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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh (27th) Annual General Meeting 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, 26 August 2019 at 10.00 a.m. for the following purposes :-

ORDINARY BUSINESS

Resolution on Proxy Form

- | | |
|--|--|
| 1. To receive the Audited Financial Statements for the financial year ended 31 March 2019 and the Reports of the Directors and Auditors thereon. | (Explanatory Note 1) |
| 2. To approve the payment of a Single Tier Final Dividend of 1.50 sen per share in respect of the financial year ended 31 March 2019. | Ordinary Resolution 1 |
| 3. To approve the payment of Directors' fees of RM270,000 in respect of the financial year ended 31 March 2019. | Ordinary Resolution 2 |
| 4. To approve the payment of Directors' Benefits payable up to an amount of RM30,000 from the 27 th Annual General Meeting until conclusion of the 28 th Annual General Meeting. | Ordinary Resolution 3
(Explanatory Note 2) |
| 5. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association, constituting part of the Constitution of the Company :-

(a) Mr. Cha Aku Wai @ Sia Ah Kow
(b) Mr. Teo Ah Bah @ Teo Chuang Kwee
(c) Mr. Waldersee Chan Chung Ching | Ordinary Resolution 4
Ordinary Resolution 5
Ordinary Resolution 6 |
| 6. To re-appoint Messrs. BDO PLT as Auditors of the Company for the financial year ending 31 March 2020 and to authorise the Board of Directors to fix their remuneration. | Ordinary Resolution 7 |

SPECIAL BUSINESS

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

- | | |
|--|---|
| 7. CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – MR. JOHNSON KANDASAMY A/L DAVID NAGAPPAN

"THAT approval be and is hereby given to Mr. Johnson Kandasamy A/L David Nagappan who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and hold the office until the next 28 th Annual General Meeting of the Company." | Ordinary Resolution 8
(Explanatory Note 3) |
| 8. AUTHORITY TO DIRECTORS TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approval of the relevant governmental/regulatory authorities (if any), the Directors be and are hereby authorised to allot shares in the Company, from time to time, at such price, upon such terms and conditions and for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be allotted during the preceding 12 months does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so allotted from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by a resolution of the Company at a general meeting." | Ordinary Resolution 9
(Explanatory Note 4) |

NOTICE OF ANNUAL GENERAL MEETING (continued)

9. SPECIAL RESOLUTION PROPOSED ALTERATION OF THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION BY REPLACING WITH A NEW CONSTITUTION ("PROPOSED ALTERATION")

**Special Resolution 1
(Explanatory Note 5)**

"THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution attached hereto as "Annexure I" with effect from the date of passing this special resolution.

AND THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities."

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

NOTICE OF ENTITLEMENT DATE AND DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the proposed Single Tier Final Dividend of 1.50 sen per share in respect of the financial year ended 31 March 2019, if approved, will be paid on 20 September 2019 to shareholders whose names appear in the Record of Depositors on 10 September 2019.

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 10 September 2019 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)
(LS0000295)**

**CHIANG CHOON WEI (f)
(MIA 32062)**

Company Secretaries
Johor Bahru
26 July 2019

NOTES :

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
2. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA"), 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.
3. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. Where the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointment shall be invalid.
5. The instrument appointing a proxy, in the case of an individual shall be signed by the appointor or his/her attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an officer duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
6. The instrument appointing a proxy 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 48 hours before the time appointed for holding the meeting.

NOTICE OF ANNUAL GENERAL MEETING (continued)

NOTES : (continued)

7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 19 August 2019 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.

EXPLANATORY NOTES :

1. Item 1 of the Agenda

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 4 of the Agenda Resolution 3 - Directors' Benefits

The total estimate of Directors' Benefits payable comprised of Directors' training expenses for all Directors and meetings allowances for Non-Executive Directors for the period from 27th Annual General Meeting until the conclusion of the 28th Annual General Meeting.

3. EXPLANATORY NOTES ON SPECIAL BUSINESS:

Item 7 of the Agenda

Resolution 8 – Continuing in Office as Independent Non-Executive Director – Mr. Johnson Kandasamy A/L David Nagappan

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.

Mr. Johnson Kandasamy A/L David Nagappan was appointed as Independent Non-Executive Director of the Company in November 2004 and has therefore served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years.

The Board has via the Nominating Committee assessed the independence of Mr. Johnson Kandasamy A/L David Nagappan, considered him to be independent and recommended that he continues to act as Independent Non-Executive Director of the Company based on the following justifications:-

- (i) He has fulfilled the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (ii) He actively participated in Board deliberations, judged in an independent and unfettered manner, discharged his duties with reasonable care, skill and diligent; brought independent thought and experience and provided objectivity in decision making;
- (iii) The length of his services did not interfere with his ability and exercise of independent judgement as he was always independent in character, independent of management and free from any relationships or circumstances which would likely affect or could appear to affect his judgment; and
- (iv) He exercised due care in all undertakings of the Company and had carried out his fiduciary duties in the interest of the Company and of the minority shareholders

The Ordinary Resolution 8 proposed under item 7 if passed, will enable Mr. Johnson Kandasamy A/L David Nagappan to continue serving as an Independent Non-Executive Director of the Company.

4. Item 8 of the Agenda

Resolution 9 – Authority to Directors to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

Resolution 9 proposed under item 8 of the Agenda is for the purpose of granting a renewal of the general mandate and if passed, will provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. 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. This authority will commence from the date of this Annual General Meeting and unless earlier revoked or varied by the shareholders of the Company at a subsequent general meeting, shall expire at the conclusion of the next 28th Annual General Meeting of the Company.

As at the date of this Notice, no new shares have been issued pursuant to the mandate obtained at the 26th Annual General Meeting of the Company held on 27 August 2018, and accordingly no proceeds were raised.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES : (continued)

5. EXPLANATORY NOTES ON SPECIAL RESOLUTION:

Item 9 of the Agenda

Special Resolution 1 : Proposed Alteration of the Existing Memorandum and Articles of Association by replacing with a new Constitution

This proposed Special Resolution 1, if passed, will enable the Company to alter its existing Memorandum and Articles of Association by replacing with a new Constitution which is drafted in accordance with the relevant provisions of the Companies Act 2016, relevant amendments of Chapter 7 and other Chapters of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other provisions of laws and regulations that are applicable to the Company.

For further information on the Proposed Alteration, please refer to the "Annexure I" attached to the Company's 2019 Annual Report.

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 a re-election):

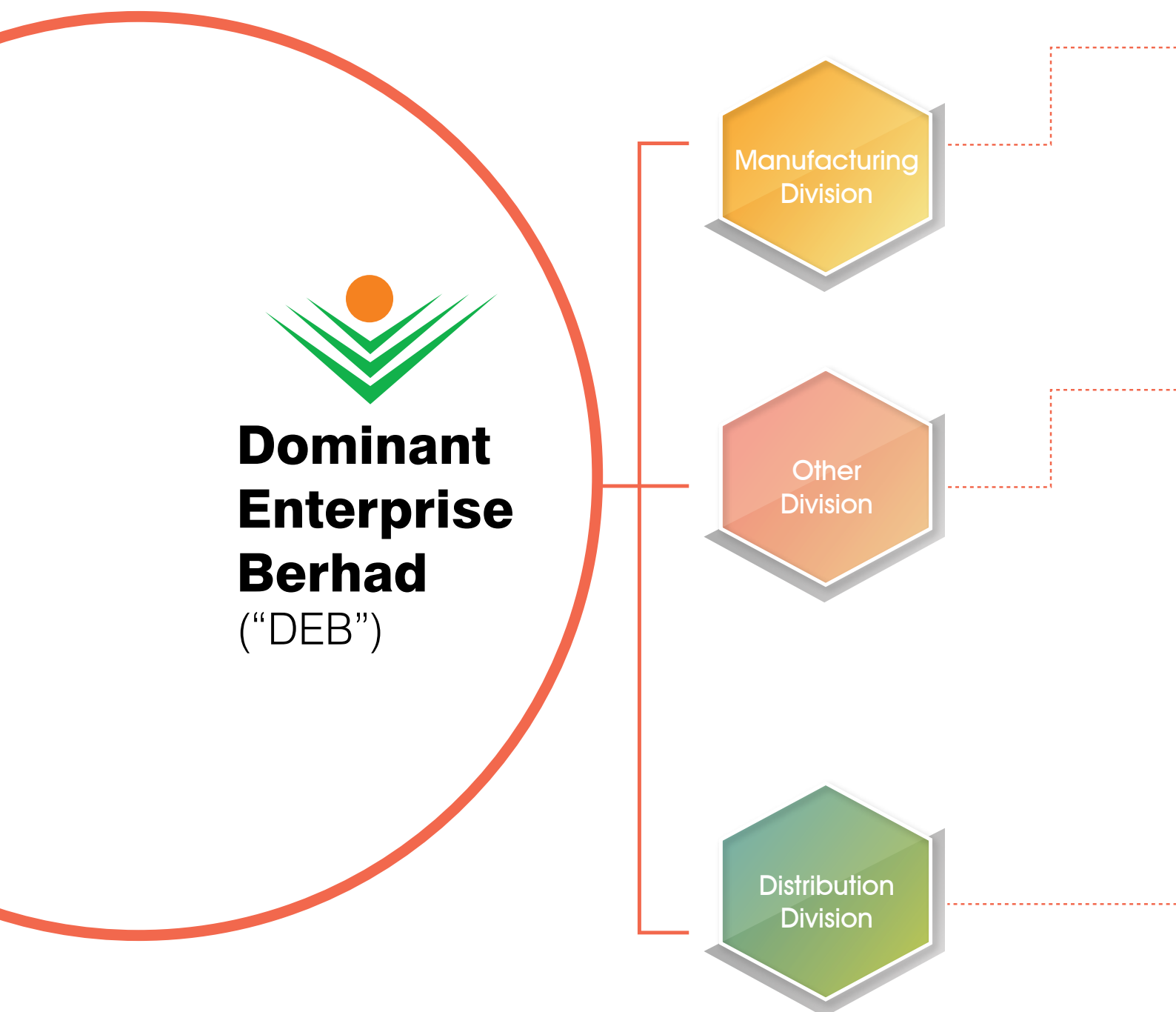
There is no person seeking election as Director of the Company at this Annual General Meeting.

2. 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 26th Annual General Meeting held on 27 August 2018 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 STRUCTURE



100% --- Premier Woodprofile Sdn Bhd
"PWSB"

100% --- Bripanel Industries Sdn Bhd
"BISB"

100% --- Ecopanel Industries Sdn Bhd
"EISB"

100% --- Akati Wood (Vietnam) Co Ltd
"AWVCL"

100% --- Damai Estate Sdn Bhd
"DESB"

100% --- Wira Land Development Sdn Bhd
"WLDSB"

100% --- Akati Impex Pte Ltd
"AIPL"

100% --- Green Panel Pty Ltd
"GPPL"

100% --- Combi Trading Sdn Bhd 0.0001%
"CTSB"

100% --- Ikta Sdn Bhd 0.0001%
"ISB"

100% --- Jurihan Sdn Bhd
"JSB"

100% --- Kim Guan Impex Sdn Bhd
"KGISB"

99.9998% --- Favor Woodpanel (Thailand) Co, Ltd
"FWTCL"



CORPORATE INFORMATION

Board of Directors

Mr. Teo Ah Bah @ Teo Chuang Kwee
Non-Executive Chairman

Mr. Owee Geok Choon
Managing Director

Mr. Cha Aku Wai @ Sia Ah Kow
Executive Director

Mr. Chai Soon Too
Executive Director

Mr. Teo Yu Chin
Executive Director

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

Puan Noor Hazelin Binti Hashim
Independent Non-Executive Director

Mr. Han Hing Siew
Independent Non-Executive Director

Mr. Waldersee Chan Chung Ching
Non-Independent Non-Executive Director

Ms. Cha Shi Jiu
Alternate Director to Cha Aku Wai @ Sia Ah Kow

Audit Committee

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

Company Secretary

Yong May Li (LS0000295)
Chiang Choon Wei (MIA 32062)

Principal Bankers

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

Stock Exchange

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

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

Registered Office

Suite 1301, 13th Floor, City Plaza,
Jalan Tebrau,
80300 Johor Bahru, Johor, Malaysia
Tel : 607 – 3322088
Fax : 607 – 3328096

Share Registrar

Tricor Investor & Issuing House Services Sdn.
Bhd. (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

DIRECTORS' PROFILE

Teo Ah Bah @ Teo Chuang Kwee *Non-Executive Chairman*

Male, aged 71, Malaysian, is one of the founders of Dominant Group. Appointed as the Executive Chairman to the Group on 17 December 1993, he has then redesignated to his current position with effect from 12 November 2004. He graduated from the University of Singapore with a Bachelor of Science in Applied Chemistry in 1974. Upon graduation, he joined his family company, Ayer Hitam Sawmill Co. Sdn. Bhd., which was involving in timber logging and sawmill for both export and domestic markets. He, together with his brothers had successfully set up many other businesses including property development, trading and manufacturing. He is now the executive director of Gromutual Bhd.

Owee Geok Choon *Managing Director*

Male, aged 48, 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-designed 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.

Cha Aku Wai @ Sia Ah Kow *Executive Director*

Male, aged 68, Malaysian, is one of the founders of the Dominant Group and was appointed as the Managing Director of Dominant on 17 December 1993. He was re-designated as Executive Director on 1 September 2018. He graduated with a Bachelor of Commerce majoring in Accounting from Nanyang University Singapore in 1974. He was admitted as a registered accountant of the Singapore Society of Accountants in 1978. He started a trading and distribution of wood-based products company in Singapore, namely Akati Pte Ltd, which was eventually restructured to AIPL. The trading business grew rapidly and this prompted him to set up ISB and CTSB to capture the market of Malaysia. With his entrepreneurship and long-term strategic view, he successfully established the manufacturing operations of Dominant through the incorporation of PWSB in 1994. He is actively involved in Dominant's overall operations and corporate planning.

Chai Soon Too *Executive Director*

Male, aged 58, Malaysian, was appointed to the Board of Dominant on 18 April 2003. He is the co-founder of JSB and was instrumental in setting up ISB's offices in Butterworth and Kota Bharu. He graduated with a Bachelor of Business Administration from National Chung-Hsing University, Taiwan in 1985. In 1993, he joined ISB as Director. He is responsible for overseeing the day-to-day operations of ISB and is also in charged of the business development and establishment of new distribution networks of ISB and JSB. He was appointed as the director of EISB and KGISB in financial year 2005.

Teo Yu Chin *Executive Director*

Male, aged 38, 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 Vermi 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 and FWTCL.

Johnson Kandasamy A/L David Nagappan *Senior Independent Non-Executive Director*

Male, aged 58, Malaysian, was appointed to the Board of Dominant on 1 November 2004 and re-designed as Senior Independent Non-Executive Director on 27 August 2018. 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 and also a Certified Financial Planner.

DIRECTORS' PROFILE (continued)

Noor Hazelin Binti Hashim

Independent Non-Executive Director

Female, aged 47, 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.

Han Hing Siew

Independent Non-Executive Director

Male, aged 61, 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 Director of Country View Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Waldersee Chan Chung Ching

Non-Independent Non-Executive Director

Male, aged 43, Malaysian, was appointed as the Non-Independent Non-Executive Director of Dominant on 1 April 2011. He graduated with a Bachelor of Laws from University College London, UK in 1999 and was subsequently called to the UK, Malaysian and Singapore Bars.

Cha Shi Jiu

Alternate Director to Cha Aku Wai @ Sia Ah Kow

Female, aged 40, Singaporean, appointed as Alternate Director to Mr Cha Aku Wai @ Sia Ah Kow with effect from 1 February 2019. 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 and 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.

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. Cha Aku Wai @ Sia Ah Kow is the brother in law of Teo Ah Bah @ Teo Chuang Kwee
2. Teo Yu Chin is the son of Teo Ah Bah @ Teo Chuang Kwee and the nephew of Cha Aku Wai @ Sia Ah Kow
3. Waldersee Chan Chung Ching is the son-in-law of Cha Aku Wai @ Sia Ah Kow and spouse of Cha Shi Jiu
4. Cha Shi Jiu is the daughter of Cha Aku Wai @ Sia Ah Kow and spouse of Waldersee Chan Chung Ching

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 10 years other than traffic offences.

Securities Holdings

The particulars of the directors' shareholdings are set out in page 117 and 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 3 Executive Directors namely Mr Cha Aku Wai @ Sia Ah Kow, Mr Chai Soon Too and Mr Teo Yu Chin. All four (4) of them are the key senior management and their profile are set out on page 10 of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

We are delighted to report that FY2019 proved to be another commendable year for Dominant Enterprise Berhad (Dominant or the Group), as we charted strong financial performance despite the current market challenges. This accomplishment speaks volumes of the team's determination and focus in the execution of our strategies.

BUSINESS AND OPERATIONS

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

The distribution segment's activities are carried out by seven subsidiaries, namely Akati Impex Pte Ltd, Ikta Sdn Bhd, Kim Guan Impex Sdn Bhd, Combi Trading Sdn Bhd, Jurihan Sdn Bhd, 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, and construction-related players 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.

