guaranteed by the Company.
- (d) The currency exposure profile of borrowings is as follows:

	Group	
	2023 RM	2022 RM
Ringgit Malaysia	186,007,007	193,869,419
United States Dollar	24,577,691	6,703,520
Thai Baht	8,348,288	9,286,386
Singapore Dollar	7,521,721	10,290,049
Vietnamese Dong	<u>6,368,472</u>	<u>5,154,910</u>
	<u>232,823,179</u>	<u>225,304,284</u>

- (e) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 36 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

20. DEFERRED TAX LIABILITIES/(ASSETS)

(a) The deferred tax assets and liabilities are made up of the following:

	Group	
	2023 RM	2022 RM
Balance as at beginning of financial year	11,898,968	9,879,074
Recognised in profit or loss (Note 30)	(467,446)	197,175
Recognised in other comprehensive income	592,009	1,300,314
Exchange differences	189,125	522,405
	<u>12,212,656</u>	<u>11,898,968</u>
Balance as at end of financial year	<u>12,212,656</u>	<u>11,898,968</u>
Reflected in the statements of financial position as follows:		
Deferred tax assets, net	(118,926)	(118,926)
Deferred tax liabilities, net	<u>12,331,582</u>	<u>12,017,894</u>
	<u>12,212,656</u>	<u>11,898,968</u>

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

Deferred tax liabilities/(assets) of the Group	Property, plant and equipment RM	Investment properties RM	Revaluation reserve RM	Other temporary differences RM	Total RM
At 1 April 2022	2,869,619	144,217	9,933,372	(1,048,240)	11,898,968
Recognised in profit or loss	154,188	-	-	(621,634)	(467,446)
Recognised in other comprehensive income	-	-	592,009	-	592,009
Exchange differences	<u>391,888</u>	<u>-</u>	<u>200,007</u>	<u>(402,770)</u>	<u>189,125</u>
At 31 March 2023	<u>3,415,695</u>	<u>144,217</u>	<u>10,725,388</u>	<u>(2,072,644)</u>	<u>12,212,656</u>
At 1 April 2021	2,374,711	-	8,266,610	(762,247)	9,879,074
Recognised in profit or loss	188,725	144,217	-	(135,767)	197,175
Recognised in other comprehensive income	-	-	1,300,314	-	1,300,314
Exchange differences	<u>306,183</u>	<u>-</u>	<u>366,448</u>	<u>(150,226)</u>	<u>522,405</u>
At 31 March 2022	<u>2,869,619</u>	<u>144,217</u>	<u>9,933,372</u>	<u>(1,048,240)</u>	<u>11,898,968</u>



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

20. DEFERRED TAX LIABILITIES/(ASSETS) (continued)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unused tax losses:				
- Expires by 31 March 2032	2,010,000	2,010,000	2,010,000	2,010,000
- Expires by 31 March 2033	4,147,000	-	2,463,000	-
Unabsorbed capital allowances - No expiry date	1,075,000	-	-	-
	<u>7,232,000</u>	<u>2,010,000</u>	<u>4,473,000</u>	<u>2,010,000</u>

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profits of the Company and certain subsidiary would be available against which the deductible temporary differences can be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trade payables				
Third parties	33,427,762	32,709,100	-	-
Other payables				
Third parties	1,887,124	1,901,521	12,694	-
Amounts owing to subsidiaries	-	-	37,467,830	37,424,010
Accruals	3,460,490	7,715,714	1,100,546	4,151,188
Deposits received	411,173	398,821	-	-
	<u>5,758,787</u>	<u>10,016,056</u>	<u>38,581,070</u>	<u>41,575,198</u>
	<u>39,186,549</u>	<u>42,725,156</u>	<u>38,581,070</u>	<u>41,575,198</u>

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 7 to 90 days (2022: 7 to 90 days).
- (b) Amounts owing to subsidiaries are unsecured, interest-free and payable within the next twelve (12) months in cash and cash equivalents.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

21. TRADE AND OTHER PAYABLES (continued)

(c) The currency exposure profile of payables is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia	31,499,388	35,691,538	38,581,070	41,575,198
United States Dollar	4,499,262	3,638,089	-	-
Singapore Dollar	1,259,789	2,116,857	-	-
Australian Dollar	385,508	537,478	-	-
Thai Baht	720,435	431,787	-	-
Vietnamese Dong	822,167	309,407	-	-
	<u>39,186,549</u>	<u>42,725,156</u>	<u>38,581,070</u>	<u>41,575,198</u>

(d) Information on financial risks of trade and other payables is disclosed in Note 36 to the financial statements.

22. CAPITAL COMMITMENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Capital expenditure in respect of purchase of property, plant and equipment:				
- contracted but not provided for	<u>1,583,000</u>	<u>22,136,473</u>	<u>45,500</u>	<u>-</u>

23. CONTINGENT LIABILITIES

	Company	
	2023 RM	2022 RM
Corporate guarantees - unsecured		
Limit:		
- In favour of banks for banking facilities granted to subsidiaries	524,544,154	474,745,466
- In favour of third parties for trade credits granted to subsidiaries	<u>60,900,000</u>	<u>54,350,000</u>
	<u>585,444,154</u>	<u>529,095,466</u>
Amounts utilised:		
- In favour of banks for banking facilities granted to subsidiaries	232,823,179	225,304,284
- In favour of third parties for trade credits granted to subsidiaries	<u>14,152,525</u>	<u>13,023,002</u>
	<u>246,975,704</u>	<u>238,327,286</u>



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

23. CONTINGENT LIABILITIES (continued)

The Company designates guarantees given to financial institutions for credit facilities granted to subsidiaries and third parties in respect of trade and contracts as insurance contracts as defined in MFRS 4 *Insurance Contracts*.

The Company recognises the insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Directors are of the view that the chances of the third parties and financial institutions to call upon the guarantees are remote.