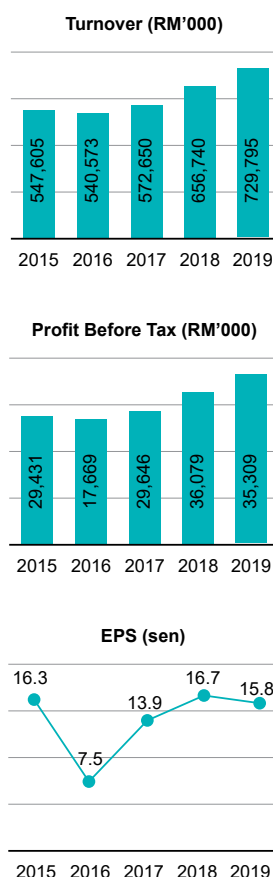
FINANCIAL REVIEW

Group revenue in FY2019 rose 11.1% to a new high of RM729.8 million compared to RM656.7 million previously, driven by additional market share captured and the penetration into new markets.

Revenue from the distribution segment contributed RM586.6 million or 80.4% of group revenue, rising 13.2% from RM518.3 million a year ago. The revenue of RM142.6 million or 19.5% of group revenue was derived from the manufacturing segment, which increased 3.3% from RM138.1 million.

Operating profit increased 3.7% to RM47.4 million in FY2019, from RM45.7 million previously, mainly due to higher revenue.

Profit before tax decreased 2.2% to RM35.3 million in FY2019 from RM36.1 million a year ago. Excluding the gain arising from the disposal of Butterworth warehouse in prior year which amounted RM2.0 million, profit before tax increased 3.6% in FY2019.

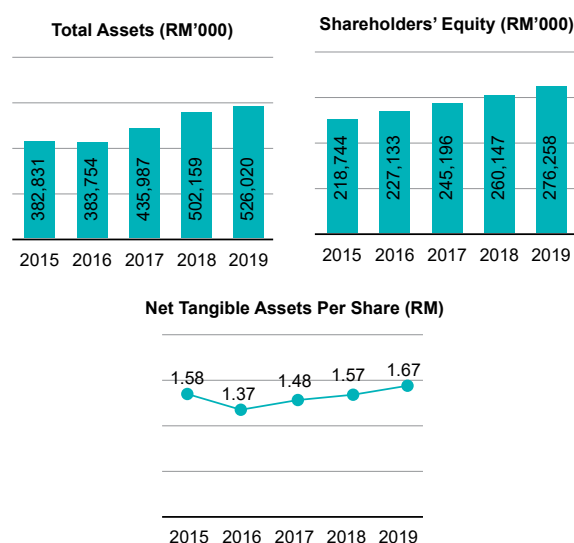


ASSETS, LIABILITIES AND EQUITY

The Group's total asset base increased to RM526.0 million as at 31 March 2019 from RM502.2 million a year ago.

The Group's total liability base increased to RM249.8 million as at 31 March 2019 from RM242.0 million previously. Trade payables and bank borrowings increased to RM29.1 million and RM201.2 million respectively from RM27.0 million and RM198.0 million a year ago, in line with the enlarged revenue base.

Group shareholders' equity rose to RM276.3 million, from RM260.1 million previously on higher retained earnings.



CAPITAL STRUCTURE AND CAPITAL RESOURCES

The construction of the Group's KL Dengkil plant and Ipoh warehouse has commenced and are both expected to be completed in 2020. Costs incurred is estimated to be RM15.0 million for the Dengkil plant and RM3.0 million for the Ipoh warehouse.

The Group has also entered into an agreement to purchase 3 parcels of land in Muar totalling 18.4 acres, for RM12.8 million. The land parcels are expected to be delivered in December 2021.

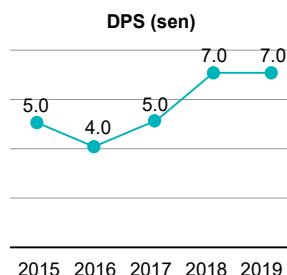
These projects are financed by internally generated funds and bank borrowings.

Despite the increase in borrowings in FY2019, Dominant's debt over debt plus equity ratio remains at a comfortable position of 0.40 times as at 31 March 2019, allowing the Group sufficient flexibility to fund a larger project base, withstand any economic fluctuations and capture future opportunities.

MANAGEMENT DISCUSSION & ANALYSIS (continued)

DIVIDENDS

The Board of Directors of Dominant has declared and distributed three interim dividends in respect of FY2019, namely the first single-tier interim dividend of 1.5 sen per share paid on 25 October 2018, the second single-tier dividend of 2.0 sen per share paid on 21 December 2018, and the third single-tier interim dividend of 2.0 sen per share paid on 22 March 2019.



Furthermore, the Board is proposing a final dividend of 1.5 sen per share in respect of FY2019, subject to shareholders' approval at the upcoming Annual General Meeting.

In total, Dominant has declared dividends of 7.0 sen per share in respect of FY2019, equivalent to a dividend payout of approximately RM11.6 million, representing 44.4% of FY2019 net profit.

OPERATIONAL HIGHLIGHTS

Distribution

Revenue derived from distribution segment made up 80.4% of the Group's revenue, rising 1.5% from 78.9% last year. The Group aims to build on our outstanding year by enhancing the market coverage in the coming years.

Manufacturing

The construction of the Group's Dengkil factory is expected to be completed in 2020. This plant will increase our production capability, allowing us to cater more effectively to the increasing demand for our products.

CHALLENGES

The Group is aware of the various external risks that may negatively impact its future prospects.

One of the challenges the Group faces is the current sluggish property development market. The Group has mitigated this risk by strategising our product mix and developing other industries such as infrastructure and interior design to diversify our client base.

Another challenge faced by the Group is the shortage of labour in Malaysia. This is made more acute with the anticipated rise in minimum wage, hampering our ability in the near-term to increase our production capacity as quickly as we would like to, to capture the higher market demand. To mitigate this risk, we have enhanced and automated our operation and production processes as much as possible to reduce the labour required, as well as focusing on employee skill enhancement as part of our Human Resource development plans.

Higher import costs due to the weakening of the Malaysian ringgit is another challenge faced by the Group. To mitigate this risk, we will continue to leverage on our competitive advantage of economies of scale, as well as our relationship with our suppliers to lower our costs.

GROWTH STRATEGIES

Despite the challenges faced, we foresee that demand for our products will remain on the rise, especially with growing economic development and rising income in South East Asia, propelling demand for wood related products.

Dominant continues to set sights on new milestones in both local and foreign markets, leveraging on our core strength as a key manufacturer and distributor of wood products and moulded wood components. We intend to bolster our market position by implementing the following strategies:

- **Increasing production capability**

We believe that in order to fulfil future demand for our products, we need to have long term strategies and to efficiently implement them. To this end, we have allocated RM15 million to construct a manufacturing plant in Dengkil, Selangor. The earthwork for the plant has been completed and construction of the plant has started. Construction of the plant is targeted to be completed in 2020 and operations to commence later that year.

- **Increasing market share**

The Group currently has subsidiary presence in Singapore, Malaysia, Australia, Thailand and Vietnam. The Group aims to strengthen its footprint in these countries through increased production capability, introduction of new products to the markets and developing new industries in each of these countries. With the Group's excellent track record in exceptional product quality and timely delivery, we are optimistic that we will be able to capture a larger piece of the pie.

- **Increased focus on furniture and infrastructure industries**

The furniture exports in Malaysia has increased significantly in the past few years and the industry is expected to continue to flourish. The Group will continue to work on expanding our market share in the furniture industry by leveraging on our reputation and competitive advantage of economies of scale.

The Malaysian Government has announced plans to invest significantly in the infrastructure of the country. The Group will ride the wave of these plans and focus on the development of the infrastructure industry.

- **Developing innovative product designs**

Dominant has always strived to be the market leader in the introduction of new product designs. It is our intention to continue with this practice and carry on with our target to come up with new product designs annually. We strive to remain innovative and competitive while maintaining our outstanding quality and efficiency.

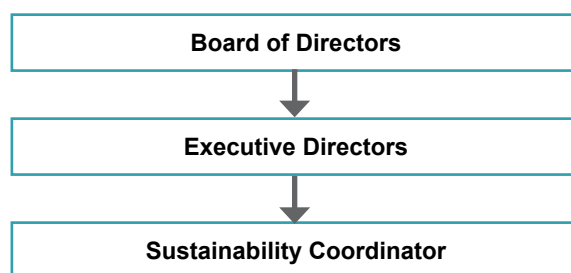
SUSTAINABILITY STATEMENT

GENERAL

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.

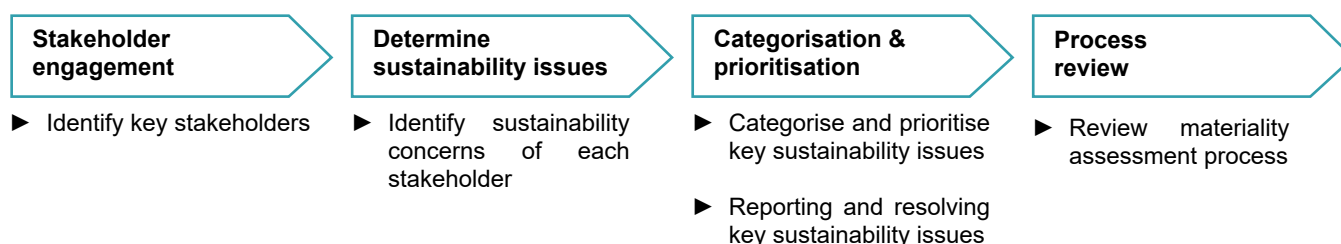
SUSTAINABILITY GOVERNANCE STRUCTURE

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:



STAKEHOLDER ENGAGEMENT

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

Stakeholder	Matter of concern	Engagement type
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 	<ul style="list-style-type: none"> • Induction programme • Annual performance appraisal • Recreational activities • Volunteer opportunities
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
Customers	<ul style="list-style-type: none"> • Customers' satisfaction • Long term business relationship 	<ul style="list-style-type: none"> • Regular customer visits • Active participation in activities organised by related industry associations.
Shareholders & Investors	<ul style="list-style-type: none"> • Long term sustainable growth • Diversification • Risk management • Group governance 	<ul style="list-style-type: none"> • Annual general meeting • Quarterly reporting • Annual report • Analyst meetups • Media coverage

SUSTAINABILITY STATEMENT (continued)

STAKEHOLDER ENGAGEMENT (continued)

Stakeholder	Matter of concern	Engagement type
Suppliers & business partners	<ul style="list-style-type: none"> Procurement process Business sustainability 	<ul style="list-style-type: none"> Quality feedback form Periodic supplier visits Attend exhibitions suppliers that participate in

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.

Sustainability matters

Economic

- Ethics and conduct
- Corporate governance & compliance
- Customers satisfaction
- Branding & reputation
- Innovation as a culture
- Indirect economic impact

Environment

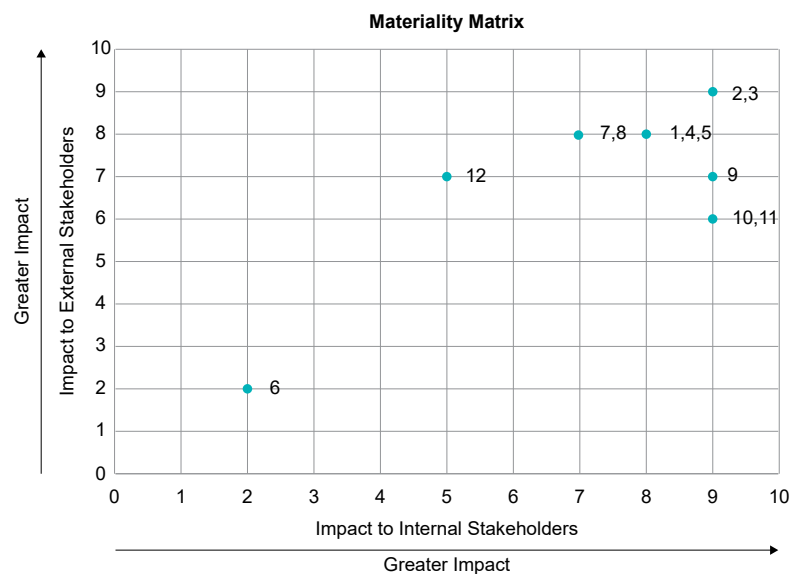
- Recycling & managing waste
- Green Products

Workplace

- Employee development, talent recruitment & retention
- Healthy work-life practice
- Safe work environment

Communities

- Community support



SUSTAINABILITY STATEMENT (continued)

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.

Risks such as unfavourable fluctuation in market demand caused by slowdown of property development may affect the Group's business. The Group is, however, able to mitigate this risk by diversifying its customer base and product range. The products manufactured and distributed by the Group are not sold only to the construction industry, but we are also actively supplying to the furniture and interior design market.

The shortage of labour in Malaysia and anticipated rise in minimum wage may also hamper the Group's ability in to grow as quickly as we would like to in the near-term. To counter this, we have enhanced and automated our operation and production processes as much as possible to reduce the labour required. This is also aligned to the Government's Industry 4WRD: National Policy on Industry 4.0, which aims to shift the manufacturing sector to higher value added process, digitisation, advanced manufacturing technologies and efficient resource utilisation to drive competitiveness going forward.

The Group has also been able to leverage on its competitive advantage of economies of scale and its strong relationship with suppliers to counter rising import costs due to the weakening of the Malaysian ringgit.

ENVIRONMENT

Our products are environmentally-friendly products 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 promoting such products to the market.

SOCIAL

Dominant 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.

Transparent Work Environment

The Group believes that transparency and authenticity in the workplace is vital to the overall health of its business. To create a transparent and healthy work environment, the Group has stressed to employees of all levels the importance of communication, honesty, regular feedback, respect and admitting wrong. The Whistle Blowing Policy adopted by the Group aims to encourage individuals to be confident in raising their concerns without fear of reprisal, discrimination or adverse consequences.

Our People

The Group believes that its employees are its greatest assets and are critical to the overall success of the company. 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

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, our employees are also offered opportunities to do volunteer work. This club is funded mainly by the Group and its employees. During the year, the Group has made several contributions and donations to organisations for the support of their sport, cultural and welfare activities.

AUDIT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE OF MEETINGS

The composition of the Audit Committee and details of their attendance of meetings held during the financial year ended 31 March 2019 were as follows:-

Name	Designation	No of meetings	
		Held	Attended
Johnson Kandasamy A/L David Nagappan (Member of MIA)	Chairman/ Senior Independent Non-Executive Director	5	5
Noor Hazelin Binti Hashim	Member/ Independent Non-Executive Director	5	5
Han Hing Siew (Member of MIA) (Appointed on 1.6.2018)	Member/ Independent Non-Executive Director	4	4

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, 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 statement for financial year ended 2018 to ensure the financial report has presented a true and fair view;
- Reviewed the results and issues arising from the external audit and discussed the areas of concern with external auditors in the absence of management;
- Reviewed and recommended to the Board the reappointment of external auditor and reviewed their audit plan;
- Reviewed the external audit fees proposed and recommend the same for approval by the Board;
- Reviewed the Audit Committee Report, Statement on Corporate Governance and Statement on Risk Management and Internal Control to be disclosed in Annual Report Financial Year Ended 2018;
- 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;
- Reviewed the Risk Management Report and discussed the areas of concern with the management. and
- Reviewed and discussed on the change in the composition of Risk Management Committee

INTERNAL AUDIT FUNCTIONS

The internal audit department of the Group has assisted 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 to standard operating procedures to provide reasonable assurance that the Group's processes and controls continue to remain relevant and effective. Overview of the Group's approach in maintaining a sound risk management framework and effective internal controls is stated in the Risk Management and Internal Control Statement on page 24 and 25 of this annual report.

This report was made in accordance with a resolution of the Board of Directors dated 9 July 2019.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to report to the shareholders on the manner in which the Group has applied the principles and complied with the best practices outlined in the Malaysian Code on Corporate Governance 2017 (“the Code”) for the financial year ended 31 March 2019.

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. During the financial year, two new directors have been appointed to join the Board. There are nine (9) members, comprising five (5) Non-Executive Directors (including the Chairman) and four (4) Executive Directors. Out of the five (5) Non-Executive Directors, three (3) are independent representing 33% of the Board. This complies with the Listing Requirements of Bursa Malaysia Securities Berhad.

While practice 4.1 of the Code states that at least half the Board comprises independent directors, the current size and composition of the Board comprises majority non-executive directors which is considered adequate to provide an optimum mix of skills, experience and expertise. The Board is of the view that 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 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 the 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.

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, operational plans and budgets;
- f) Review the Group’s performance on business strategy 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;
- 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

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 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 16 of this Annual Report.

(ii) Nominating Committee

The members of the Nominating Committee ("NC") compose exclusively of non-executive directors, majority of whom are independent non-executive directors, and their attendance of meetings are as follows :

Committee	Attendance
Noor Hazelin Binti Hashim (Chairman)	4/4
Teo Ah Bah @ Teo Chuang Kwee	4/4
Johnson Kandasamy A/L David Nagappan	4/4
Han Hing Siew (Appointed on 1.6.2018)	3/3

The roles and responsibilities of NC include identifying, selecting and recommending candidates for new board appointment. 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 to 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, principle 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.

Appointment and Re-Election

All new nominations for appointment to the Board are assessed by NC. In accordance with the Company's Articles of Associations, at least one-third (1/3) of the Directors shall retire from office every three (3) years, but shall be eligible for re-election.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

3. BOARD COMMITTEES (continued)

(ii) Nominating Committee (continued)

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 4.2 of the Code states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. If the Board intends to retain an ID beyond nine (9) years, it should provide justification and seek shareholders' approval at the Annual General Meeting.

The Board, with the recommendation of Nominating Committee, unanimously approved and supported the continuity of Mr Johnson Kandasamy A/L David Nagappan ("Mr. Johnson David") who has served the Board for more than 9 years as an Independent Director to the Company, based on the following :-

- Mr. Johnson David has fulfilled the criteria under the definition of ID pursuant to the Listing Requirements;
- Mr. Johnson David has actively participated in Board deliberations, gave his opinion in an independent and unfettered manner, discharged his duties with reasonable care, skill and diligent; brought independent thoughts, experience and objectivity in decision making;
- The length of service did not interfere with his ability to exercise independent judgement as he is always independent in character, independent of management and free from any relationships or circumstances which would likely affect or could appear to affect his judgment;
- He exercised due care in all undertakings of the Group and has carried out his fiduciary duties in the interest of the Group and of the minority shareholders.

The continuity of the office of Mr. Johnson David as an Independent Director to the Company will be subject to shareholders' approval in the forth-coming Annual General Meeting through a single-tier voting process.

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

(iii) Remuneration Committee

The Remuneration Committee ("RC") was formed to assist the Board in reviewing remuneration package for Directors. The RC members and their attendance of meetings are as follows :

Directors	Attendance
Han Hing Siew (Chairman) (Appointed on 1.6.2018)	1/1
Teo Ah Bah @ Teo Chuang Kwee	2/2
Johnson Kandasamy A/L David Nagappan	2/2
Noor Hazelin Binti Hashim	2/2

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

3. BOARD COMMITTEES (continued)

(iii) Remuneration Committee (continued)

The remuneration of each Director for the financial year ended 31 March 2019 is set out as follows: -

Name	Amount in Ringgit Malaysia (RM'000)			
	Directors Fees	Salary & Other Emoluments	Meeting Allowance	EPF
EXECUTIVE DIRECTORS				
Owee Geok Choon	-	1,426	3	153
Cha Aku Wai @ Sia Ah Kow	-	1,133	3	127
Chai Soon Too	-	1,009	2	121
Teo Yu Chin	-	1,049	2	105
NON-EXECUTIVE DIRECTORS				
Teo Ah Bah @ Teo Chuang Kwee	100	-	3	-
Johnson Kandasamy A/L David Naggappan	40	-	3	-
Waldersee Chan Chuang Ching	40	-	2	-
Noor Hazelin Binti Hashim	40	-	3	-
Han Hing Siew (Appointed on 1.6.2018)	33	-	2	-
Cha Shi Jiu (Appointed on 1.2.2019)	-	-	-	-

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

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 agenda and prepare in advance to the meeting.

For the financial year ended 31 March 2019, four (4) meetings were held. The attendance record of the members of the Board meetings are as follows :-

Executive Directors	Attendance	Non-Executive Directors	Attendance
Owee Geok Choon	4/4	Teo Ah Bah @ Teo Chuang Kwee	4/4
Cha Aku Wai @ Sia Ah Kow	4/4	Johnson Kandasamy A/L David Nagappan	4/4
Chai Soon Too	4/4	Waldersee Chan Chung Ching	4/4
Teo Yu Chin	4/4	Noor Hazelin Binti Hashim	4/4
		Han Hing Siew (Appointed on 1.6.2018)	3/3
		Cha Shi Jiu (Appointed on 1.2.2019)	1/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (continued)

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 Secretary 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 requirement.

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 efficient and effectively, the Board is assisted by a licensed Company Secretary and the details of the Company Secretary are disclosed in Practice 1.4 of CG Report.

6. DIRECTORS' TRAINING

All directors have completed the Mandatory Accreditation Programme pursuant to Paragraph 15.08 of the Listing Requirements of Bursa Malaysia Securities Berhad. The directors are aware of the importance of continuous training to update themselves and to further enhance their skills and knowledge to better equip themselves to effectively discharge their duties.

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.

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

Director	Seminar/ Course
Teo Ah Bah @ Teo Chuang Kwee	Tax and Business Summit 2018
Cha Aku Wai @ Sia Ah Kow	Higher Interest Rate – Is There Light At The End of The Horizon
Owee Geok Choon	FX & Economic Outlook 2018/2019
Teo Yu Chin	Entrepreneurs in Every Generation
Johnson Kandasamy A/L David Nagappan	2019 Budget Seminar Managing Tax Investigation and Tax Audit Corporate Tax Issue for 2017 and 2018
Waldersee Chan Chung Ching	Data Privacy GDPR Training Practical Report Writing & Court Room Skills for Expert Witness AMLATFPVAA 2011: Complexity & its Impact on Law & Compliance ICA Diploma in Governance, Risk and Compliance – Module 1: Industry Knowledge and Awareness [Insurance]
Noor Hazelin Binti Hashim	Introduction to Corporate Liability Provision
Han Hing Siew	Mandatory Accreditation Programme
Cha Shi Jiu	Mandatory Accreditation Programme

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Relationship with Auditors

The Board, through the Audit Committee, always maintains an appropriate and transparent relationship with the external auditors, and always seeks professional advice from them. The review of the Group's financial statements by its external auditors provides users of these financial statements enhanced assurance on the reliability of these statements.

The external auditors 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 external auditors.

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 2019 is approximately RM 263,000. The Statement on Risk Management and Internal Control as detailed under pages 24 and 25 of this annual report provides an overview of the state of internal controls within the Group.

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

1. Corporate Disclosure and Communication with Shareholders and 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 and Annual Report will be despatched 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. 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. The policy is 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 Accounting 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 Fee*

The amount of audit fees paid or payable to the auditors for the financial year ended 31 March 2019

	The Group	The Company
	RM	RM
Audit Fee	212,080	19,000
Non-Audit Fee	1,000	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.

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 Chair person, other executive directors and Senior Management 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. A report will be submitted to the Audit Committee for review each financial year. The latest report dated 27 February 2019 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 and Singapore. Reports were presented to both the Audit Committee and Senior Management to highlight the audit findings. It is also IA's responsibility to ensure that Standard Operating Procedures are strictly adhered to 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 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.
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. A whistle blowing 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 2019.

This statement was made in accordance with a resolution of the Board of directors passed on 9 July 2019.



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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 2019.

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 12 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	26,141,641	13,655,684
Profit attributable to owners of the parent	26,141,641	13,655,684

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 2018:	
Final single tier dividend of 1.5 sen per ordinary share, paid on 20 September 2018	2,478,601
In respect of financial year ended 31 March 2019:	
First single tier interim dividend of 1.5 sen per ordinary share, paid on 25 October 2018	2,478,601
Second single tier interim dividend of 2.0 sen per ordinary share, paid on 21 December 2018	3,304,801
Third single tier interim dividend of 2.0 sen per ordinary share, paid on 22 March 2019	3,304,801
	<u>11,566,804</u>

The Directors proposed a single tier final dividend of 1.5 sen per ordinary share, amounting to RM2,478,601 in respect of the financial year ended 31 March 2019.

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.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS' REPORT(continued)

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.

Warrants 2015/2020

The Warrants were constituted under the Deed Poll dated 24 August 2015. No warrants were exercised during the financial year and the total number of warrants that remain unexercised was 45,643,879.

The salient terms of the Warrants are disclosed in Note 19 to the financial statements.

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. Cha Aku Wai @ Sia Ah Kow
Mr. Teo Ah Bah @ Teo Chuang Kwee
Mr. Chai Soon Too
Mr. Owee Geok Choon
Mr. Johnson Kandasamy A/L David Nagappan
Mr. Waldersee Chan Chung Ching
Mr. Teo Yu Chin
Puan Noor Hazelin Binti Hashim
Mr. Han Hing Siew
Ms. Cha Shi Jiu (alternate to Mr. Cha Aku Wai @ Sia Ah Kow; appointed on 1 February 2019)
Mr. Tan Meng Poo (resigned on 27 August 2018)

Subsidiaries of Dominant Enterprise Berhad

Mr. Cha Aku Wai @ Sia Ah Kow
Mr. Chai Soon Too
Mr. Owee Geok Choon
Mr. Teo Yu Chin
Mr. Chan Han Ching
Mr. Chin Soon Kong
Mr. Heng Yik Poh
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 2019 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:

	[----- Number of ordinary shares -----]				
Shares in the Company	Balance as at 1.4.2018	Transfer (to)/from	Bought	Sold	Balance as at 31.3.2019
<u>Direct interests:</u>					
Mr. Cha Aku Wai @ Sia Ah Kow	2,217,100	-	-	-	2,217,100
Mr. Teo Ah Bah @ Teo Chuang Kwee*	1,010,238	-	-	-	1,010,238
Mr. Chai Soon Too	1,034,986	-	-	-	1,034,986
Mr. Owee Geok Choon*	753,903	-	-	-	753,903
Mr. Waldersee Chan Chung Ching	1,200,000	-	-	-	1,200,000
Mr. Teo Yu Chin*	143,484	-	-	-	143,484
Ms. Cha Shi Jiu (appointed on 1 February 2019)	1,715,512	-	-	-	1,715,512

* Shares held through nominee account now included

<u>Indirect interests:</u>					
Mr. Cha Aku Wai @ Sia Ah Kow	75,922,181	-	-	-	75,922,181
Mr. Teo Ah Bah @ Teo Chuang Kwee#	1,195,111	-	-	-	1,195,111
Mr. Owee Geok Choon#	50,400	-	-	-	50,400
Mr. Waldersee Chan Chung Ching	1,715,512	-	-	-	1,715,512
Ms. Cha Shi Jiu (appointed on 1 February 2019)	1,200,000	-	-	-	1,200,000

Shares held through nominee account are now included under direct interests

	[----- Number of warrants-----]				
Warrants in the Company	Balance as at 1.4.2018	Allotted	Bought	Exercised	Balance as at 31.3.2019
<u>Direct interests:</u>					
Mr. Cha Aku Wai @ Sia Ah Kow	615,861	-	-	-	615,861
Mr. Teo Ah Bah @ Teo Chuang Kwee*	280,621	-	-	-	280,621
Mr. Chai Soon Too	287,496	-	-	-	287,496
Mr. Owee Geok Choon	209,417	-	-	-	209,417
Mr. Waldersee Chan Chung Ching	333,333	-	-	-	333,333
Mr. Teo Yu Chin*	39,856	-	-	-	39,856
Ms. Cha Shi Jiu (appointed on 1 February 2019)	476,531	-	-	-	476,531

* Warrants held through nominee account now included

<u>Indirect interests:</u>					
Mr. Cha Aku Wai @ Sia Ah Kow	20,833,938	-	-	-	20,833,938
Mr. Teo Ah Bah @ Teo Chuang Kwee#	331,975	-	-	-	331,975
Mr. Owee Geok Choon	14,000	-	-	-	14,000
Mr. Waldersee Chan Chung Ching	476,531	-	-	-	476,531
Ms. Cha Shi Jiu (appointed on 1 February 2019)	333,333	-	-	-	333,333

Warrants held through nominee account are now included under direct interests

DIRECTORS' REPORT(continued)

DIRECTORS' INTERESTS (continued)

	[----- Number of ordinary shares -----]			
	Balance as at 1.4.2018	Bought	Sold	Balance as at 31.3.2019
Shares in the ultimate holding company				
NS Pacific Sdn. Bhd.				
<u>Direct interests:</u>				
Mr. Cha Aku Wai @ Sia Ah Kow	8,000	-	-	8,000
Mr. Teo Ah Bah @ Teo Chuang Kwee	6,253	-	-	6,253
Mr. Chai Soon Too	1,725	-	-	1,725
Mr. Owee Geok Choon	300	-	-	300
Mr. Teo Yu Chin	1,410	-	-	1,410
<u>Indirect interests:</u>				
Mr. Cha Aku Wai @ Sia Ah Kow	5,403	-	-	5,403

By virtue of Section 8(4) of the Companies Act 2016 in Malaysia, Mr. Cha Aku Wai @ Sia Ah Kow is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company and the ultimate holding company have an interest.

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, except for any benefits which may be deemed to have arisen from those transactions as disclosed in Note 36 to the financial statements.

There were no arrangements 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' REMUNERATION

The details of Directors' remuneration are disclosed in Note 30 to the financial statements.

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 there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and

DIRECTORS' REPORT(continued)

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

(I) AS AT THE END OF THE FINANCIAL YEAR (continued)

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps: (continued)
 - (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 necessitate the writing off of bad debts or render 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.
- (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.

SUBSIDIARIES

Details of the subsidiaries are set out in Note 12 to the financial statements.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Details of the significant event during the financial year are set out in Note 40 to the financial statements.

ULTIMATE HOLDING COMPANY

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

DIRECTORS' REPORT(continued)

AUDITORS

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

The details of auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 March 2019 are disclosed in Note 32 to the financial statements.

BDO PLT (LLP0018825-LCA & AF 0206) was registered on 2 January 2019 and with effect from that date, BDO (AF 0206), a conventional partnership was converted to a limited liability partnership.

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

Owee Geok Choon
Director

Johor Bahru
9 July 2019

Teo Ah Bah @ Teo Chuang Kwee
Director

In the opinion of the Directors, the financial statements set out on pages 37 to 114 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 2019 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Teo Ah Bah @ Teo Chuang Kwee
Director

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 37 to 114 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Owee Geok Choon

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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 statements of financial position as at 31 March 2019 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 37 to 114.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019, 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' *Code of Ethics for Professional Accountants* ("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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters of the Group

Recoverability of trade receivables

As at 31 March 2019, trade receivables of the Group amounted to RM164,607,408. The details of trade receivables and their credit risks have been disclosed in Note 15 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) assessed cash receipts subsequent to the end of the reporting period.

Key Audit Matters of the Company

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOMINANT ENTERPRISE BERHAD (continued) (Incorporated in Malaysia)

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 Group's and the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOMINANT ENTERPRISE BERHAD (continued) (Incorporated in Malaysia)

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

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: (continued)

- (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, related safeguards.

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 12 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
LLP0018825-LCA & AF 0206
Chartered Accountants

Kuala Lumpur
9 July 2019

Francis Cyril A/L S R Singam
03056/04/2021 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	Group		Company	
		2019	2018	2019	2018
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	126,109,096	104,335,078	40,518	33,369
Investment properties	8	722,013	14,754,265	-	-
Prepaid lease payments for land	9	5,351,138	4,823,342	-	-
Inventories	10	13,447,230	-	-	-
Land held for property development	11	-	13,447,230	-	-
Investments in subsidiaries	12	-	-	92,050,476	15,343,148
Equity investment	13	-	-	-	-
Goodwill	14	836,556	836,556	-	-
		146,466,033	138,196,471	92,090,994	15,376,517
Current assets					
Inventories	10	150,487,677	128,612,287	-	-
Trade and other receivables	15	173,276,690	183,493,432	3,849,689	69,216,692
Current tax assets		253,967	344,749	31,813	35,766
Short term investments	16	45,250,059	43,711,137	22,559,797	21,787,931
Cash and bank balances	17	10,285,450	7,801,397	72,650	76,297
		379,553,843	363,963,002	26,513,949	91,116,686
TOTAL ASSETS		526,019,876	502,159,473	118,604,943	106,493,203
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	18	83,097,247	83,097,247	83,097,247	83,097,247
Reserves	19	193,161,362	177,050,316	13,837,200	11,783,159
TOTAL EQUITY		276,258,609	260,147,563	96,934,447	94,880,406

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019 (continued)

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
LIABILITIES					
Non-current liabilities					
Borrowings	20	2,913,007	5,008,549	-	-
Deferred tax liabilities	23	7,834,121	5,707,027	-	-
		10,747,128	10,715,576	-	-
Current liabilities					
Trade and other payables	24	38,635,243	36,165,396	21,670,496	11,612,797
Borrowings	20	198,273,765	192,950,323	-	-
Current tax liabilities		2,105,131	2,180,615	-	-
		239,014,139	231,296,334	21,670,496	11,612,797
TOTAL LIABILITIES		249,761,267	242,011,910	21,670,496	11,612,797
TOTAL EQUITY AND LIABILITIES		526,019,876	502,159,473	118,604,943	106,493,203

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 2019

	Note	Group		Company	
		2019	2018	2019	2018
		RM	RM	RM	RM
Revenue	27	729,795,307	656,740,097	15,318,258	17,208,883
Finance income	28	1,399,057	1,217,449	717,865	680,338
Other operating income		3,738,175	3,815,088	504,918	495,926
Changes in inventories of work-in-progress and finished goods		(522,132,786)	(466,248,747)	-	-
Raw materials and consumables used		(112,368,628)	(101,605,710)	-	-
Employee benefits	29	(28,490,014)	(25,141,415)	(606,012)	(314,613)
Directors' remuneration	30	(6,803,447)	(6,644,739)	(1,308,016)	(1,056,815)
Depreciation of property, plant and equipment	7	(2,977,981)	(2,766,882)	(4,820)	(26,933)
Amortisation of prepaid lease payments for land	9	(302,663)	(289,789)	-	-
Other operating expenses		(16,356,008)	(15,232,085)	(817,268)	(1,256,248)
Finance costs	31	(10,191,459)	(7,763,519)	-	-
Profit before tax	32	35,309,553	36,079,748	13,804,925	15,730,538
Tax expense	33	(9,167,912)	(7,670,889)	(149,241)	(151,207)
Profit for the financial year		26,141,641	28,408,859	13,655,684	15,579,331
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations	33(a)	586,080	(3,054,460)	-	-
Short term investments					
- fair value gain	33(a)	-	70,641	-	31,044
- reclassification	33(a)	(69,677)	-	(34,839)	-