24. REVENUE

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Revenue from contracts with customers				
Recognised at point in time:				
Sale of goods	790,250,176	664,346,895	-	-
Others				
Management fee	36,000	16,800	8,569,317	5,188,365
Dividend income	-	-	5,000,000	12,400,000
Rental income	1,293,491	633,299	-	-
	<u>791,579,667</u>	<u>664,996,994</u>	<u>13,569,317</u>	<u>17,588,365</u>

25. FINANCE INCOME

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Interest income from overnight placement deposits with banks	<u>560,498</u>	<u>1,180,570</u>	<u>477,352</u>	<u>779,784</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

26. EMPLOYEE BENEFITS

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Salaries and allowances	24,683,318	25,020,405	4,955,508	4,880,023
Contributions to defined contribution plans	2,406,944	2,496,237	587,585	603,654
Other benefits	1,531,102	1,460,764	175,033	135,191
	<u>28,621,364</u>	<u>28,977,406</u>	<u>5,718,126</u>	<u>5,618,868</u>

27. DIRECTORS' REMUNERATION

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

The remuneration of Directors during the financial year was as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Directors of the Company				
Executive Directors:				
Salaries and other emoluments	2,441,447	3,538,408	1,896,153	3,007,306
Contributions to defined contribution plans	264,995	398,767	225,266	359,020
	<u>2,706,442</u>	<u>3,937,175</u>	<u>2,121,419</u>	<u>3,366,326</u>
Non-executive Directors:				
Fees	260,000	260,000	260,000	260,000
Other emoluments	14,500	15,000	14,500	15,000
	<u>274,500</u>	<u>275,000</u>	<u>274,500</u>	<u>275,000</u>
Directors of subsidiaries				
Salaries and other emoluments	632,898	1,116,569	-	-
Contributions to defined contribution plans	6,298	122,508	-	-
	<u>639,196</u>	<u>1,239,077</u>	<u>-</u>	<u>-</u>
	<u>3,620,138</u>	<u>5,451,252</u>	<u>2,395,919</u>	<u>3,641,326</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

28. FINANCE COSTS

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Interest expense on:				
- bankers' acceptances	6,766,888	5,061,622	-	-
- bank overdrafts	160,583	188,231	-	-
- lease liabilities	252,658	271,863	5,930	2,574
- revolving credits	41,472	34,797	-	-
- term loans	713,996	448,187	-	-
- trust receipts	1,338,513	765,333	-	-
	9,274,110	6,770,033	5,930	2,574
Less: Interest expense capitalised in construction-in-progress classified under property, plant and equipment (Note 7(d))	(290,875)	(265,007)	-	-
	8,983,235	6,505,026	5,930	2,574

29. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
After charging:				
Auditors' remuneration:				
- Statutory audit:				
- current year	241,961	236,502	20,000	19,000
- (over)/under provision in prior year	(2,000)	24,036	-	-
- Non-statutory audit	4,400	2,000	1,000	1,000
Bad debts written off	72,418	-	-	-
Loss on foreign exchange:				
- realised	-	-	-	1,500
- unrealised	-	-	1,228	1,470
And after crediting:				
Gain on disposal of property, plant and equipment	219,780	196,137	-	23,998
Gain on foreign exchange:				
- realised	998,074	1,828,979	67,843	-
- unrealised	321,683	164,271	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

30. TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense based on profit for the financial year				
- Malaysian income tax	2,534,775	10,425,091	-	1,000
- Foreign income tax	533,156	1,026,264	-	-
	3,067,931	11,451,355	-	1,000
(Over)/Under provision in prior years				
- Malaysian income tax	(648,243)	645,380	-	124,706
- Foreign income tax	(18,082)	(21,484)	-	-
	2,401,606	12,075,251	-	125,706
Deferred tax (Note 20)				
- Relating to origination and reversal of temporary differences	(573,329)	327,422	-	-
- Over provision in prior years	105,883	(130,247)	-	-
	(467,446)	197,175	-	-
Real property gain tax	4,201	-	-	-
Total tax expense	1,938,361	12,272,426	-	125,706

The Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated taxable profit for the fiscal year. Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

30. TAX EXPENSE (continued)

The numerical reconciliation between the average effective tax rate and the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Applicable tax rate	24.0	24.0	24.0	24.0
Tax effects in respect of:				
Non-allowable expenses	3.2	4.0	1.2	13.7
Non-taxable and tax exempt income	(16.1)	(1.5)	(36.5)	(37.7)
Deferred tax assets not recognised	9.8	-	11.3	-
Difference tax rates in foreign jurisdiction	(0.9)	-	-	-
Tax incentives	(0.4)	(0.7)	-	-
	19.6	25.8	-	-
(Over)/Under provision in prior years				
- current tax	(5.2)	1.4	-	1.5
- deferred tax	0.8	(0.3)	-	-
	(4.4)	1.1	-	1.5
Effective tax rate	15.2	26.9	-	1.5

(a) Tax on each component of other comprehensive income is as follows:

Group	Before tax RM	Tax effect RM	After tax RM
2023			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	1,731,357	-	1,731,357
Items that will not be reclassified subsequently to profit or loss			
Fair value adjustment on revaluation of properties	2,960,048	(592,009)	2,368,039
	4,691,405	(592,009)	4,099,396
2022			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	(471,072)	-	(471,072)
Items that will not be reclassified subsequently to profit or loss			
Fair value adjustment on revaluation of properties	8,364,263	(1,300,314)	7,063,949
	7,893,191	(1,300,314)	6,592,877

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

31. DIVIDENDS

	Group and Company			
	2023		2022	
	Dividend per share sen	Amount of dividend RM	Dividend per share sen	Amount of dividend RM
In respect of the financial year ended 31 March 2021				
Single tier final dividend	-	-	1.0	1,652,402
In respect of the financial year ended 31 March 2022				
Single tier interim dividend				
- first	-	-	1.0	1,652,402
- second	-	-	1.0	1,652,402
- third	-	-	1.0	1,652,402
Single tier final dividend	1.0	1,652,402	-	-
Single tier special final dividend	1.0	1,652,402	-	-
In respect of the financial year ended 31 March 2023				
Single tier interim dividend				
- first	1.0	1,652,402	-	-
- second	0.5	826,201	-	-
- third	0.5	826,201	-	-
	<u>4.0</u>	<u>6,609,608</u>	<u>4.0</u>	<u>6,609,608</u>

The Directors recommend a single tier final dividend of 1 sen per ordinary share amounting to RM1,652,402 in respect of the financial year ended 31 March 2023. The proposed dividends will be subject to approval by shareholders of the Company at the Annual General Meeting. The financial statements for the financial year ended 31 March 2023 do not reflect these proposed dividends. Such dividends, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

32. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2023	2022
Profit attributable to equity holders of the parent (RM)	<u>10,822,720</u>	<u>33,378,251</u>
Weighted average number of ordinary shares in issue	<u>165,240,206</u>	<u>165,240,206</u>
Basic earnings per ordinary share (sen)	<u>6.55</u>	<u>20.20</u>

(b) Diluted

The diluted earnings per share of the Group for the financial year 2023 and 2022 are same as the basic earnings per ordinary share of the Group as there are no dilutive potential ordinary shares.

33. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationships with its direct and indirect subsidiaries.

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Ultimate holding:				
Management fee income	(36,000)	(16,800)	(36,000)	(16,800)
Subsidiaries:				
Dividend income	-	-	(5,000,000)	(12,400,000)
Management fees income	-	-	(8,533,317)	(5,171,565)
Rental expenses paid	-	-	221,600	24,000
Related parties:				
Rental expenses paid	58,800	58,800	-	-
Consultancy fee	<u>183,333</u>	<u>150,000</u>	<u>183,333</u>	<u>150,000</u>

Balances of the above related parties are disclosed in Notes 14 and 21 to the financial statements.

The related party transactions described above were carried out on mutually agreed and negotiated terms.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

34. OPERATING SEGMENTS

Dominant Enterprise Berhad and its subsidiaries are principally engaged in investment holding, providing management services, manufacturing and sales of wrapped medium density fibreboard mouldings and laminated wood panel products and distribution of wood products.

Dominant Enterprise Berhad has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Manufacturing of wood products

Manufacturing of laminated wood panel products, wrapped mouldings and furniture components.

(ii) Distribution of wood products

Distribution of wood products and building materials.

Other operating segments comprise investment and property holdings.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

Segment performance is evaluated based on operating profit, excluding non-recurring losses, and in certain respect as explained in the table below, it is measured differently from operating profit in consolidated financial statements.

Inter-segment revenue is priced along the same lines as sales to external customers and conditions and is eliminated on the consolidated financial statements. These policies have been applied constantly throughout the current and previous financial years.

Segment assets exclude tax assets and assets used primarily for corporate purposes.

Segment liabilities exclude tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

34. OPERATING SEGMENTS (continued)

Group 2023	Manufacturing of wood products RM	Distribution of wood products RM	Other operating segment RM	Total RM
Revenue				
Total revenue	149,417,105	662,217,262	17,130,808	828,765,175
Inter-segment revenue	(4,007,336)	(17,376,855)	(15,801,317)	(37,185,508)
Revenue from external customers	145,409,769	644,840,407	1,329,491	791,579,667
Interest income	13,272	60,918	486,308	560,498
Finance costs	(1,854,262)	(6,965,896)	(163,077)	(8,983,235)
Net interest (expense)/income	(1,840,990)	(6,904,978)	323,231	(8,422,737)
Depreciation of property, plant and equipment	(1,614,801)	(1,253,174)	(824,050)	(3,692,025)
Depreciation of right-of-use assets	(432,033)	(2,534,725)	(91,383)	(3,058,141)
Segmental results	8,014,421	22,103,142	(339,112)	29,778,451
Tax expense	78,315	(1,646,967)	(369,709)	(1,938,361)
Other material non-cash items:				
- Property, plant and equipment written off	(8,146)	(9,393)	-	(17,539)
- Fair value adjustment on property, plant and equipment	344,770	-	-	344,770
- Fair value adjustment on right-of-use asset	2,615,278	-	-	2,615,278
- Inventories written back	113,000	-	-	113,000
- Reversal of impairment losses on trade receivables	308,347	1,017,851	-	1,326,198
- Bad debts written off	(9,872)	(62,546)	-	(72,418)
- Impairment losses on trade receivables	(481,164)	(322,615)	-	(803,779)
- Net fair value adjustment on short term investments	-	598,857	298,300	897,157
Additions to non-current assets other than financial instruments and deferred tax assets				
- Property, plant and equipment	2,728,537	1,701,775	889,797	5,320,109
- Right-of-use assets	1,076,683	2,481,924	-	3,558,607
Segment assets	126,127,257	369,493,112	146,608,646	642,229,015
Segment liabilities	59,498,563	199,538,093	19,002,223	278,038,879

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

34. OPERATING SEGMENTS (continued)

Group 2022	Manufacturing of wood products RM	Distribution of wood products RM	Other operating segment RM	Total RM
Revenue				
Total revenue	167,730,938	515,341,729	20,321,664	703,394,331
Inter-segment revenue	(2,554,637)	(16,171,135)	(19,671,565)	(38,397,337)
Revenue from external customers	165,176,301	499,170,594	650,099	664,996,994
Interest income	20,711	379,696	780,163	1,180,570
Finance costs	(1,568,073)	(4,858,334)	(78,619)	(6,505,026)
Net interest (expense)/income	(1,547,362)	(4,478,638)	701,544	(5,324,456)
Depreciation of property, plant and equipment	(1,456,085)	(897,490)	(733,336)	(3,086,911)
Depreciation of right-of-use assets	(237,783)	(2,442,622)	(44,004)	(2,724,409)
Segmental results	27,541,814	32,966,380	404,311	60,912,505
Tax expense	(5,648,046)	(6,036,880)	(587,500)	(12,272,426)
Other material non-cash items:				
- Property, plant and equipment written off	(12,538)	(15,936)	-	(28,474)
- Reversal of impairment loss on property, plant and equipment	-	19,944	-	19,944
- Fair value adjustment on investment properties	-	(619,360)	1,213,253	593,893
- Inventories written down	(1,530,394)	-	-	(1,530,394)
- Reversal of impairment losses on trade receivables	99,081	991,190	-	1,090,271
- Impairment losses on trade receivables	(252,835)	(1,048,685)	-	(1,301,520)
- Net fair value adjustment on short term investments	-	57,825	28,803	86,628
Additions to non-current assets other than financial instruments and deferred tax assets				
- Property, plant and equipment	6,470,818	2,591,884	2,066,782	11,129,484
- Right-of-use assets	-	1,744,332	400,682	2,145,014
Segment assets	141,085,799	365,856,077	127,513,577	634,455,453
Segment liabilities	77,049,687	187,495,643	8,641,580	273,186,910