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

	Note	Group		Company	
		2019	2018	2019	2018
		RM	RM	RM	RM
Items that will not be reclassified subsequently to profit or loss					
Fair value adjustment on revaluation of properties	33(a)	1,019,806	-	-	-
Total other comprehensive income, net of tax		1,536,209	(2,983,819)	(34,839)	31,044
Total comprehensive income		<u>27,677,850</u>	<u>25,425,040</u>	<u>13,620,845</u>	<u>15,610,375</u>
Profit attributable to:					
Owners of the parent		26,141,641	27,610,055	13,655,684	15,579,331
Non-controlling interests		-	798,804	-	-
		<u>26,141,641</u>	<u>28,408,859</u>	<u>13,655,684</u>	<u>15,579,331</u>
Total comprehensive income attributable to:					
Owners of the parent		27,677,850	24,581,392	13,620,845	15,610,375
Non-controlling interests		-	843,648	-	-
		<u>27,677,850</u>	<u>25,425,040</u>	<u>13,620,845</u>	<u>15,610,375</u>
Earnings per ordinary share attributable to owners of the parent (sen)					
- Basic	35	<u>15.82</u>	<u>16.72</u>		
- Diluted	35	<u>15.82</u>	<u>16.72</u>		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Group	Note	[-----Non-distributable-----]				Distributable		Non- controlling interests	Total equity
		Share capital	Revaluation reserve	Exchange translation reserve	Other reserve	Retained earnings	Total		
		RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1 April 2017		82,837,247	30,296,084	8,377,478	(964)	123,685,945	245,195,790	128,931	245,324,721
Profit for the financial year		-	-	-	-	27,610,055	27,610,055	798,804	28,408,859
Disposal of leasehold land and building, net of tax		-	(2,137,833)	-	-	2,137,833	-	-	-
<u>Other comprehensive income</u>									
Short term investments	16	-	-	-	70,641	-	70,641	-	70,641
- fair value gain		-	-	-	-	-	-	-	-
Foreign currency translations, net of tax		-	-	(3,099,304)	-	-	(3,099,304)	44,844	(3,054,460)
Total comprehensive income		-	(2,137,833)	(3,099,304)	70,641	29,747,888	24,581,392	843,648	25,425,040
Transactions with owners									
Issuance of ordinary shares pursuant to warrants exercised	18	260,000	-	-	-	-	260,000	-	260,000
Acquisition of shares from non-controlling interest	12	-	-	-	-	844,985	844,985	(972,579)	(127,594)
Dividends paid	34	-	-	-	-	(10,734,604)	(10,734,604)	-	(10,734,604)
Total transactions with owners		260,000	-	-	-	(9,889,619)	(9,629,619)	(972,579)	(10,602,198)
Balance at 31 March 2018		83,097,247	28,158,251	5,278,174	69,677	143,544,214	260,147,563	-	260,147,563

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

Group	Note	[-----Non-distributable-----]				Distributable	
		Share capital	Revaluation reserve	Exchange translation reserve	Other reserve	Retained earnings	Total equity
		RM	RM	RM	RM	RM	RM
Balance at 1 April 2018		83,097,247	28,158,251	5,278,174	69,677	143,544,214	260,147,563
Profit for the financial year		-	-	-	-	26,141,641	26,141,641
<u>Other comprehensive income</u>							
Short term investments		-	-	-	(69,677)	-	(69,677)
- reclassification							
Fair value adjustment on revaluation of properties, net of tax		-	1,019,806	-	-	-	1,019,806
Foreign currency translations, net of tax		-	-	586,080	-	-	586,080
Total comprehensive income		-	1,019,806	586,080	(69,677)	26,141,641	27,677,850
Transactions with owners							
Dividends paid	34	-	-	-	-	(11,566,804)	(11,566,804)
Balance at 31 March 2019		83,097,247	29,178,057	5,864,254	-	158,119,051	276,258,609

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

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		[-----Non-distributable-----]		<u>Distributable</u>	
Company		Share capital	Other reserve	Retained earnings	Total equity
	Note	RM	RM	RM	RM
Balance at 1 April 2017		82,837,247	3,795	6,903,593	89,744,635
Profit for the financial year		-	-	15,579,331	15,579,331
<u>Other comprehensive income</u>					
Short term investments					
- fair value gain	16	-	31,044	-	31,044
Total comprehensive income		-	31,044	15,579,331	15,610,375
Transactions with owners					
Issuance of ordinary shares pursuant to warrants exercised	18	260,000	-	-	260,000
Dividends paid	34	-	-	(10,734,604)	(10,734,604)
Total transactions with owners		260,000	-	(10,734,604)	(10,474,604)
Balance at 31 March 2018		83,097,247	34,839	11,748,320	94,880,406
Balance at 1 April 2018		83,097,247	34,839	11,748,320	94,880,406
Profit for the financial year		-	-	13,655,684	13,655,684
<u>Other comprehensive income</u>					
Short term investments					
- reclassification		-	(34,839)	-	(34,839)
Total comprehensive income		-	(34,839)	13,655,684	13,620,845
Transactions with owners					
Dividends paid	34	-	-	(11,566,804)	(11,566,804)
Balance at 31 March 2019		83,097,247	-	13,837,200	96,934,447

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Group		Company	
		2019	2018	2019	2018
		RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		35,309,553	36,079,748	13,804,925	15,730,538
Adjustments for:					
Amortisation of prepaid lease payments for land	9	302,663	289,789	-	-
Depreciation of property, plant and equipment	7	2,977,981	2,766,882	4,820	26,933
Dividend income	27	-	-	(13,747,574)	(15,953,481)
Gain on disposal of property, plant and equipment		(62,040)	(2,011,616)	-	-
Impairment losses on trade and other receivables					
- addition	15	1,058,198	604,061	-	-
- reversal	15	(1,012,997)	(27,676)	-	-
Interest expense	31	10,191,459	7,763,519	-	-
Interest income	28	(1,399,057)	(1,217,449)	(717,865)	(680,338)
Inventories written off	10	292,955	-	-	-
Property, plant and equipment written off	7	5,290	118,682	-	-
Short term investments					
- fair value gain	16	(168,962)	-	(56,179)	-
Fair value loss recognised	13	843,575	-	-	-
Unrealised loss on foreign exchange		20,374	719,057	289,925	768,220
Operating profit/(loss) before working capital changes		48,358,992	45,084,997	(421,948)	(108,128)
Changes in working capital:					
Inventories		(21,765,131)	(30,437,426)	-	-
Trade and other receivables		9,970,483	(41,325,153)	(18,968)	-
Trade and other payables		2,489,495	4,660,798	165,158	211,134
Cash generated from/(used in) operations		39,053,839	(22,016,784)	(275,758)	103,006
Interest paid		(336,516)	(140,269)	-	-
Tax paid		(9,300,083)	(6,502,718)	(202,247)	(177,473)
Tax refunded		141,737	-	56,959	-
Net cash from/(used in) operating activities		29,558,977	(28,659,771)	(421,046)	(74,467)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

	Note	Group		Company	
		2019	2018	2019	2018
		RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of:					
- property, plant and equipment	7	(7,651,844)	(4,901,606)	(11,969)	(943)
- investment properties	8	-	(722,013)	-	-
Dividends received from subsidiaries	27	-	-	13,747,574	15,953,481
Interest received	28	1,399,057	1,217,449	717,865	680,338
Acquisition of shares in a subsidiary	12	-	(127,594)	-	(1,253,336)
Proceeds from disposal of property, plant and equipment		87,888	5,917,941	-	-
Net placement of short term investments		(1,369,960)	(6,686,957)	(715,687)	(678,025)
Net advances to subsidiaries		-	-	(1,753,580)	(4,169,707)
Net cash (used in)/from investing activities		(7,534,859)	(5,302,780)	11,984,203	10,531,808
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	34	(11,566,804)	(10,734,604)	(11,566,804)	(10,734,604)
Interest paid		(9,854,944)	(7,623,251)	-	-
Proceeds from shares issued	18	-	260,000	-	260,000
Net drawdown of borrowings		5,661,613	52,674,183	-	-
Repayments of:					
- hire purchase creditors		(145,754)	(264,567)	-	-
- term loans		(3,366,045)	(5,767,926)	-	-
Net cash (used in)/from financing activities		(19,271,934)	28,543,835	(11,566,804)	(10,474,604)
Net increase/(decrease) in cash and cash equivalents		2,752,184	(5,418,716)	(3,647)	(17,263)
Cash and cash equivalents at beginning of financial year		4,408,673	10,257,731	76,297	93,563
Effects of exchange rate fluctuations on cash and cash equivalents		(224,199)	(430,342)	-	(3)
Cash and cash equivalents at end of financial year	17(b)	6,936,658	4,408,673	72,650	76,297

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (continued)

	Note	Group		Company	
		2019	2018	2019	2018
		RM	RM	RM	RM
RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES					
Borrowings at 1 April*		194,566,148	149,575,061	-	-
Cash flows		2,149,814	46,641,690	-	-
Non-cash flows					
- Acquisition of property, plant and equipment	7(c)	350,000	60,000	-	-
- Effect of foreign exchange		772,018	(1,710,603)	-	-
Borrowings at 31 March*	20	<u>197,837,980</u>	<u>194,566,148</u>	<u>-</u>	<u>-</u>

* Borrowings exclude bank overdraft.

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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 2019 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 9 July 2019.

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 12 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 set out on pages 37 to 114 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.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

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 5.1 to the financial statements.

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

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual agreements; and
- (c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represents the equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

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

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

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;

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Business combinations (continued)

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

- (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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment and depreciation (continued)

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, leasehold land and building are stated at cost less any accumulated depreciation and any accumulated impairment losses. Freehold land, leasehold 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, leasehold 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 periods and rates are as follows:

Leasehold land	93 years to 99 years
Buildings	1.8% - 2%
Plant and machineries	10%
Motor vehicles and forklifts	10% - 20%
Electrical fittings and installations	10%
Office equipment, furniture and fittings	5% - 10%
Stores, cabin and renovations	10%

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 and hire purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit and loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Leases and hire purchase (continued)

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

(c) Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair value of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

4.9 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries), inventories, 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Impairment of non-financial assets (continued)

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 assets' 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 (unless it is a trade receivable that does not contain a significant financing component) 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.

(a) Financial assets

Current financial year - Accounting policies applied from 1 April 2018

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Financial instruments (continued)

(a) Financial assets (continued)

Current financial year - Accounting policies applied from 1 April 2018 (continued)

(ii) Financial assets measured at fair value (continued)

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). The Group had elected an irrevocable option to designate its equity instruments not held for trading other than investments in subsidiaries, associates and joint ventures at initial recognition as financial assets measured at FVTPL.

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.

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.

Previous financial year - Accounting policies applied until 31 March 2018

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Financial instruments (continued)

(a) Financial assets (continued)

Previous financial year - Accounting policies applied until 31 March 2018 (continued)

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement: (continued)

(ii) Held-to-maturity investments (continued)

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

Cash and cash equivalents consists 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 and the Company in the management of its short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Financial instruments (continued)

(b) Financial liabilities

Current financial year - Accounting policies applied from 1 April 2018

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 at FVTPL or other financial liabilities at amortised cost.

(i) Financial liabilities at FVTPL

Financial liabilities 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

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

For other financial liabilities, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Financial Instruments (continued)

(b) Financial liabilities (continued)

Previous financial year - Accounting policies applied until 31 March 2018

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial 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 corporate guarantees as 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.

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities, if any 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, if any, are only removed from the statements of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Financial instruments (continued)

(c) Equity

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

Current financial year - Accounting policies applied from 1 April 2018

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.

Impairment for other receivables 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.

The probability of non-payment other receivables 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 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Impairment of financial assets (continued)

Previous financial year - Accounting policies applied until 31 March 2018

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables is reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

Impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if the increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Provisions (continued)

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.

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.

(c) Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions but excluding the impact of any non-market performance and service vesting conditions.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Employee benefits (continued)

(c) Share-based payments (continued)

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees could provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. The Group recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

If the options are exercised, the Company issues new shares to the employees. The proceeds received, net of any directly attributable transaction costs are recognised in share capital.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

- (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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Operating segments (continued)

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.

- (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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.22 Fair value measurements (continued)

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
Amendments to MFRS 1 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 Financial Instruments (IFRS as issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 128 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 140 Transfers of Investment Property	1 January 2018
Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	See MFRS 4 Paragraphs 46 and 48

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company. The impact on the adoption of MFRS 9 and MFRS 15 on the financial statements of the Group and of the Company are described in the following sections.

(a) MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, encompassing all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied MFRS 9 prospectively, with an initial application date of 1 April 2018. The Group and the Company has not restated the comparative information, which continues to be reported under MFRS 139.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

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

5.1 New MFRSs adopted during the financial year (continued)

(a) MFRS 9 *Financial Instruments* (continued)

(i) Classification of financial assets and financial liabilities

The Group and the Company classify their financial assets into the following measurement categories depending on the business model of the Group and of the Company for managing the financial assets and the terms of contractual cash flows of the financial assets:

- Those to be measured at amortised cost; and
- Those to be measured subsequently at fair value either through other comprehensive income or through profit or loss.

The following summarises the key changes:

- The Available-For-Sale (AFS), Held-To-Maturity (HTM) and Loans and Receivables (L&R) financial asset categories were removed.
- A new financial asset category measured at Amortised Cost (AC) was introduced. This applies to financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by collecting contractual cash flows.
- A new financial asset category measured at Fair Value Through Other Comprehensive Income (FVTOCI) was introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- A new financial asset category for non-traded equity investments measured at FVTOCI was introduced.

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities.

However, under MFRS 139 all fair value changes of liabilities designated as FVTPL are recognised in profit or loss, whereas under MFRS 9 these fair value changes are generally presented as follows:

- Amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in Other Comprehensive Income; and
- The remaining amount of change in the fair value is presented in profit or loss.

(ii) Impairment of financial assets

The adoption of MFRS 9 has fundamentally changed the accounting for impairment losses for financial assets of the Group and of the Company by replacing the incurred loss approach of MFRS 139 with a forward-looking expected credit loss (ECL) approach. MFRS 9 requires the Group and the Company to record an allowance for expected credit losses for all debt financial assets not held at fair value through profit or loss.

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 and the Company 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.

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

During this process, 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 collectible, the gross carrying value of the asset would be written off against the associated impairment.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

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

5.1 New MFRSs adopted during the financial year (continued)

(a) MFRS 9 *Financial Instruments* (continued)

(ii) Impairment of financial assets (continued)

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 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. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

(iii) Classification and measurement

The following table summarises the reclassification and measurement of the financial assets and financial liabilities of the Group and of the Company as at 1 April 2018:

Group	Classification	
	Existing under MFRS 139	New under MFRS 9
Financial assets		
Short term investment	AFS	FVTPL
Trade and other receivables, net of prepayments	L&R	AC
Cash and bank balances	L&R	AC
Financial liabilities		
Trade and other payables	OFL *	AC
Borrowings	OFL *	AC
Company		
Financial assets		
Short term investment	AFS	FVTPL
Other receivables, net of prepayments	L&R	AC
Cash and bank balances	L&R	AC
Financial liabilities		
Other payables	OFL *	AC

* Other Financial Liabilities at Amortised Cost.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

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

5.1 New MFRSs adopted during the financial year (continued)

(a) MFRS 9 Financial Instruments (continued)

(iii) Classification and measurement (continued)

The following tables are reconciliations of the carrying amount of the statement of financial position of the Group and of the Company from MFRS 139 to MFRS 9 as at 1 April 2018:

Group	Existing under MFRS 139 Carrying amount as at 31 March 2018	Reclassification	New under MFRS 9 Carrying amount as at 1 April 2018
	RM	RM	RM
Short term investments- AFS	43,711,137	(43,711,137)	-
Short term investments- FVTPL	-	43,711,137	43,711,137
Company			
Short term investments- AFS	21,787,931	(21,787,931)	-
Short term investments- FVTPL	-	21,787,931	21,787,931

(b) MFRS 15 *Revenue from Contracts with Customers*

The Group has adopted MFRS 15 *Revenue from Contracts with Customers* for annual periods beginning on or after 1 January 2018. MFRS 15 establishes a five-step model that will apply to recognition of revenue arising from contracts with customers, and provides a comprehensive framework in measuring and recognising revenue. Under MFRS 15, revenue is recognised when a customer obtains control of the goods or services. Revenue will be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The MFRS 15 adjustments are mainly due to reclassification of land held for property development to inventories.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2019

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 Company:

Title	Effective Date
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (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 2019 (continued)

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 Company: (continued)

Title	Effective Date
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable for 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 2019 (continued)

7. PROPERTY, PLANT AND EQUIPMENT

Group 2019	Balance as at 1.4.2018	Additions	Disposals	Written off	Reclassi- fication (Note 9)	Reclassi- fication (Note 8)	Depreciation charge for the financial year	Revaluation	Exchange differences	Balance as at 31.3.2019
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Carrying amount										
Freehold land	50,703,013	95,246	-	-	-	7,438,000	-	1,043,147	-	59,279,406
Leasehold land	1,301,812	-	-	-	-	-	(13,986)	-	-	1,287,826
Buildings	42,792,124	573,804	-	-	(615,048)	6,594,252	(1,076,662)	2,092,064	185,037	50,545,571
Plant and machineries	2,344,941	741,478	-	-	-	-	(496,894)	-	2,805	2,592,330
Motor vehicles and forklifts	2,686,022	1,344,193	(15,866)	-	-	-	(1,083,729)	-	28,249	2,958,869
Electrical fittings and installation	50,334	86,647	-	-	-	-	(15,549)	-	68	121,500
Office equipment, furniture and fittings	2,535,774	215,314	-	(5,290)	-	-	(278,218)	-	9,922	2,477,502
Stores, cabin and renovations	104,321	38,780	(9,982)	-	-	-	(12,943)	-	2,797	122,973
Construction in progress	1,816,737	4,906,382	-	-	-	-	-	-	-	6,723,119
	104,335,078	8,001,844	(25,848)	(5,290)	(615,048)	14,032,252	(2,977,981)	3,135,211	228,878	126,109,096

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

	[-----At 31.3.2019-----]				
	Cost RM	Valuation RM	Accumulated depreciation RM	Accumulated impairment RM	Carrying amount RM
Freehold land	-	59,279,406	-	-	59,279,406
Leasehold land	-	1,333,492	(45,666)	-	1,287,826
Buildings	-	59,653,179	(9,032,430)	(75,178)	50,545,571
Plant and machineries	12,973,375	-	(10,381,045)	-	2,592,330
Motor vehicles and forklifts	11,097,076	-	(8,138,207)	-	2,958,869
Electrical fittings and installation	577,090	-	(455,590)	-	121,500
Office equipment, furniture and fittings	5,108,560	-	(2,631,058)	-	2,477,502
Stores, cabin and renovations	550,603	-	(427,630)	-	122,973
Construction in progress	6,723,119	-	-	-	6,723,119
	37,029,823	120,266,077	(31,111,626)	(75,178)	126,109,096

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2018	Balance as at 1.4.2017	Additions	Disposals	Written off	Reclassification	Depreciation charge for the financial year	Exchange differences	Balance as at 31.3.2018
	RM	RM	RM	RM	RM	RM	RM	RM
Carrying amount								
Freehold land	50,703,013	-	-	-	-	-	-	50,703,013
Leasehold land	2,900,553	-	(1,584,755)	-	-	(13,986)	-	1,301,812
Buildings	37,654,983	279,100	(2,192,023)	-	8,759,736	(1,025,128)	(684,544)	42,792,124
Plant and machineries	1,524,757	1,228,002	-	-	-	(392,863)	(14,955)	2,344,941
Motor vehicles and forklifts	3,252,673	713,714	(129,547)	-	-	(1,051,665)	(99,153)	2,686,022
Electrical fittings and installation	56,845	6,930	-	-	-	(13,441)	-	50,334
Office equipment, furniture and fittings	2,258,571	673,017	-	(112,482)	-	(257,036)	(26,296)	2,535,774
Stores, cabin and renovations	126,381	-	-	(6,200)	-	(12,763)	(3,097)	104,321
Construction in progress	8,515,630	2,060,843	-	-	(8,759,736)	-	-	1,816,737
	106,993,406	4,961,606	(3,906,325)	(118,682)	-	(2,766,882)	(828,045)	104,335,078

	At 31.3.2018					
	Cost	Valuation	Accumulated depreciation	Accumulated impairment	Carrying amount	
	RM	RM	RM	RM	RM	RM
Freehold land	-	50,703,013	-	-	-	50,703,013
Leasehold land	-	1,333,492	(31,680)	-	-	1,301,812
Buildings	-	50,723,604	(7,856,302)	(75,178)	-	42,792,124
Plant and machineries	12,221,145	-	(9,876,204)	-	-	2,344,941
Motor vehicles and forklifts	9,943,190	-	(7,257,168)	-	-	2,686,022
Electrical fittings and installation	493,144	-	(442,810)	-	-	50,334
Office equipment, furniture and fittings	4,908,159	-	(2,372,385)	-	-	2,535,774
Stores, cabin and renovations	530,084	-	(425,763)	-	-	104,321
Construction in progress	1,816,737	-	-	-	-	1,816,737
	29,912,459	102,760,109	(28,262,312)	(75,178)	-	104,335,078

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2019	Balance as at 1.4.2018	Additions	Depreciation charge for the financial year	Balance as at 31.3.2019
	RM	RM	RM	RM
Carrying amount				
Motor vehicle	2	-	-	2
Office equipment	33,367	11,969	(4,820)	40,516
	33,369	11,969	(4,820)	40,518

	[----- At 31.3.2019 -----]		
	Cost	Accumulated depreciation	Carrying amount
	RM	RM	RM
Motor vehicle	171,397	(171,395)	2
Office equipment	66,266	(25,750)	40,516
	237,663	(197,145)	40,518

Company 2018	Balance as at 1.4.2017	Additions	Depreciation charge for the financial year	Balance as at 31.3.2018
	RM	RM	RM	RM
Carrying amount				
Motor vehicle	22,854	-	(22,852)	2
Office equipment	36,505	943	(4,081)	33,367
	59,359	943	(26,933)	33,369

	[----- At 31.3.2018 -----]		
	Cost	Accumulated depreciation	Carrying amount
	RM	RM	RM
Motor vehicle	171,397	(171,395)	2
Office equipment	54,297	(20,930)	33,367
	225,694	(192,325)	33,369

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

7. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Group	
	2019	2018
	RM	RM
Freehold land	33,198,412	20,240,552
Leasehold land	84,881	85,970
Buildings	29,477,911	25,427,558
	<u>62,761,204</u>	<u>45,754,080</u>

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

	Level 1	Level 2	Level 3	Total
2019	RM	RM	RM	RM
Freehold land	-	-	59,279,406	59,279,406
Leasehold land	-	-	1,287,826	1,287,826
Buildings	-	-	50,545,571	50,545,571
	<u>-</u>	<u>-</u>	<u>111,112,803</u>	<u>111,112,803</u>
2018				
Freehold land	-	19,156,000	31,547,013	50,703,013
Leasehold land	-	185,604	1,116,208	1,301,812
Buildings	-	32,398,004	10,394,120	42,792,124
	<u>-</u>	<u>51,739,608</u>	<u>43,057,341</u>	<u>94,796,949</u>

- (i) Freehold land, leasehold land and buildings ('properties') of the Group were revalued on 31 March 2019 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 financial year, there have been a limited number of similar sales in the local market surrounding all properties and the valuation was performed using significant unobservable inputs. Consequently, the fair value was reclassified to Level 3.
- (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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (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:

	2019	2018
	RM	RM
Balance as at 1 April 2018/2017	43,057,341	34,685,776
Additions	14,086,254	8,759,736
Depreciation charge on properties	(1,090,648)	(228,611)
Exchange difference	185,037	(159,560)
Revaluation	3,135,211	-
Transfer to Level 3	51,739,608	-
Balance as at 31 March 2019/2018	111,112,803	43,057,341

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

	2019	2018
	RM	RM
Purchase of property, plant and equipment	8,001,844	4,961,606
Financed by hire purchase arrangements	(350,000)	(60,000)
Cash payments on purchase of property, plant and equipment	7,651,844	4,901,606

(d) The carrying amount of the Group's property, plant and equipment under hire purchase arrangements is as follows:

	2019	2018
	RM	RM
Motor vehicles	891,266	494,516

8. INVESTMENT PROPERTIES

Group 2019	Balance as at 1.4.2018	Reclassification (Note 7)	Balance as at 31.3.2019
	RM	RM	RM
Carrying amount	8,160,013	(7,438,000)	722,013
Freehold land	6,594,252	(6,594,252)	-
Building	14,754,265	(14,032,252)	722,013

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

8. INVESTMENT PROPERTIES (continued)

Group 2018	Balance as at 1.4.2017	Additions	Balance as at 31.3.2018
	RM	RM	RM
Carrying amount			
Freehold land	7,438,000	722,013	8,160,013
Building	6,594,252	-	6,594,252
	<u>14,032,252</u>	<u>722,013</u>	<u>14,754,265</u>

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

	2019	2018
	RM	RM
Quit rent and assessment	<u>108</u>	<u>23,865</u>

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

	Level 1	Level 2	Level 3	Total
2019	RM	RM	RM	RM
Freehold land	<u>-</u>	<u>-</u>	<u>722,013</u>	<u>722,013</u>
2018				
Freehold land	-	8,160,013	-	8,160,013
Building	<u>-</u>	<u>6,594,252</u>	<u>-</u>	<u>6,594,252</u>
	<u>-</u>	<u>14,754,265</u>	<u>-</u>	<u>14,754,265</u>

- (i) Investment properties of the Group were revalued on 31 March 2019 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 financial year, there have been a limited number of similar sales in the local market surrounding all properties and the valuation was performed using significant unobservable inputs. Consequently, the fair value was reclassified to Level 3.
- (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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

8. INVESTMENT PROPERTIES (continued)

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

(v) 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:

	2019	2018
	RM	RM
Balance as at 1 April 2018/2017	-	-
Transfer to Level 3	722,013	-
Balance as at 31 March 2019/2018	722,013	-

9. PREPAID LEASE PAYMENTS FOR LAND

Group 2019	Balance as at 1.4.2018	Amortisation charge for the financial year	Reclassification (Note 7)	Exchange differences	Balance as at 31.3.2019
	RM	RM	RM	RM	RM

Carrying amount

Long term leasehold land	4,823,342	(302,663)	615,048	215,411	5,351,138
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	[----- At 31.3.2019 -----]		
	Cost	Accumulated amortisation	Carrying amount
	RM	RM	RM

Long term leasehold land	6,709,944	(1,358,806)	5,351,138
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Group 2018	Balance as at 1.4.2017	Amortisation charge for the financial year	Exchange differences	Balance as at 31.3.2018
	RM	RM	RM	RM

Carrying amount

Long term leasehold land	5,902,950	(289,789)	(789,819)	4,823,342
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	[----- At 31.3.2018 -----]		
	Cost	Accumulated amortisation	Carrying amount
	RM	RM	RM

Long term leasehold land	5,830,258	(1,006,916)	4,823,342
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NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

10. INVENTORIES

	Group	
	2019	2018
	RM	RM
Non-current		
Land held for property development (Note 11)	13,447,230	-
Current		
At cost	18,482,332	24,443,865
Raw materials	1,294,971	1,048,864
Work-in-progress	1,765,601	1,411,270
Finished goods	109,125	100,222
Consumables	128,835,648	101,608,066
Trading merchandise	150,487,677	128,612,287

The Group has written off inventories of RM292,955 (2018: Nil) relating to raw materials and consumables.

11. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Balance as at 1.4.2018	Reclassification (Note 10)	Balance as at 31.3.2019
2019	RM	RM	RM
Carrying amount			
Freehold land	13,447,230	(13,447,230)	-

Group	Balance as at 1.4.2017	Additions	Balance as at 31.3.2018
2018	RM	RM	RM
Carrying amount			
Freehold land	13,447,230	-	13,447,230

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2019	2018
	RM	RM
At cost		
Unquoted shares, at cost		
At beginning of year	15,844,930	14,591,594
Transactions with a subsidiary:		
- Purchase of equity shares from a wholly owned subsidiary	-	99,342
- Purchase of additional equity shares from non-controlling interests	-	127,594
- Additional subscription of equity shares	-	1,026,400
	-	1,253,336
At end of year	15,844,930	15,844,930
Accumulated impairment loss	(501,782)	(501,782)
Unquoted shares, at cost	15,343,148	15,343,148
Equity loan	76,707,328	-
	<u>92,050,476</u>	<u>15,343,148</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

12. 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
		2019	2018	
		%	%	
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 or BDO members' Firms

** Subsidiary not audited by BDO members' Firms

Not required to be audited under the local legislations

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

12. INVESTMENTS IN SUBSIDIARIES (continued)

- (a) The Directors of the Company have reassessed the nature of the amounts owing by subsidiaries and determined that an outstanding balance amounting to RM76,707,328 (2018: Nil) 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.
- (b) In the previous year, the Company acquired forty nine percent (49%) equity interest in Favor Woodpanel (Thailand) Co., Ltd. ("FWT") from Combi Trading Sdn. Bhd. ("CTSB") at cost, amounting to RM99,342. Thereafter, the Company acquired the remaining fifty one percent (51%) equity interest, representing 102,000 shares in FWT for a total cash consideration of THB1,020,000 (equivalent to RM127,594). Pursuant to that, the Company's equity interest in FWT increased from 49% to 100% and FWT became a wholly owned subsidiary of the Company.

Further to the above in previous year, the Company subscribed for an additional 1,000,000 ordinary shares in FWT at THB8 per share for a total consideration of RM1,026,400. Consequently, there was no change in the effective equity interest held by the Company in FWT.

13. EQUITY INVESTMENT

	2019	2018
	RM	RM
<u>At fair value through profit or loss</u>		
At beginning of year	-	-
Additions	843,575	-
Fair value loss recognised in profit or loss	(843,575)	-
At end of year	-	-

In 2016, one of the debtors of a subsidiary, with an outstanding balance of RM3,496,299 was fully impaired as the debtor went into financial difficulties. However, during the financial year ended 31 March 2019, the Company received total final partial settlement amounted to RM965,581 with RM122,006 as cash settlement and balances RM843,575 in-kind settlement with the shares of a Company listed in the Singapore Stock Exchange.

The in-kind shares settlement amounting to RM843,575 was recorded as investment in quoted shares, as equity investment at FVTPL as opted by management. However, the trading halt imposed on the Company still remains, hence management is of the view that the fair value of the shares as of 31 March 2019 is RM Nil and accordingly recorded the fair value charge to profit or loss of RM843,575.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

14. GOODWILL

Group 2019	Balance as at 1.4.2018	Impairment loss for the financial year	Balance as at 31.3.2019
	RM	RM	RM

Carrying amount

Goodwill	836,556	-	836,556
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	[----- At 31.3.2019 -----]		
	Cost	Accumulated impairment	Carrying amount
	RM	RM	RM

Goodwill	1,059,306	(222,750)	836,556
----------	-----------	-----------	---------

Group 2018	Balance as at 1.4.2017	Impairment loss for the financial year	Balance as at 31.3.2018
	RM	RM	RM

Carrying amount

Goodwill	836,556	-	836,556
----------	---------	---	---------

	[----- At 31.3.2018 -----]		
	Cost	Accumulated impairment	Carrying amount
	RM	RM	RM

Goodwill	1,059,306	(222,750)	836,556
----------	-----------	-----------	---------

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

	2019	2018
	RM	RM
Manufacturing of wood products	571,808	571,808
Distribution of wood products	264,748	264,748
	836,556	836,556

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 2019 (continued)

14. GOODWILL (continued)

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The following key assumptions are used to generate the financial budgets:

	2019	2018
	%	%
Sales growth rate	5.0	5.0
Pre-tax discount rate	6.0	6.0

A reasonable change in the assumptions above would not cause any impairment loss on goodwill. The calculations of value in use for the CGUs are most sensitive to the following assumptions:

(i) Sales growth rate

The forecasted sale 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.

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Trade receivables				
Third parties	166,459,513	181,628,852	-	-
Less: Impairment losses	(1,852,105)	(4,492,032)	-	-
	164,607,408	177,136,820	-	-
Other receivables				
Third parties	824,290	687,201	-	-
Deposits	1,001,894	756,739	1,000	1,000
Amounts owing by subsidiaries	-	-	3,829,721	69,215,692
	1,826,184	1,443,940	3,830,721	69,216,692
Prepayments	6,843,098	4,912,672	18,968	-
	173,276,690	183,493,432	3,849,689	69,216,692

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 7 to 90 days (2018: 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 in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

15. TRADE AND OTHER RECEIVABLES (continued)

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

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Ringgit Malaysia	149,656,287	155,144,427	19,968	67,739,575
Thai Baht	8,997,837	9,420,571	2,081,012	711
Singapore Dollar	8,750,581	7,640,640	-	-
United States Dollar	3,466,337	5,771,739	1,550,780	1,428,940
Vietnamese Dong	1,270,531	3,483,625	-	-
Australian Dollar	975,713	1,467,980	197,929	47,466
Others	159,404	564,450	-	-
	<u>173,276,690</u>	<u>183,493,432</u>	<u>3,849,689</u>	<u>69,216,692</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

15. TRADE AND OTHER RECEIVABLES (continued)

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

	Gross carrying amount	Lifetime ECL allowance	Net carrying amount
	RM	RM	RM
As at 31 March 2019:			
Not past due	136,347,115	-	136,347,115
Past due:			
Less than 30 days	17,279,726	-	17,279,726
31 to 120 days	7,017,991	-	7,017,991
More than 120 days	3,962,576	-	3,962,576
	28,260,293	-	28,260,293
Individual assessment	1,852,105	(1,852,105)	-
	<u>166,459,513</u>	<u>(1,852,105)</u>	<u>164,607,408</u>
As at 31 March 2018:			
Not past due	147,454,310	-	147,454,310
Past due:			
Less than 30 days	19,522,890	-	19,522,890
31 to 120 days	7,944,079	-	7,944,079
More than 120 days	2,215,541	-	2,215,541
	29,682,510	-	29,682,510
Individual assessment	4,492,032	(4,492,032)	-
	<u>181,628,852</u>	<u>(4,492,032)</u>	<u>177,136,820</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 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 gross interest income are recognised. As at the end of the reporting period, the Group and Company assess whether there has been a significant increase in credit risk for financial asset 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

15. 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 accounts is as follows:

	Group	
	2019	2018
	RM	RM
At beginning of year	4,492,032	4,353,465
Effect of adoption of MFRS 9	-	-
Restated as at 1 April	4,492,032	4,353,465
Charge for the financial year	1,058,198	604,061
Written off	(2,749,132)	(164,054)
Reversal	(1,012,997)	(27,676)
Exchange differences	64,004	(273,764)
At end of year	<u>1,852,105</u>	<u>4,492,032</u>

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

- (i) RM1,226,161 (2018: RM3,429,000) representing advance payments for purchase of trading merchandise; and
- (ii) RM3,838,856 (2018: Nil) representing advance payments paid in respect of the acquisition of three pieces of land as disclosed in Note 40 to the financial statements.