The Group does not have significant reliance on a single major customer, with whom the Group transacted ten (10) percent or more of its revenue during the financial year.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

34. OPERATING SEGMENTS (continued)

(a) Reconciliations

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2023 RM	2022 RM
Revenue		
Total revenue for reportable segments	828,765,175	703,394,331
Inter-segment revenue	(37,185,508)	(38,397,337)
Revenue from external customers	<u>791,579,667</u>	<u>664,996,994</u>
Results		
Segmental results	29,778,451	60,912,505
Interest income	560,498	1,180,570
Unallocated corporate expenses	(8,594,633)	(9,937,372)
Finance costs	<u>(8,983,235)</u>	<u>(6,505,026)</u>
Profit before tax	12,761,081	45,650,677
Tax expense	<u>(1,938,361)</u>	<u>(12,272,426)</u>
Profit for the financial year	<u>10,822,720</u>	<u>33,378,251</u>
Assets		
Segment assets	642,229,015	634,455,453
Tax assets	<u>2,226,900</u>	<u>352,395</u>
	<u>644,455,915</u>	<u>634,807,848</u>
Liabilities		
Segment liabilities	278,038,879	273,186,910
Tax liabilities	<u>12,923,889</u>	<u>16,440,299</u>
	<u>290,962,768</u>	<u>289,627,209</u>

(b) Geographical segments

The manufacturing facilities and sales offices of the Group are mainly based in Malaysia, Australia, Singapore, Vietnam and Thailand.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of its customers.

Segment assets are based on the geographical location of the Group's assets. The non-current assets do not include financial instruments.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

34. OPERATING SEGMENTS (continued)

(b) Geographical segments

	2023 RM	2022 RM
Revenue from external customers		
Malaysia	652,400,937	544,815,591
Australia	8,713,762	11,525,302
Asia (excluding Malaysia)	121,291,535	98,535,077
Others	9,173,433	10,121,024
	<u>791,579,667</u>	<u>664,996,994</u>
Non-current assets		
Malaysia	211,233,568	188,172,333
Australia	3,899	5,280
Asia (excluding Malaysia)	34,161,094	29,807,524
	<u>245,398,561</u>	<u>217,985,137</u>

35. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concern whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new share. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022.



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

35. FINANCIAL INSTRUMENTS (continued)

(a) Capital management (continued)

The Group regards net debt to include all loans and borrowings, lease liabilities owing to financial institutions, trade and other payables less cash and bank balances (including short term investments) and capital to include all equities attributable to the equity holders of the Company, details of which are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Borrowings	232,823,179	225,304,284	-	-
Lease liabilities owing to financial institutions	599,954	836,501	114,088	178,970
Trade and other payables	39,186,549	42,725,156	38,581,070	41,575,198
	272,609,682	268,865,941	38,695,158	41,754,168
Less:				
Short term investments	(53,772,973)	(55,471,950)	(28,787,969)	(31,114,924)
Cash and bank balances	(9,298,445)	(15,891,040)	(81,486)	(115,640)
Net debt	209,538,264	197,502,951	9,825,703	10,523,604
Total equity	353,493,147	345,180,639	100,625,221	102,026,323
Capital and net debt	563,031,411	542,683,590	110,450,924	112,549,927
Net debt/(Capital + Net debt)	37%	36%	9%	9%

(b) Financial instruments

Categories of financial instruments

Group	2023	2022
	RM	RM
Financial assets		
Fair value through profit or loss		
Short term investments	53,772,973	55,471,950
Amortised cost		
Trade and other receivables, net of prepayments	199,789,092	175,857,521
Cash and bank balances	9,298,445	15,891,040
	209,087,537	191,748,561
	262,860,510	247,220,511



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

Categories of financial instruments (continued)

Group	2023 RM	2022 RM
Financial liabilities		
Amortised cost		
Trade and other payables	39,186,549	42,725,156
Borrowings	232,823,179	225,304,284
	<u>272,009,728</u>	<u>268,029,440</u>
Company		
Financial assets		
Fair value through profit or loss		
Short term investments	28,787,969	31,114,924
Amortised cost		
Other receivables, net of prepayments	17,781,711	19,802,308
Cash and bank balances	81,486	115,640
	<u>17,863,197</u>	<u>19,917,948</u>
	<u>46,651,166</u>	<u>51,032,872</u>
Financial liabilities		
Amortised cost		
Other payables	<u>38,581,070</u>	<u>41,575,198</u>

(c) Methods and assumptions used to estimate fair value

The fair value of financial assets and financial liabilities are determined as follows:

Financial instruments that are not carried at fair value and whose carrying amounts are at reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, trade and other payables and floating rate borrowings, are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the current position of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

35. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table set out the financial instruments carried at fair value, together with their fair value and carrying amount shown in the statements of financial position:

	Fair value of financial instruments carried at fair value			Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM		
2023					
Group					
Fair value through profit or loss					
Short term investments	53,772,973	-	-	53,772,973	53,772,973
Company					
Fair value through profit or loss					
Short term investments	28,787,969	-	-	28,787,969	28,787,969
2022					
Group					
Fair value through profit or loss					
Short term investments	55,471,950	-	-	55,471,950	55,471,950
Company					
Fair value through profit or loss					
Short term investments	31,114,924	-	-	31,114,924	31,114,924



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guideline that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and market risk. Information on the management of the related exposures is detailed below.