- (h) No expected credit loss is recognised arising from other receivables as it is negligible.

- (i) Information on financial risks of trade and other receivables is disclosed in Note 39 to the financial statements.

16. SHORT TERM INVESTMENTS

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
At fair value through profit or loss				
- short term investments	<u>45,250,059</u>	<u>43,711,137</u>	<u>22,559,797</u>	<u>21,787,931</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

16. SHORT TERM INVESTMENTS (continued)

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

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Balance as at beginning of financial year	43,711,137	36,953,539	21,787,931	21,078,862
Additions	36,655,838	6,686,957	13,516,062	678,025
Disposals	(35,285,878)	-	(12,800,375)	-
Fair value gain through				
- profit or loss	168,962	-	56,179	-
- other comprehensive income	-	70,641	-	31,044
Balance as at end of financial year	<u>45,250,059</u>	<u>43,711,137</u>	<u>22,559,797</u>	<u>21,787,931</u>

- (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 2019.
- (c) Short term investments are denominated in Ringgit Malaysia ('RM').
- (d) Information on the fair value hierarchy is disclosed in Note 38(d) to the financial statements.
- (e) Information on financial risks of short term investments is disclosed in Note 39 to the financial statements.

17. CASH AND BANK BALANCES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Cash and bank balances	<u>10,285,450</u>	<u>7,801,397</u>	<u>72,650</u>	<u>76,297</u>

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

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Ringgit Malaysia	7,790,785	5,959,532	72,585	76,268
United States Dollar	1,212,150	1,194,294	-	-
Singapore Dollar	582,839	15,698	30	29
Thai Baht	278,572	298,768	35	-
Vietnamese Dong	264,260	172,341	-	-
Australian Dollar	30,548	105,384	-	-
Others	126,296	55,380	-	-
	<u>10,285,450</u>	<u>7,801,397</u>	<u>72,650</u>	<u>76,297</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

17. CASH AND BANK BALANCES (continued)

- (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	
	2019	2018	2019	2018
	RM	RM	RM	RM
Cash and bank balances	10,285,450	7,801,397	72,650	76,297
Bank overdrafts included in borrowings (Note 20)	(3,348,792)	(3,392,724)	-	-
	<u>6,936,658</u>	<u>4,408,673</u>	<u>72,650</u>	<u>76,297</u>

- (c) No expected credit losses are recognised arising from the deposits with financial institutions because the probability of default by these financial institutions is negligible.
- (d) Information on financial risks of cash and bank balances is disclosed in Note 39 to the financial statements.

18. SHARE CAPITAL

	Group and Company			
	2019		2018	
	Number of shares	RM	Number of shares	RM
Issued and fully paid-up ordinary shares:				
Balance as at beginning of year	165,240,066	83,097,247	165,040,066	82,837,247
Issued pursuant to warrants exercised	-	-	200,000	260,000
Balance as at end of year	<u>165,240,066</u>	<u>83,097,247</u>	<u>165,240,066</u>	<u>83,097,247</u>

- (a) In the previous financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 165,040,066 ordinary shares to 165,240,066 ordinary shares by way of issuance of 200,000 new ordinary shares pursuant to the exercise of Warrants 2015/2020 at an exercise price of RM1.30 per ordinary share of cash.
- (b) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

19. RESERVES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Non-distributable:				
Revaluation reserve	29,178,057	28,158,251	-	-
Other reserve	-	69,677	-	34,839
Exchange translation reserve	5,864,254	5,278,174	-	-
	35,042,311	33,506,102	-	34,839
Distributable:				
Retained earnings	158,119,051	143,544,214	13,837,200	11,748,320
	<u>193,161,362</u>	<u>177,050,316</u>	<u>13,837,200</u>	<u>11,783,159</u>

(a) Revaluation reserve

Revaluation reserve comprises net surplus on revalued properties.

(b) Exchange translation reserve

The 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.

(c) Warrants reserve

During previous financial years, the Company issued 45,843,879 warrants pursuant to the bonus issue of one (1) warrant for every three (3) existing ordinary shares held in the Company. The warrants were listed on the Main Market of Bursa Malaysia Securities on 15 September 2015.

The warrants issued are constituted by a Deed Poll dated 24 August 2015.

The salient features of the warrants are as follows:

- (i) Each warrants entitles the registered holder at any time during the exercise period to subscribe for one new ordinary shares of RM0.50 each in the Company at an exercise price of RM1.30.
- (ii) The exercise price and/or the number of the warrants shall be subject to the adjustments under certain circumstances in accordance with the provision of the Deed Poll.
- (iii) The warrants shall be exercisable at any time within the period commencing from and inclusive the date of issue of the warrants and ending on the date immediately preceding the fifth (5th) anniversary of the date of issue, or if such day is not a Market day, then it shall be the Market Day immediately preceding the said non-Market Day.
- (iv) All new ordinary shares to be issued pursuant to the exercise of the warrants shall, upon issue and allotment, be of the same class and rank pari passu in all respects with the existing ordinary shares, save and except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and/or other distributions, at the entitlement date of which is prior to the date of the allotment of these new ordinary shares.
- (v) Any warrants not exercised during the exercise period will lapse and cease to be valid.
- (vi) The fair value of the 45,843,879 free warrants was valued at zero upon the issuance. 200,000 warrants were exercised in the previous financial year and the total number of warrants that remain unexercised was 45,643,879.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

20. BORROWINGS

		Group	
		2019	2018
	Note	RM	RM
Current liabilities			
Unsecured			
Bankers' acceptances		179,369,287	171,862,879
Bank overdrafts	17	3,348,792	3,392,724
Term loans		2,411,268	3,394,223
Revolving credit		3,009,968	3,009,948
Trust receipts		9,989,987	11,155,621
Secured			
Hire purchase creditors	22	144,463	134,928
		<u>198,273,765</u>	<u>192,950,323</u>
Non-current liabilities			
Unsecured			
Term loans		2,674,515	4,964,768
Secured			
Hire purchase creditors	22	238,492	43,781
		<u>2,913,007</u>	<u>5,008,549</u>
Total borrowings			
Bankers' acceptances		179,369,287	171,862,879
Bank overdrafts	17	3,348,792	3,392,724
Term loans	21	5,085,783	8,358,991
Trust receipts		9,989,987	11,155,621
Revolving credit		3,009,968	3,009,948
Hire purchase creditors		<u>382,955</u>	<u>178,709</u>
		<u>201,186,772</u>	<u>197,958,872</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

20. BORROWINGS (continued)

- (a) Bankers' acceptances and trust receipts of the Group are repayable within 150 days (2018: 150 days).
- (b) The bank borrowings of the subsidiaries are guaranteed by the Company.
- (c) The currency exposure profile of borrowings is as follows:

	Group	
	2019	2018
	RM	RM
Ringgit Malaysia	178,066,936	166,686,112
Singapore Dollar	10,667,872	11,212,516
Thai Baht	9,142,957	15,566,356
Australian Dollar	1,912,668	1,604,486
Vietnamese Dong	1,396,339	2,152,066
United States Dollar	-	737,336
	<u>201,186,772</u>	<u>197,958,872</u>

- (d) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 39 to the financial statements.

21. TERM LOANS

	Group	
	2019	2018
	RM	RM
Term loan I repayable commencing May 2010	-	129,290
Term loan II repayable commencing April 2014	-	833,362
Term loan III repayable commencing June 2013	-	180,646
Term loan IV repayable commencing April 2016	2,713,274	3,969,615
Term loan V repayable commencing January 2017	1,493,579	2,168,099
Term loan VI repayable commencing October 2016	786,073	1,077,979
Term loan VII repayable commencing March 2019	92,857	-
	<u>5,085,783</u>	<u>8,358,991</u>

Information on financial risk of term loans and its remaining maturity is disclosed in Note 39 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

22. HIRE PURCHASE CREDITORS

	Group	
	2019	2018
	RM	RM
Minimum hire purchase payments:		
- not later than one (1) year	161,644	140,646
- later than one (1) year and not later than five (5) years	247,648	44,963
Total minimum hire purchase payments	409,292	185,609
Less: Future interest charges	(26,337)	(6,900)
Present value of hire purchase payments	382,955	178,709
Repayable as follows:		
Current liabilities (Note 20):		
- not later than one (1) year	144,463	134,928
Non-current liabilities (Note 20):		
- later than one (1) year and not later than five (5) years	238,492	43,781
	382,955	178,709

- (a) Interest rates are fixed at the inception of the hire purchase arrangements.
- (b) Information on financial risk of hire purchase creditors and its remaining maturity is disclosed in Note 39 to the financial statements.

23. DEFERRED TAX LIABILITIES

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

	Group	
	2019	2018
	RM	RM
Balance as at beginning of year	5,707,027	5,711,056
Recognised in profit or loss (Note 33)	11,763	(4,335)
Recognised in other comprehensive income	2,115,405	-
Exchange difference	(74)	306
Balance as at end of year	7,834,121	5,707,027
Presented after appropriate offsetting:		
Deferred tax assets, net	-	(36,642)
Deferred tax liabilities, net	7,834,121	5,743,669
Balance as at 31 March 2019/2018	7,834,121	5,707,027

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

23. DEFERRED TAX LIABILITIES (continued)

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

Deferred tax liabilities of the Group	Property, plant and equipment	Revaluation reserve	Other temporary differences	Total
	RM	RM	RM	RM
At 1 April 2018	1,825,153	3,918,516	-	5,743,669
Recognised in profit or loss	245,775	(290,537)	19,883	(24,879)
Recognised in other comprehensive income	-	2,115,405	-	2,115,405
Exchange difference	-	(74)	-	(74)
At 31 March 2019	2,070,928	5,743,310	19,883	7,834,121
At 1 April 2017	1,825,153	3,918,210	-	5,743,363
Exchange difference	-	306	-	306
At 31 March 2018	1,825,153	3,918,516	-	5,743,669

	Unused tax losses and unabsorbed capital allowances	Other temporary differences	Total
Deferred tax assets of the Group	RM	RM	RM
At 1 April 2018	(12,642)	(24,000)	(36,642)
Recognised in profit or loss	12,642	24,000	36,642
At 31 March 2019	-	-	-
At 1 April 2017	(8,307)	(24,000)	(32,307)
Recognised in profit or loss	(4,335)	-	(4,335)
At 31 March 2018	(12,642)	(24,000)	(36,642)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Trade payables				
Third parties	29,107,629	27,024,962	-	-
Other payables				
Third parties	1,974,659	2,288,669	1,417	13,123
Amounts owing to subsidiaries	-	-	20,677,200	10,784,659
Accruals	7,521,955	6,676,045	991,879	815,015
Deposits received	31,000	175,720	-	-
	<u>9,527,614</u>	<u>9,140,434</u>	<u>21,670,496</u>	<u>11,612,797</u>
	<u>38,635,243</u>	<u>36,165,396</u>	<u>21,670,496</u>	<u>11,612,797</u>

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 7 to 90 days (2018: 7 to 90 days).
- (b) Amounts owing to subsidiaries are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (c) The currency exposure profile of payables are as follows:

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Ringgit Malaysia	32,346,630	33,570,811	21,670,496	11,612,797
United States Dollar	3,508,334	475,030	-	-
Singapore Dollar	1,266,337	905,229	-	-
Thai Baht	983,865	435,265	-	-
Australian Dollar	516,288	516,690	-	-
Vietnamese Dong	13,789	227,207	-	-
Others	-	35,164	-	-
	<u>38,635,243</u>	<u>36,165,396</u>	<u>21,670,496</u>	<u>11,612,797</u>

- (d) Information on financial risks of trade and other payables is disclosed in Note 39 to the financial statements.

25. CAPITAL COMMITMENTS

	Group	
	2019	2018
	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment:		
- contracted but not provided for	9,986,448	2,121,332
- purchase of land (Note 40)	8,957,330	-
	<u>18,943,778</u>	<u>2,121,332</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

26. CONTINGENT LIABILITIES

	Company	
	2019	2018
	RM	RM
Corporate guarantees - unsecured		
Limit:		
- In favour of banks for banking facilities granted to subsidiaries	407,931,389	358,893,920
- In favour of third parties for trade credits granted to subsidiaries	50,350,000	46,350,000
	<u>458,281,389</u>	<u>405,243,920</u>
Amounts utilised:		
- In favour of banks for banking facilities granted to subsidiaries	200,803,817	197,780,163
- In favour of third parties for trade credits granted to subsidiaries	12,025,874	7,321,589
	<u>212,829,691</u>	<u>205,101,752</u>

The Directors are of the view that the fair value of such corporate guarantees given by the Company is negligible as the chances of the financial institutions to call upon the corporate guarantee are remote.

27. REVENUE

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Revenue from contracts with customers				
Recognised at point in time:				
Sale of goods	729,195,367	656,463,407	-	-
Others				
Management fee	-	-	1,570,684	1,255,402
Dividend income	-	-	13,747,574	15,953,481
Rental income	599,940	276,690	-	-
	<u>729,795,307</u>	<u>656,740,097</u>	<u>15,318,258</u>	<u>17,208,883</u>

28. FINANCE INCOME

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Interest income from overnight placement deposits with banks	29,098	30,492	2,178	2,313
Tax exempted interest income	1,369,959	1,186,957	715,687	678,025
	<u>1,399,057</u>	<u>1,217,449</u>	<u>717,865</u>	<u>680,338</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

29. EMPLOYEE BENEFITS

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Salaries and allowances	24,567,520	21,663,499	485,709	232,776
Contributions to defined contribution plans	2,405,175	2,115,169	58,891	28,480
Other benefits	1,517,319	1,362,747	61,412	53,357
	<u>28,490,014</u>	<u>25,141,415</u>	<u>606,012</u>	<u>314,613</u>

30. 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	
	2019	2018	2019	2018
	RM	RM	RM	RM
Directors of the Company				
Executive Directors:				
Salaries and other emoluments	4,625,258	4,630,229	920,988	707,765
Contributions to defined contribution plans	505,724	528,065	104,528	88,550
	<u>5,130,982</u>	<u>5,158,294</u>	<u>1,025,516</u>	<u>796,315</u>
Non-executive Directors:				
Fees				
- current year	270,000	262,500	270,000	262,500
- over provision in prior year	-	(12,500)	-	(12,500)
Other emoluments	12,500	10,500	12,500	10,500
	<u>282,500</u>	<u>260,500</u>	<u>282,500</u>	<u>260,500</u>
Directors of subsidiaries				
Salaries and other emoluments	1,245,621	1,099,236	-	-
Contributions to defined contribution plans	144,344	126,709	-	-
	<u>1,389,965</u>	<u>1,225,945</u>	<u>-</u>	<u>-</u>
	<u>6,803,447</u>	<u>6,644,739</u>	<u>1,308,016</u>	<u>1,056,815</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

31. FINANCE COSTS

	Group	
	2019	2018
	RM	RM
Interest expense on:		
- bankers' acceptances	8,970,945	6,729,768
- bank overdrafts	336,515	140,267
- hire purchase creditors	7,465	17,745
- term loans	362,527	498,642
- trust receipts	514,007	377,097
	<u>10,191,459</u>	<u>7,763,519</u>

32. PROFIT BEFORE TAX

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

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
After charging:				
Auditors' remuneration	212,080	201,193	19,000	19,000
Rental of premises	3,094,874	1,709,006	12,912	12,912
Unrealised loss on foreign exchange	<u>20,374</u>	<u>719,057</u>	<u>289,925</u>	<u>768,220</u>
And after crediting:				
Gain on disposal of property, plant and equipment	62,040	2,011,616	-	-
Realised gain on foreign exchange	<u>2,570,100</u>	<u>175,418</u>	<u>413,900</u>	<u>495,926</u>

33. TAX EXPENSE

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Current tax expense based on profit for the financial year				
- Malaysian income tax	8,264,785	6,761,926	139,600	153,400
- Foreign income tax	<u>623,883</u>	<u>1,102,308</u>	<u>-</u>	<u>-</u>
	8,888,668	7,864,234	139,600	153,400
Under/(Over) provision in prior years				
- Malaysian income tax	134,055	(167,065)	9,641	(2,193)
- Foreign income tax	(53,645)	(21,945)	-	-
- Real property gains tax	<u>187,071</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>9,156,149</u>	<u>7,675,224</u>	<u>149,241</u>	<u>151,207</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

33. TAX EXPENSE (continued)

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Deferred tax (Note 23)				
- Relating to origination and reversal of temporary differences	145,124	-	-	-
- Over provision in prior years	(133,361)	(4,335)	-	-
	11,763	(4,335)	-	-
Total tax expense	9,167,912	7,670,889	149,241	151,207

The Malaysian income tax is calculated at the statutory tax rate of 24% (2018: 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.