(a) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. Credit risk refers to the risk that counterparty would default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by management annually.

Exposure to credit risk

The Group's primary exposure to credit risk arises through its trade receivables. The carrying amount of financial assets as recorded in the financial statements, grossed up for any allowances for impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by identifying and monitoring any significant long outstanding balance owing by any major customer or counter party on an on-going basis.

The Group and the Company do not have any significant concentration of credit risk except for the amounts owing by subsidiaries of the Company.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Group is unable to service its cash obligations in the future. To mitigate this risk, the management measures and forecasts its cash commitments, monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
As at 31 March 2023				
Group				
Financial liabilities				
Trade and other payables	39,186,549	-	-	39,186,549
Borrowings	207,666,144	21,253,878	8,487,638	237,407,660
Lease liabilities	3,137,175	3,148,719	-	6,285,894
Total undiscounted financial liabilities	<u>249,989,868</u>	<u>24,402,597</u>	<u>8,487,638</u>	<u>282,880,103</u>
Company				
Financial liabilities				
Other payables	38,581,070	-	-	38,581,070
Lease liabilities	70,812	47,192	-	118,004
	<u>38,651,882</u>	<u>47,192</u>	<u>-</u>	<u>38,699,074</u>
As at 31 March 2022				
Group				
Financial liabilities				
Trade and other payables	42,725,156	-	-	42,725,156
Borrowings	212,385,524	13,254,621	946,960	226,587,105
Lease liabilities	2,382,924	3,075,025	-	5,457,949
Total undiscounted financial liabilities	<u>257,493,604</u>	<u>16,329,646</u>	<u>946,960</u>	<u>274,770,210</u>
Company				
Financial liabilities				
Other payables	41,575,198	-	-	41,575,198
Lease liabilities	70,812	118,004	-	188,816
	<u>41,646,010</u>	<u>118,004</u>	<u>-</u>	<u>41,764,014</u>



NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023 (continued)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments would fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk relates primarily to the interest-earning deposits placed with licensed banks and interest-bearing borrowing on floating rate. The Group does not use derivative financial instruments to hedge this risk.

The following tables set out the carrying amounts, the average effective interest rates and incremental borrowing rate as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

Group	As at 31 March 2023	Note	Average effective interest rate/ Incremental borrowing rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
Floating rates instruments										
Bankers' acceptances	19		5.12	(177,541,690)	-	-	-	-	-	(177,541,690)
Bank overdrafts	19		7.15	(146,192)	-	-	-	-	-	(146,192)
Term loans	19		4.80	(4,042,581)	(5,667,062)	(2,748,497)	(4,800,378)	(4,960,456)	(8,178,289)	(30,397,263)
Revolving credit	19		4.05	(2,500,939)	-	-	-	-	-	(2,500,939)
Trust receipts	19		6.69	(22,237,095)	-	-	-	-	-	(22,237,095)
As at 31 March 2022										
Floating rates instruments										
Bankers' acceptances	19		2.59	(181,221,520)	-	-	-	-	-	(181,221,520)
Bank overdrafts	19		6.21	(391,657)	-	-	-	-	-	(391,657)
Term loans	19		3.75	(3,029,572)	(3,998,345)	(5,700,121)	(1,508,110)	(1,285,714)	(933,809)	(16,455,671)
Revolving credit	19		3.45	(2,506,968)	-	-	-	-	-	(2,506,968)
Trust receipts	19		4.06	(24,728,468)	-	-	-	-	-	(24,728,468)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of reporting period changed by 100 basis points with all other variables held constant:

	Group	
	2023	2022
	RM	RM
Profit after tax		
- Increase by 1% (2022: 1%)	(1,769,000)	(1,712,000)
- Decrease by 1% (2022: 1%)	1,769,000	1,712,000

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

Subsidiaries operating in Australia, Singapore, Vietnam and Thailand have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposures.

The foreign currency in which these transactions are denominated are mainly United States Dollar ('USD'), Singapore Dollar ('SGD'), Australian Dollar ('AUD'), Vietnamese Dong ('VND'), and Thai Baht ('THB'). The Group manages its transactional currency exposures by matching as far as possible, its receipts and payments in each individual currency. The Group monitors the foreign currency exchange rates closely so as to minimise the potential material adverse effects from these exposures in a timely manner.

The following table demonstrates the sensitivity of the Group and the Company to a reasonably possible change in the United States Dollar ('USD'), Singapore Dollar ('SGD'), Australian Dollar ('AUD'), Vietnamese Dong ('VND'), and Thai Baht ('THB') exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Profit after tax				
USD/RM - strengthen by 5% (2022: 5%)	(828,700)	(137,500)	25,200	57,500
- weaken by 5% (2022: 5%)	828,700	137,500	(25,200)	(57,500)
SGD/RM - strengthen by 5% (2022: 5%)	34,800	(59,500)	-	-
- weaken by 5% (2022: 5%)	(34,800)	59,500	-	-
AUD/RM - strengthen by 5% (2022: 5%)	25,200	66,900	-	-
- weaken by 5% (2022: 5%)	(25,200)	(66,900)	-	-
VND/RM - strengthen by 5% (2022: 5%)	(9,100)	(17,100)	-	-
- weaken by 5% (2022: 5%)	9,100	17,100	-	-
THB/RM - strengthen by 5% (2022: 5%)	53,400	(66,200)	-	-
- weaken by 5% (2022: 5%)	(53,400)	66,200	-	-



NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023 (continued)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Market risk

Market risk is the risk that the fair value of future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to market price risks arising from quoted investments held by the Group and the Company. Quoted equity instruments are listed on the licensed financial institution and are held for strategic rather than trading purposes. These instruments are classified as financial assets at fair value through profit or loss.

There has been no change to the exposure of the Group and the Company to market risks or the manner in which these risks are managed and measured.

Sensitivity analysis for market price risk

The Group and the Company have considered the sensitivity of the financial instruments to market risks and is view that its impact is insignificant.



ANALYSIS OF SHAREHOLDINGS AS AT 30 JUNE 2023

Total number of Issued Shares	: 165,240,206
Issued and Paid-up Capital	: RM 83,097,429
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per ordinary share

SIZE OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	111	5.968	4,713	0.003
100 - 1,000	355	19.086	117,932	0.071
1,001 - 10,000	765	41.129	3,759,543	2.275
10,001 - 100,000	489	26.290	16,229,481	9.822
100,001 - 8,262,009*	139	7.473	70,693,201	42.782
8,262,010 AND ABOVE**	1	0.054	74,435,336	45.046
TOTAL :	1,860	100.00	165,240,206	100.00

REMARK :

* LESS THAN 5% OF ISSUED SHARES

** 5% AND ABOVE OF ISSUED SHARES

DIRECTORS' SHAREHOLDINGS

Name	Direct		Indirect	
	No. of Share Held	%	No. of Share Held	%
OWEE GEOK CHOON	753,903	0.46	50,400*	0.03
TEO YU CHIN	143,484	0.09	-	-
CHA SHI JIU	1,715,512	1.04	1,200,000***	0.73
WALDERSEE CHAN CHUNG CHING	1,200,000	0.73	1,715,512**	1.04
JOHNSON KANDASAMY A/L DAVID NAGAPPAN	-	-	-	-
NOOR HAZELIN BINTI HASHIM	-	-	-	-
HAN HING SIEW	-	-	-	-
TAN YIN BENG	-	-	-	-

* Deemed interest through his spouse, Chua Yew Yew.

** Deemed interest through his spouse, Cha Shi Jiu.

*** Deemed interest through her spouse, Waldersee Chan Chung Ching.

SUBSTANTIAL SHAREHOLDERS WITH HOLDINGS OF 5% AND ABOVE

Name	Direct		Indirect	
	No. of Share Held	%	No. of Share Held	%
NS PACIFIC SDN BHD	74,435,336	45.05	-	-
CHAAKU WAI @ SIAAH KOW	2,217,100	1.34	75,922,181*	45.95
TEO CHIEW PENG	1,486,845	0.90	76,652,436**	46.39

* Deemed interest by virtue of his interest in NS Pacific Sdn Bhd and through his spouse, Teo Chiew Peng.

** Deemed interest through her spouse, Cha Aku Wai @ Sia Ah Kow.



ANALYSIS OF SHAREHOLDINGS AS AT 30 JUNE 2023 (continued)

THIRTY LARGEST SHAREHOLDERS

No.	Name	No of shares held	%
1	NS PACIFIC SDN BHD	74,435,336	45.05
2	ASIA SELATAN (M) SDN BHD	4,360,440	2.64
3	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KOK SAN	3,210,000	1.94
4	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KOK SAN	2,774,600	1.68
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO CHOON KIAT @ TEO CHUAN KIT (PB)	2,365,533	1.43
6	CHA AKU WAI @ SIA AH KOW	2,217,100	1.34
7	THO SOON KIM	2,058,420	1.25
8	TAN AH SIM @ TAN SIEW WAH	1,733,742	1.05
9	CHA SHI JIU	1,715,512	1.04
10	CHOY QUAY LIN	1,495,240	0.91
11	TEO CHIEW PENG	1,486,845	0.90
12	TAN CHOO MIT	1,481,200	0.90
13	WOH KEK YIN	1,354,400	0.82
14	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	1,270,000	0.77
15	AMSEC NOMINEES (ASING) SDN BHD AMBANK (M) BERHAD FOR ONG TENG SER (6065-1501)	1,222,054	0.74
16	WALDERSEE CHAN CHUNG CHING	1,200,000	0.73
17	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR CHUNG EK FONG (8620-1501)	1,195,111	0.72
18	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BOON TIONG (MY1362)	1,095,000	0.66
19	CHAI SOON TOO	1,034,986	0.63
20	LEE TZE YONG	1,034,300	0.63
21	CHIN ING YEN	1,012,400	0.61
22	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO AH BAH @ TEO CHUANG KWEE (PB)	1,010,238	0.61
23	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE BOON HOW (MY1417)	1,000,060	0.61
24	TEO YING YING	866,127	0.52
25	MERCSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIOW WONG YEN @ SIOW KWANG HWA	813,000	0.49
26	TAN HON KIAT @ TAN HOON SIONG	802,636	0.49
27	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SOON NAM (MY1360)	769,200	0.47
28	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OWEE GEOK CHOON	670,000	0.41
29	CHOO SHIANG SZE	651,884	0.40
30	CHOO XIANGMIN	637,926	0.39