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

	Group		Company	
	2019	2018	2019	2018
	%	%	%	%
Applicable tax rate	24.0	24.0	24.0	24.0
Tax effects in respect of:				
Non-allowable expenses	2.9	1.4	1.6	1.8
Non-taxable and tax exempt income	(1.0)	(3.0)	(24.6)	(25.0)
Lower tax rates in foreign jurisdiction	(0.2)	(0.1)	-	-
Lower tax rate arose from increase in business statutory income	-	(0.1)	-	-
Tax incentives	-	(0.4)	-	-
	25.7	21.8	1.0	0.8
(Over)/Under provision in prior years				
- current tax	0.2	(0.5)	0.1	-
- deferred tax	(0.4)	-	-	-
- real property gains tax	0.5	-	-	-
	0.3	(0.5)	0.1	-
Effective tax rate	26.0	21.3	1.1	0.8

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

33. TAX EXPENSE (continued)

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

Group	Before tax RM	Tax effect RM	After tax RM
2019			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	586,080	-	586,080
Short term investments			
- reclassification	(69,677)	-	(69,677)
Items that will not be reclassified subsequently to profit or loss			
Fair value adjustment on revaluation of properties	3,135,211	(2,115,405)	1,019,806
	<u>3,651,614</u>	<u>(2,115,405)</u>	<u>1,536,209</u>
2018			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	(3,054,460)	-	(3,054,460)
Short term investments			
- fair value gain	70,641	-	70,641
	<u>(2,983,819)</u>	<u>-</u>	<u>(2,983,819)</u>
Company			
2019			
Items that may be reclassified subsequently to profit or loss			
Short term investments			
- reclassification	(34,839)	-	(34,839)
2018			
Items that may be reclassified subsequently to profit or loss			
Short term investments			
- fair value gain	31,044	-	31,044

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

34. DIVIDENDS

	Group and Company			
	2019		2018	
	Gross dividend per share sen	Amount of dividend RM	Gross dividend per share sen	Amount of dividend RM
In respect of the financial year ended 31 March 2017				
Single tier final dividend	-	-	1.0	1,650,401
In respect of the financial year ended 31 March 2018				
Single tier interim dividend				
- first	-	-	2.0	3,300,802
- second	-	-	1.5	2,478,601
- third	-	-	2.0	3,304,800
Single tier final dividend	1.5	2,478,601	-	-
In respect of the financial year ended 31 March 2019				
Single tier interim dividend				
- first	1.5	2,478,601	-	-
- second	2.0	3,304,801	-	-
- third	2.0	3,304,801	-	-
	<u>7.0</u>	<u>11,566,804</u>	<u>6.5</u>	<u>10,734,604</u>

The Directors proposed a single tier final dividend of 1.5 sen per ordinary share amounting to RM2,478,601 in respect of the financial year ended 31 March 2019.

35. 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	
	2019	2018
Profit attributable to equity holders of the parent (RM)	<u>26,141,641</u>	<u>27,610,055</u>
Weighted average number of ordinary shares in issue	<u>165,240,066</u>	<u>165,138,148</u>
Basic earnings per ordinary share (sen)	<u>15.82</u>	<u>16.72</u>

(b) Diluted

Diluted earnings per ordinary share is equal to basic earnings per ordinary share. The unexercised convertible warrants are anti-dilutive in nature. This is due to the average market share price of the Company being below the exercise price of warrants.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

36. 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	
	2019	2018	2019	2018
	RM	RM	RM	RM
Subsidiaries:				
Dividend income	-	-	(13,747,574)	(15,953,481)
Management fee income	-	-	(1,570,684)	(1,255,402)
Rental expenses paid	-	-	12,912	12,912
Related parties:				
Rental expenses paid	8,521	10,024	-	-

Balances of the above related parties are disclosed in Notes 15 and 24 to the financial statements.

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

37. 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 medium density fibreboard mouldings and furniture components.

(ii) Distributing of wood products

Distribution of wood products and building materials.

Other operating segments comprise investment and property holding.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

37. OPERATING SEGMENTS (continued)

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.

Group 2019	Manufacturing of wood products RM	Distributing of wood products RM	Other operating segments RM	Total RM
Revenue				
Total revenue	147,390,299	609,203,982	17,562,198	774,156,479
Inter-segment revenue	(4,819,159)	(22,579,755)	(16,962,258)	(44,361,172)
Revenue from external customers	142,571,140	586,624,227	599,940	729,795,307
Interest income	8,745	672,221	718,091	1,399,057
Finance costs	(1,886,354)	(8,117,117)	(187,988)	(10,191,459)
Net interest (expense)/income	(1,877,609)	(7,444,896)	530,103	(8,792,402)
Depreciation of property, plant and equipment	(1,141,513)	(1,315,198)	(521,270)	(2,977,981)
Amortisation of prepaid lease payments for land	(22,166)	(280,497)	-	(302,663)
Segmental results	13,097,529	33,358,157	(135,445)	46,320,241
Tax expense	(3,013,523)	(5,495,279)	(659,110)	(9,167,912)
Other material non-cash items:				
- Impairment losses on trade and other receivables	(996,817)	(61,381)	-	(1,058,198)
- Reversal of impairment losses on trade and other receivables	-	1,012,997	-	1,012,997
- Inventories written down	(98,351)	(194,604)	-	(292,955)
- Fair value adjustment on short term investments	-	112,783	56,179	168,962
Additions to non-current assets other than financial instruments and deferred tax assets	2,383,078	5,032,993	585,773	8,001,844
Segment assets	90,179,076	340,319,094	95,267,739	525,765,909
Segment liabilities	54,860,336	181,313,982	3,647,697	239,822,015

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

37. OPERATING SEGMENTS (continued)

Group 2018	Manufacturing of wood products RM	Distributing of wood products RM	Other operating segments RM	Total RM
Revenue				
Total revenue	143,116,506	539,156,070	18,862,573	701,135,149
Inter-segment revenue	(4,991,034)	(20,818,136)	(18,585,882)	(44,395,052)
Revenue from external customers	138,125,472	518,337,934	276,691	656,740,097
Interest income	4,966	531,980	680,503	1,217,449
Finance costs	(1,534,420)	(5,956,369)	(272,730)	(7,763,519)
Net interest (expense)/income	(1,529,454)	(5,424,389)	407,773	(6,546,070)
Depreciation of property, plant and equipment	(989,832)	(1,306,643)	(470,407)	(2,766,882)
Amortisation of prepaid lease payments for land	(22,933)	(266,856)	-	(289,789)
Segmental results	13,416,707	31,753,344	(398,462)	44,771,589
Tax expense	(2,421,777)	(5,093,944)	(155,168)	(7,670,889)
Other material non-cash items:				
- Impairment losses on trade and other receivables	(114,637)	(489,424)	-	(604,061)
- Reversal of impairment losses on trade and other receivables	-	27,676	-	27,676
- Assets written off	(118,682)	-	-	(118,682)
Additions to non-current assets other than financial instruments and deferred tax assets	2,534,516	2,870,466	278,637	5,683,619
Segment assets	95,377,865	313,216,986	93,219,873	501,814,724
Segment liabilities	54,968,456	173,589,969	5,565,843	234,124,268

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 2019 (continued)

37. 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:

	2019	2018
	RM	RM
Revenue		
Total revenue for reportable segments	774,156,479	701,135,149
Inter-segment revenue	(44,361,172)	(44,395,052)
Revenue from external customers	<u>729,795,307</u>	<u>656,740,097</u>
Results		
Segmental results	46,320,241	44,771,589
Interest income	1,399,057	1,217,449
Unallocated corporate expenses	(2,218,286)	(2,145,771)
Finance costs	(10,191,459)	(7,763,519)
Profit before tax	35,309,553	36,079,748
Tax expense	(9,167,912)	(7,670,889)
Profit for the year	<u>26,141,641</u>	<u>28,408,859</u>
Assets		
Segment assets	525,765,909	501,814,724
Tax assets	253,967	344,749
	<u>526,019,876</u>	<u>502,159,473</u>
Liabilities		
Segment liabilities	239,822,015	234,124,268
Tax liabilities	9,939,252	7,887,642
	<u>249,761,267</u>	<u>242,011,910</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 from which the sale transactions originated.

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 2019 (continued)

37. OPERATING SEGMENTS (continued)

(b) Geographical segments (continued)

	2019	2018
Revenue from external customers	RM	RM
Malaysia	618,452,065	536,277,600
Australia	7,571,045	14,153,106
Asia (excluding Malaysia)	100,860,352	101,334,716
Others	2,911,845	4,974,675
	<u>729,795,307</u>	<u>656,740,097</u>
Non-current assets		
Malaysia	132,883,413	124,262,165
Australia	8,765	10,766
Asia (excluding Malaysia)	13,573,855	13,923,540
	<u>146,466,033</u>	<u>138,196,471</u>

38. 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 2019 and 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

38. FINANCIAL INSTRUMENTS (continued)

(a) Capital management (continued)

The Group regards net debt to include all loans and borrowings, 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	
	2019	2018	2019	2018
	RM	RM	RM	RM
Borrowings	201,186,772	197,958,872	-	-
Trade and other payables	38,635,243	36,165,396	21,670,496	11,612,797
	239,822,015	234,124,268	21,670,496	11,612,797
Less:				
Short term investments	(45,250,059)	(43,711,137)	(22,559,797)	(21,787,931)
Cash and bank balances	(10,285,450)	(7,801,397)	(72,650)	(76,297)
Net debt/(surplus)	184,286,506	182,611,734	(961,951)	(10,251,431)
Total equity	276,258,609	260,147,563	96,934,447	94,880,406
Capital and net debt	460,545,115	442,759,297	95,972,496	84,628,975
Net debt/(Capital + Net debt)	40%	41%	-	-

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital and such shareholders' equity is less than RM40,000,000. The Group has complied with this requirement for the financial year ended 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

38. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments

Categories of financial instruments

Group	2019 RM	2018 RM
Financial assets		
Fair value through profit or loss		
Short term investments	45,250,059	43,711,137
Amortised cost		
Trade and other receivables, net of prepayments	166,433,592	178,580,760
Cash and bank balances	10,285,450	7,801,397
	176,719,042	186,382,157
	221,969,101	230,093,294
Financial liabilities		
Amortised cost		
Trade and other payables	38,635,243	36,165,396
Borrowings	201,186,772	197,958,872
	239,822,015	234,124,268
Company		
Financial assets		
Fair value through profit or loss		
Short term investments	22,559,797	21,787,931
Amortised cost		
Other receivables, net of prepayments	3,830,721	69,216,692
Cash and bank balances	72,650	76,297
	3,903,371	69,292,989
	26,463,168	91,080,920
Financial liabilities		
Amortised cost		
Other payables and accruals	21,670,496	11,612,797

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

38. FINANCIAL INSTRUMENTS (continued)

(c) Methods and assumptions used to estimate fair value

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

- (i) 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.

- (ii) Obligation under finance lease

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of leasing arrangements at the end of each reporting period.

(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	Level 2	Level 3		
2019	RM	RM	RM	RM	RM
Group					
Fair value through profit or loss					
Short term investments	45,250,059	-	-	45,250,059	45,250,059
Company					
Fair value through profit or loss					
Short term investments	22,559,797	-	-	22,559,797	22,559,797
2018					
Group					
Fair value through profit or loss					
Short term investments	43,711,137	-	-	43,711,137	43,711,137
Company					
Fair value through profit or loss					
Short term investments	21,787,931	-	-	21,787,931	21,787,931

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

38. FINANCIAL INSTRUMENTS (continued)

(e) Fair value of financial instruments

The fair value of financial instruments that are not carried at fair value and whose carrying amounts do not approximate its fair value are as follows:

	Group	
	Carrying amount	Fair value
31 March 2019	RM	RM
Financial liabilities		
Hire purchase creditors	382,955	392,375
31 March 2018		
Financial liabilities		
Hire purchase creditors	178,709	183,601

39. 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 as at the end of the reporting period.

(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 2019 (continued)

39. 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	One to five years	Over five years	Total
As at 31 March 2019	RM	RM	RM	RM
Group				
Financial liabilities				
Trade and other payables	38,635,243	-	-	38,635,243
Borrowings	198,492,415	3,021,691	-	201,514,106
Total undiscounted financial liabilities	237,127,658	3,021,691	-	240,149,349
Company				
Financial liabilities				
Other payables and accruals	21,670,496	-	-	21,670,496
As at 31 March 2018				
Group				
Financial liabilities				
Trade and other payables	36,165,396	-	-	36,165,396
Borrowings	193,290,672	5,322,079	-	198,612,751
Total undiscounted financial liabilities	229,456,068	5,322,079	-	234,778,147
Company				
Financial liabilities				
Other payables and accruals	11,612,797	-	-	11,612,797

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

The following tables set out the carrying amounts, the average effective interest rates 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 2019	Note	Average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	Total RM
Fixed rates instruments									
Hire purchase creditors	22		5.16	(144,463)	(128,065)	(110,427)	-	-	(382,955)
Floating rates instruments									
Bankers' acceptances	20		4.98	(179,369,287)	-	-	-	-	(179,369,287)
Bank overdrafts	20		6.04	(3,348,792)	-	-	-	-	(3,348,792)
Term loans	21		5.53	(2,411,268)	(2,383,262)	(291,253)	-	-	(5,085,783)
Revolving credit	20		5.27	(3,009,968)	-	-	-	-	(3,009,968)
Trust receipts	20		4.37	(9,989,987)	-	-	-	-	(9,989,987)
As at 31 March 2018									
Fixed rates instruments									
Hire purchase creditors	22		5.36	(134,928)	(34,906)	(8,875)	-	-	(178,709)
Floating rates instruments									
Bankers' acceptances	20		5.29	(171,862,879)	-	-	-	-	(171,862,879)
Bank overdrafts	20		7.13	(3,392,724)	-	-	-	-	(3,392,724)
Term loans	21		5.41	(3,394,223)	(2,303,314)	(2,370,185)	(291,269)	-	(8,358,991)
Revolving credit	20		4.99	(3,009,948)	-	-	-	-	(3,009,948)
Trust receipts	20		3.61	(11,155,621)	-	-	-	-	(11,155,621)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

39. 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	
	2019 RM	2018 RM
Profit after tax		
- Increase by 1% (2018: 1%)	(1,529,000)	(1,504,500)
- Decrease by 1% (2018: 1%)	<u>1,529,000</u>	<u>1,504,500</u>

(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	
		2019 RM	2018 RM	2019 RM	2018 RM
Profit after tax					
USD/RM	- strengthen by 5% (2018: 5%)	44,500	218,600	58,900	54,300
	- weaken by 5% (2018: 5%)	(44,500)	(218,600)	(58,900)	(54,300)
SGD/RM	- strengthen by 5% (2018: 5%)	(98,800)	(169,500)	-	-
	- weaken by 5% (2018: 5%)	98,800	169,500	-	-
AUD/RM	- strengthen by 5% (2018: 5%)	(54,100)	(20,800)	7,500	1,800
	- weaken by 5% (2018: 5%)	54,100	20,800	(7,500)	(1,800)
VND/RM	- strengthen by 5% (2018: 5%)	4,700	48,500	-	-
	- weaken by 5% (2018: 5%)	(4,700)	(48,500)	-	-
THB/RM	- strengthen by 5% (2018: 5%)	(32,300)	(238,700)	79,100	30
	- weaken by 5% (2018: 5%)	<u>32,300</u>	<u>238,700</u>	<u>(79,100)</u>	<u>(30)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019 (continued)

39. 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.

40. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 12 December 2018, Bripanel Industries Sdn. Bhd. ("BPI"), a wholly-owned subsidiary of the Company, entered into three (3) Sale and Purchase Agreements ("SPA") with a third party ("the Vendor") to acquire three pieces of land in a proposed industrial park for a total purchase consideration of RM12,796,186. The amount paid to the Vendor of RM3,838,856 during the financial year has been recognised as prepayments in other receivables as disclosed in Note 15 to the financial statements. The transactions have yet to be completed as of the financial year end.