LIST OF PROPERTIES

No	Address	Built-up area (sq.m)	Land area (sq.m)	Description / Existing use	Tenure	Age of building (years)	Audited net book value as at 31 March 2023 RM	Date of revaluation	Date of acquisition
1	No 2, Jalan Gemilang 1, Taman Perindustrian Maju Jaya, District of Johor Bahru, State of Johor	11,182.6	16,187.4	A single storey detached factory with two storey office block	Freehold	13	26,264,412	31.03.2023	26.01.2006
2	No 8, Jalan Gemilang 1, Taman Perindustrian Maju Jaya, District of Johor Bahru, State of Johor	5,686.7	10,631.5	A well profiled corner vacant light industrial land completed with a single storey industrial warehouse	Freehold	10	14,586,754	31.03.2023	26.01.2006
3	Lot PTD 157636, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	5,263.0	One adjoining plot of vacant industrial titled land completed with earthworks	Freehold	N/A	1,619,990	31.03.2023	26.01.2006
4	Lot PTD 157637, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	4,586.0	One adjoining plot of vacant industrial titled land completed with earthworks	Freehold	N/A	1,411,569	31.03.2023	26.01.2006
5	Lot PTD 157638, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	4,048.0	One adjoining plot of vacant industrial titled land completed with earthworks	Freehold	N/A	1,245,878	31.03.2023	26.01.2006
6	Lot 157641, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	4,600.0	One adjoining plot of vacant industrial titled land completed with earthworks	Freehold	N/A	3,021,000	31.03.2023	26.01.2006
7	Lot 157642, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	4,781.0	One adjoining plot of vacant Industrial titled land completed with earthworks	Freehold	N/A	3,140,000	31.03.2023	26.01.2006
8	Lot PTD 157643, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	4,893.0	One adjoining plot of vacant industrial titled land completed with earthworks	Freehold	N/A	3,215,000	31.03.2023	26.01.2006
9	Lot PTD 157644, Mukim of Tebrau, District of Johor Bahru, State of Johor	2,631.8	5,010.0	A single storey detached factory	Freehold	2	6,343,588	31.03.2023	26.01.2006
10	Lot PTD 157645, Mukim of Tebrau, District of Johor Bahru, State of Johor	2,562.8	4,906.0	A single storey detached factory	Freehold	2	6,201,412	31.03.2023	26.01.2006
11	Lot PTD 189107, HSM 4063, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	5,612.2	One adjoining plot of vacant industrial titled land completed with earthworks	Freehold	N/A	1,735,337	31.03.2023	26.01.2006



LIST OF PROPERTIES (continued)

No	Address	Built-up area (sq.m)	Land area (sq.m)	Description / Existing use	Tenure	Age of building (years)	Audited net book value as at 31 March 2023 RM	Date of revaluation	Date of acquisition
12	Lot PTD 151885, HSM 3729, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	16,387.7	A parcel of industrial land	Freehold	N/A	10,760,000	31.03.2023	23.09.2015
13	Lot MLO 5502, HSD 34056, Mukim of Senai, District of KulaiJaya, State of Johor	4,337.0	10,421.0	A single storey factory with annex two storey office block	Freehold	31	5,686,870	31.03.2023	21.12.1999
14	Lot PTD 41088, HSD 22974, Mukim of Senai, District of KulaiJaya, State of Johor	3,530.8	8,317.3	A single storey factory with annex 2-storey office block	Freehold	27	4,331,236	31.03.2023	25.09.2002
15	Lot PTD 2805, HSM 1307, Mukim of Sungai Terap, District of Muar, State of Johor	7,310.6	11,759.1	An individually designed and constructed factory complex	Freehold	17	9,507,702	31.03.2023	25.01.2006
16	Lot PT 55329, HSD 39969, Mukim of Dengkil, District of Sepang, Selangor	14,130.0	23,039.0	A plot of industrial land with direct frontage and single storey detached factory with two storey office block	Freehold	2	26,705,721	31.03.2023	07.03.2013
17	Lot PT 55330, HSD 39970, Mukim of Dengkil, District of Sepang, Selangor	N/A	15,362.0	A plot of industrial land with direct frontage	Freehold	N/A	7,441,000	31.03.2023	07.03.2013
18	Lot 60323, PN 6413, Mukim of Kuala Kuantan, District of Kuantan, State of Pahang	614.1	975.0	A 1 1/2- storey semi-detached factory	Leasehold 99 years expiring on 29.03.2097	25	615,231	31.03.2023	26.01.2005
19	GM489 Lot 840, Mukim 01, District of Seberang Perai Selatan, State of Pulau Pinang	8,843.6	20,330.0	A single storey detached factory with annex 2-storey office block	Freehold	5	17,887,122	31.03.2023	29.11.2013
20	Lots 1439 of Section 66, District of Kuching, Town Land District, State of Sarawak	1,122.4	1,310.0	One unit of double-storey semi-detached industrial warehouse cum office building	Leasehold 99 years expiring on 04.11.2119	N/A	1,616,046	31.03.2023	17.01.2005
21	Lots 2246 of Section 66, District of Kuching, Town Land District, State of Sarawak	562.6	774.6	One unit of double-storey semi-detached industrial warehouse cum office building	Leasehold 99 years expiring on 04.11.2119	N/A	1,029,009	31.03.2023	17.01.2005



LIST OF PROPERTIES (continued)

No	Address	Built-up area (sq.m)	Land area (sq.m)	Description / Existing use	Tenure	Age of building (years)	Audited net book value as at 31 March 2023 RM	Date of revaluation	Date of acquisition
22	Lots 2247 of Section 66, District of Kuching, Town Land District, State of Sarawak	562.6	783.7	One unit of double-storey semi-detached industrial warehouse cum office building	Leasehold 99 years expiring on 04.11.2119	N/A	902,173	31.03.2023	26.03.2015
23	Lot MK 7-3134M 22, Tuas View Square Singapore 637603	1,520.6	2,166.0	Single storey detached factory with three storey ancillary office	Leasehold 60 years expiring on 29.10.2056	21	# 16,276,820	31.03.2023	12.03.1999
24	No. 3, VSIP II Street 6, Viet Nam-Singapore Industrial Park II, Binh Duong Urban Complex of Industries Services, Hoa Phu Ward, Thu Dat Mot City, Binh Duong Province, Vietnam	3,492.0	13,428.0	Single storey detached factory building with double storey office annex	Leasehold 50 years expiring on 27.07.2055	13	* 12,079,712	31.03.2023	23.01.2007
25	PTD 266247, HSD 230772, Mukim Hulu Kinda, District of Kinta, State of Perak	1,285.8	2,747.4	One unit of single storey detached factory with two storey office block	Leasehold 99 years expiring on 18.03.2114	2	3,810,759	31.03.2023	01.03.2016
26	PTD 266248, HSD 230773, Mukim Hulu Kinda, District of Kinta, State of Perak	771.5	1,996.6	One unit of single storey detached factory	Leasehold 99 years expiring on 18.03.2114	2	2,203,000	31.03.2023	01.03.2016
27	PLO 83, H.S.(D) 38459, PTD 13399, H.S.(D) 38460, PTD 13400, GERAN 50191, LOT 8531 (3 Arce)	N/A	12,140.6	One plot of vacant industrial titled land with earthworks under construction	Freehold	N/A	2,121,222	N/A	12.12.2018
28	PLO 154, H.S.(D) 38459, PTD 13399, H.S.(D) 38460, PTD 13400, GERAN 50191, LOT 8531 (5.45 Arce)	N/A	22,055.4	One plot of vacant industrial titled land with earthworks under construction	Freehold	N/A	3,852,036	N/A	12.12.2018
29	PLO 155, H.S.(D) 38459, PTD 13399, H.S.(D) 38460, PTD 13400, GERAN 50191, LOT 8531 (9.91 Arce)	N/A	40,104.4	One plot of vacant industrial titled land with earthworks under construction	Freehold	N/A	7,085,628	N/A	12.12.2018
30	PTD 205378, HS(D) : 609215, Mukim Tebrau, District of Johor bahr, Johor, Malaysia	N/A	39,375.9	One piece of light industrial land	Freehold	N/A	21,591,109	N/A	01.12.2022

equivalent to Singapore Dollar 4.9 million

* equivalent to Vietnam Dong 64.26 billion

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FORM OF PROXY

I/We _____

(NRIC No./Passport No./Company No. _____) of _____

being a Member/Members of DOMINANT ENTERPRISE BERHAD hereby appoint :

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and him / her (*delete as appropriate)

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing them, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty First Annual General Meeting ("31st AGM") of the Company will be held at Holiday Villa Hotel, Ruby 5, Level 8, No. 260, Jalan Dato' Sulaiman, Taman Abad, 80250 Johor Bahru on Monday, 28 August 2023 at 10.00 a.m. and at any adjournment thereof.

Item	Agenda			
1.	To receive the Audited Financial Statements for the Financial Year Ended 31 March 2023 and Reports of Directors and Auditors thereon.			
ORDINARY BUSINESS		RESOLUTION	*FOR	*AGAINST
2.	Approval of Single Tier Final Dividend.	Ordinary Resolution 1		
3.	Approval of Directors' fee RM100,000 payable to Waldersee Chan Chung Ching, the Non-Executive Chairman for the financial year ended 31 March 2023.	Ordinary Resolution 2		
4.	Approval of Directors' fee of RM40,000 payable to Johnson Kandasamy A/L David Nagappan, the Non-Independent Non-Executive Director for the financial year ended 31 March 2023.	Ordinary Resolution 3		
5.	Approval of Directors' fee of RM40,000 payable to Han Hing Siew, the Independent Non-Executive Director for the financial year ended 31 March 2023.	Ordinary Resolution 4		
6.	Approval of Directors' fee of RM40,000 payable to Noor Hazelin Binti Hashim, the Independent Non-Executive Director for the financial year ended 31 March 2023.	Ordinary Resolution 5		
7.	Approval of Directors' fee of RM40,000 payable to Tan Yin Beng, the Independent Non-Executive Director for the financial year ended 31 March 2023.	Ordinary Resolution 6		
8.	Approval of Directors' Benefits payable up to an amount of RM30,000 from the close of 31 st AGM until conclusion of the 32 nd AGM in year 2024.	Ordinary Resolution 7		
9.	Re-election of Directors who retire by rotation pursuant to Clause 76(3) of the Constitution of the Company: -			
	9.1 Owee Geok Choon	Ordinary Resolution 8		
	9.2 Johnson Kandasamy A/L David Nagappan	Ordinary Resolution 9		
	9.3 Noor Hazelin Binti Hashim	Ordinary Resolution 10		
10.	Re-appointment of Messrs. BDO PLT as Auditors for the financial year ending 31 March 2024 and to authorize the Directors to fix their remuneration.	Ordinary Resolution 11		
SPECIAL BUSINESS				
11.	Waiver of Pre-emptive Rights under Section 85 of the Companies Act 2016.	Special Resolution		
12.	Authority to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 12		

*Please indicate with an "X" in the space provided how you wish your votes to be cast on the Resolutions specified in the notice of meeting. If you do not do so, the *proxy/proxies will vote, or abstain from voting on the resolutions as he/she/they may think fit.

Dated this : _____ day of _____ 2023

No. of Shares held	CDS Account No.

.....
**Signature/Common Seal of Shareholder
(Strike out whichever is inapplicable)

** Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
- (i) at least two (2) authorised officers, of whom one shall be a director; or
- (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Fold this flap for sealing

NOTES:

1. For the purpose of determining who shall be entitled to attend this Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 21 August 2023. Only a member whose name appears on this Record of Depositors shall be entitled to attend this Annual General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at an Annual General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the Annual General Meeting.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or adjourned Annual General Meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the registered office of the Company situated at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor.
 - (ii) By electronic means via facsimile
In the case of an appointment made by facsimile transmission, the proxy form must be received via facsimile at facsimile no. 07-3328096.
 - (iii) By electronic means via email
In the case of an appointment made via email transmission, the proxy form must be received via email at chloe.soon@my.tricorglobal.com.
- For options (ii) and (iii), the Company may request any member to deposit original executed proxy form to its registered office before or on the day of meeting for verification purpose.
- (iv) By electronic means via TIH Online
In the case of an appointment made via TIH Online, this Proxy Form must be deposited via TIH Online at <https://tihh.online>. Kindly refer to the Administrative Details on the procedure for electronic lodgement of Proxy Form via TIH Online.
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or adjourned Annual General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging the proxy form is Saturday, 26 August 2023 at 10.00 a.m.
12. Please bring an ORIGINAL of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
13. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the ORIGINAL certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.

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AFFIX
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HERE

THE COMPANY SECRETARY
DOMINANT ENTERPRISE BERHAD
Registration No. 199101010894 (221206-D)

Tricor Corporate Services Sdn. Bhd.
Suite 1301, 13th Floor, City Plaza, Jalan Tebrau
80300 Johor Bahru, Johor
Malaysia

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Dominant
Enterprise Berhad

199101010894 (221206 - D)

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