ANALYSIS OF SHAREHOLDINGS as at 28 June 2019

Total number of Issued Shares	: 165,240,066
Issued and Paid-up Capital	: RM 83,097,247
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	91	5.867	3,790	0.002
100 - 1,000	295	19.019	86,524	0.052
1,001 - 10,000	614	39.587	2,725,755	1.649
10,001 - 100,000	407	26.241	12,683,549	7.675
100,001 - 8,262,002 *	143	9.219	75,305,112	45.573
8,262,003 AND ABOVE **	1	0.064	74,435,336	45.046
TOTAL :	1,551	100.00	165,240,066	100.00

REMARK :

* LESS THAN 5% OF ISSUED SHARES

** 5% AND ABOVE OF ISSUED SHARES

DIRECTORS' SHAREHOLDINGS

Name	Direct No. of Share Held	%	Indirect No. of Share Held	%
TEO AH BAH @ TEO CHUANG KWEE	1,010,238	0.61	1,195,111 *	0.72
CHA AKU WAI @ SIA AH KOW	2,217,100	1.34	75,922,181 **	45.95
CHAI SOON TOO	1,034,986	0.63	-	-
OWEE GEOK CHOON	753,903	0.46	50,400 ***	0.03
TEO YU CHIN	143,484	0.09	-	-
JOHNSON KANDASAMY A/L DAVID NAGAPPAN	-	-	-	-
NOOR HAZELIN BINTI HASHIM	-	-	-	-
WALDERSEE CHAN CHUNG CHING	1,200,000	0.73	1,715,512 ****	1.04
HAN HING SIEW	-	-	-	-
CHA SHI JIU	1,715,512	1.04	1,200,000 *****	0.73

* Deemed interest through his spouse Chung Ek Fong.

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

*** 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 No. of Share Held	%	Indirect No. of Share Held	%
NS PACIFIC SDN BHD	74,435,336	45.05	-	-
CHA AKU WAI @ SIA AH 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 28 June 2019 (continued)

THIRTY LARGEST SHAREHOLDERS

	Name	No. of Share Held	%
1	NS PACIFIC SDN BHD	74,435,336	45.05
2	JS NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR WONG AH FAH (MY1339)	4,014,900	2.43
3	ASIA SELATAN (M) SDN BHD	3,911,040	2.37
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO CHOON KIAT @ TEO CHUAN KIT (PB)	2,365,533	1.43
5	CHA AKU WAI @ SIA AH KOW	2,217,100	1.34
6	THO SOON KIM	2,047,420	1.24
7	JS NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LEE BOON HOW (MY1417)	2,023,460	1.23
8	TAN CHOO MIT	1,913,700	1.16
9	TAN AH SIM @ TAN SIEW WAH	1,733,742	1.05
10	CHA SHI JIU	1,715,512	1.04
11	JS NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR CHEY YOW CHOI (MY1692)	1,552,360	0.94
12	TEO CHIEW PENG	1,486,845	0.90
13	CHOY QUAY LIN	1,377,340	0.83
14	WOH KEK YIN	1,354,400	0.82
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	JS NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LIM BOON TIONG (MY1362)	1,100,000	0.67
19	LEE TZE YONG	1,055,100	0.64
20	CHAI SOON TOO	1,034,986	0.63
21	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO AH BAH @ TEO CHUANG KWEE (PB)	1,010,238	0.61
22	TEO AH MOI @ TEO TIANG TIANG	995,422	0.60
23	CHIN ING YEN	991,800	0.60
24	TAN AH LIM	900,000	0.55
25	TEO YING YING	866,127	0.52
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIT	862,760	0.52
27	JS NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TAN KIT (MY1365)	839,020	0.51
28	JS NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR CHONG PONG SING @ CHONG LING KWEE (MY1127)	831,000	0.50
29	TAN HON KIAT @ TAN HOON SIONG	802,636	0.49
30	KUAH BOO CHENG (KUAH KWAI YOKE)	781,651	0.47

ANALYSIS OF WARRANT HOLDINGS as at 28 June 2019

No. of Outstanding Warrants	45,643,879
Exercise Price of Warrants	RM1.30
Exercise Period of Warrants	15 September 2015 to 10 September 2020
Exercise Rights	Each warrant entitles the holder to subscribe for one new ordinary share

SIZE OF SHAREHOLDINGS

SIZE OF HOLDINGS		NO. OF HOLDERS	%	NO. OF WARRANTS	%
1 -	99	379	30.713	15,594	0.034
100 -	1,000	308	24.959	178,852	0.391
1,001 -	10,000	359	29.092	1,437,979	3.150
10,001 -	100,000	151	12.236	5,661,359	12.403
100,001 -	2,282,192 *	35	2.836	15,029,169	32.927
2,282,193	AND ABOVE **	2	0.162	23,320,926	51.093
TOTAL :		1,234	100.00	45,643,879	100.00

REMARK :

* LESS THAN 5% OF ISSUED WARRANTS

** 5% AND ABOVE OF ISSUED WARRANTS

DIRECTORS' WARRANT HOLDINGS

Name	Direct		Indirect		%
	No. of Warrant Held	%	No. of Warrant Held		
TEO AH BAH @ TEO CHUANG KWEE	280,621	0.61	331,975	*	0.73
CHA AKU WAI @ SIA AH KOW	615,861	1.35	20,833,938	**	45.64
CHAI SOON TOO	287,496	0.63	-		-
OWEE GEOK CHOON	209,417	0.46	14,000	***	0.03
TEO YU CHIN	39,856	0.09	-		-
JOHNSON KANDASAMY A/L DAVID NAGAPPAN	-	-	-		-
NOOR HAZELIN BINTI HASHIM	-	-	-		-
WALDERSEE CHAN CHUNG CHING	333,333	0.73	476,531	****	1.04
HAN HING SIEW	-	-	-		-
CHA SHI JIU	476,531	1.04	333,333	*****	0.73

* Deemed interest through his spouse, Chung Ek Fong.

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

*** 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.

ANALYSIS OF WARRANT HOLDINGS as at 28 June 2019 (continued)

THIRTY LARGEST WARRANT HOLDERS

	Name	No. of Share Held	%
1	NS PACIFIC SDN BHD	20,420,926	44.74
2	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (8092812)	2,900,000	6.35
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD NOMURA SINGAPORE LIMITED FOR LIM LIAN HOCK (410242)	1,950,000	4.27
4	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH CHOW HOONG (E-BPJ)	1,113,100	2.44
5	ASIA SELATAN (M) SDN BHD	1,086,400	2.38
6	YEOH SIOK KEONG	868,800	1.90
7	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA LEACY (CCTS)	796,400	1.75
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO CHOON KIAT @ TEO CHUAN KIT (PB)	680,953	1.49
9	CHA AKU WAI @ SIA AH KOW	615,861	1.35
10	YAP SWEE HANG	550,000	1.21
11	CHA SHI JIU	476,531	1.04
12	TEO CHIEW PENG	413,012	0.91
13	CHON FONG	345,100	0.76
14	AMSEC NOMINEES (ASING) SDN BHD AMBANK (M) BERHAD FOR ONG TENG SER (6065-1501)	339,459	0.74
15	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG AH CHOON (E-TMM)	338,000	0.74
16	WALDERSEE CHAN CHUNG CHING	333,333	0.73
17	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD FOR CHUNG EK FONG (8620-1501)	331,975	0.73
18	JS NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR HAW POH CHAI (MY1065)	325,100	0.71
19	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEN BOOK LEARN (8109660)	317,200	0.70
20	HENG YONG LAI	300,000	0.66
21	CHAI SOON TOO	287,496	0.63
22	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEO AH BAH @ TEO CHUANG KWEE	280,621	0.62
23	AU YOKE THIEN	262,200	0.57
24	FOO KHEK CHUANG	260,000	0.57
25	LEE CHEE SIONG	252,700	0.55
26	TAN AH LIM	250,000	0.55
27	TEY THIAN SING @ TEE THIAN KERN	220,346	0.48
28	LEE CHEE ING	210,000	0.46
29	OWEE GEOK CHOON	209,417	0.46
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM WISE (E-SPI)	189,800	0.42

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 2019 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	9	25,541,000	31.03.2019	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	6	13,986,000	31.03.2019	26.01.2006
3	Lot PTD 175873, HSM 4026, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	5,262.1	One adjoining plot of vacant Industrial titled land completed with earthworks	Freehold	N/A	1,618,874	31.03.2019	26.01.2006
4	Lot PTD 175874, HSM 4027, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	4,585.1	One adjoining plot of vacant Industrial titled land completed with earthworks	Freehold	N/A	1,410,597	31.03.2019	26.01.2006
5	Lot PTD 175875, HSM 4028, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	4,046.9	One adjoining plot of vacant Industrial titled land completed with earthworks	Freehold	N/A	1,245,020	31.03.2019	26.01.2006
6	Lot PTD 175878, HSM 4031, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	4,601.3	One adjoining plot of vacant Industrial titled land completed with earthworks	Freehold	N/A	1,415,581	31.03.2019	26.01.2006
7	Lot PTD 175879, HSM 4032, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	4,782.0	One adjoining plot of vacant Industrial titled land completed with earthworks	Freehold	N/A	1,471,172	31.03.2019	26.01.2006
8	Lot PTD 175880, HSM 4033, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	4,895.8	One adjoining plot of vacant Industrial titled land completed with earthworks	Freehold	N/A	1,506,183	31.03.2019	26.01.2006
9	Lot PTD 175881, HSM 4034, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	5,014.1	One adjoining plot of vacant Industrial titled land completed with earthworks	Freehold	N/A	1,542,578	31.03.2019	26.01.2006
10	Lot PTD 175882, HSM 4035, Mukim of Tebrau, District of Johor Bahru, State of Johor	N/A	4,910.3	One adjoining plot of vacant Industrial titled land completed with earthworks	Freehold	N/A	1,510,644	31.03.2019	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	1,726,582	31.03.2019	26.01.2006
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	10,584,000	31.03.2019	23.09.2015

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 2019 RM	Date of revaluation	Date of Acquisition
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	27	5,987,988	31.03.2019	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	23	4,190,013	31.03.2019	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	13	9,510,000	31.03.2019	25.01.2006
16	Lot PT 55329, HSD 39969, Mukim of Dengkil, District of Sepang, Selangor	N/A	23,039.0	A plot of argiculture land with direct frontage and potential for industrial use	Freehold	N/A	13,194,893	31.03.2019	07.03.2013
17	Lot PT 55330, HSD 39970, Mukim of Dengkil, District of Sepang, Selangor	N/A	15,362.0	A plot of argiculture land with direct frontage and potential for industrial use	Freehold	N/A	6,219,633	31.03.2019	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	21	629,999	31.03.2019	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	1	18,260,000	31.03.2019	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 60 years expiring on 05.03.2041	N/A	610,424	31.03.2019	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 60 years expiring on 25.10.2055	N/A	482,160	31.03.2019	17.01.2005
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 60 years expiring on 25.10.2055	N/A	694,748	31.03.2019	26.03.2015

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 2019 RM	Date of revaluation	Date of Acquisition
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	18	#15,650,960	14.03.2019	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	10	*1,833,013	N/A	23.01.2007
25	PTD 266247, HSD 230772, Mukim Hulu Kinda, District of Kinta, State of Perak	N/A	2,747.4	A parcel of industrial land	Leasehold 99 years expiring on 18.03.2114	N/A	639,692	31.03.2019	01.03.2016
26	PTD 266248, HSD 230773, Mukim Hulu Kinda, District of Kinta, State of Perak	N/A	1,996.6	A parcel of industrial land	Leasehold 99 years expiring on 18.03.2114	N/A	464,879	31.03.2019	01.03.2016
27	GM 2375 Lot 6134) HS(M) 3309, MLO 2371, Mukim Of Lenga, District of Muar, State of Johor	N/A	25,230.0	A Piece of agricultural land	Freehold	N/A	722,013	31.03.2019	16.03.2017

equivalent to Singapore Dollar 5.20 million

* equivalent to Vietnam Dong 10.41 billion

**ANNEXURE I
PROPOSED ALTERATION OF THE EXISTING MEMORANDUM AND ARTICLES OF
ASSOCIATION BY REPLACING WITH A NEW CONSTITUTION**

**COMPANIES ACT 2016
MALAYSIA**

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION

OF

DOMINANT ENTERPRISE BERHAD
Company No. 221206-D

Incorporated in Malaysia

Companies Act 2016
Public Company Limited by Shares

Constitution of
DOMINANT ENTERPRISE BERHAD

Name of Company

1. The name of the Company is Dominant Enterprise Berhad.

Company name

Registered Office

2. The registered office of the Company is situated in Malaysia.

Registered office

DEFINITIONS AND INTERPRETATION

Definitions

3. In this Constitution:

Definitions

"Act"	Means the Companies Act 2016, as amended, substituted or re-enacted from time to time.
"Annual General Meeting"	Means a meeting of the Company required to be held pursuant to Section 340 of the Act.
"Auditors"	Means the auditors of the Company.
"Board" or "Board of Directors"	Means the board of directors for the time being of the Company.
"Board Meeting"	Means a meeting of the Directors of the Company.
"Bursa Securities"	Means Bursa Malaysia Securities Berhad.
"Central Depositories Act"	Means the Securities Industry (Central Depositories) Act 1991 and regulations made thereunder, as amended or re-enacted from time to time.
"Company"	Means Dominant Enterprise Berhad.
"Company's Documents"	Including, but not limited to any of the following documents that may be issued by the Company from time to time: <div style="margin-left: 20px;"> <p>(a) In respect of a Member and person entitled to a Security in consequence of an Event of Transmission:</p> <div style="margin-left: 20px;"> <p>(i) Notices relating to General Meetings, instrument appointing a proxy (including electronic proxy appointment and voting manner), annual reports, audited financial statements, circular to shareholders, notices to holders of Securities, prospectus, information memorandum, notice of resolution, statement and other documents relating thereto;</p> <p>(ii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc;</p> <p>(iii) Other publication concerning the Company; and/or</p> <p>(iv) All written communications.</p> </div> </div>

- (b) In respect of a Director:
- (i) Notices relating to meetings of Board and Board committees and other documents relating thereto;
 - (ii) Notices relating to General Meetings, annual reports, audited financial statements, circular to shareholders, and other documents relating thereto;
 - (iii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc;
 - (iv) Other publication concerning the Company; and/or
 - (v) All written communications.
- (c) In respect of the Auditors:
- (i) Notices relating to General Meetings, audited financial statements, and other documents relating thereto;
 - (ii) All other documents as required under the Act, the Listing Requirements, applicable laws, guidelines, practice directives etc; and/or
 - (iii) All written communications.
- (d) In respect of a holder of Debt Securities:
- (i) Notices relating to meeting of Debt Securities holders, audited financial statements, notices to Debt Securities holders and other documents relating thereto;
 - (ii) All other documents as required under the trust deed governing an issue of Debt Securities, Act, the Listing Requirements, applicable laws, guidelines, practice directives etc; and/or
 - (iii) All written communications.

"Constitution"	The constitution of the Company as constituted by this document, or as altered from time to time by a special resolution.
"Debt Securities"	Means debentures, loan stocks or other similar instruments representing or evidencing indebtedness, whether secured or unsecured, and whether convertible or not.
"Deposited Security"	Means a security standing to the credit of a Securities Account and includes a security in a Securities Account that is in suspense.
"Depositor"	Means a holder of a Securities Account.
"Depository"	Means Bursa Malaysia Depository Sdn Bhd.
"Directors"	Means the directors for the time being of the Company (inclusive of alternate or nominee directors).
"Event of Transmission"	Means the death, bankruptcy or insolvency of a Member or debenture holder which would result in the Member or debenture holder being unable to remain as the registered holder of a share or debenture or such other transmission by operation of law.
"General Meeting"	Means a meeting of Members of the Company.

"Joint Holder"	In respect of a Security (other than Deposited Security), means two (2) or more persons are jointly entitled to any Security in the Company.
"Jumbo Certificate"	In relation to a Deposited Security, means a certificate comprising not less than fifty thousand (50,000) units of Securities of the Company or such denominations as may be directed by the Depository which is registered in the name of the Depository or its nominee company, as nominee for Depositors.
"Listed Deposited Security"	Means a Deposited Security quoted on the official list of Bursa Securities.
"Listing Requirements"	Means Main Market Listing Requirements of Bursa Securities, including any amendment that may be made from time to time.
"Member"	Means: <ul style="list-style-type: none"> (a) a person whose name is entered in the Register of Members as the holder for the time being of one or more shares in the Company; and/or (b) a Depositor whose name appears in the Record of Depositors as the holder for the time being of one or more shares in the Company. <p>Shares include ordinary shares, preference shares or other type of shares that may be issued and allotted by the Company from time to time.</p>
"Office"	Means the registered office of the Company.
"Officer"	Means any Director, Secretary or employee of the Company.
"Record of Depositors"	Means a record provided by the Depository to the Company under Chapter 24.0 of the Rules.
"Register of Members"	Means the record of members of the Company kept and maintained pursuant to Section 50 of the Act.
"Registrar"	Means the Registrar of Companies designated under Section 20A(1) of the Companies Commission of Malaysia Act 2001.
"Representative of Member"	Includes any of the following persons: <ul style="list-style-type: none"> (a) Representative appointed by a corporation which is a Member; or (b) Attorney appointed by the Member by a power of attorney.
"Rules"	Means the Rules of Depository, including any amendment that may be made from time to time.
"Seal"	Means the common seal of the Company.
"Secretary"	Means a secretary of the Company appointed under Section 236 of the Act.
"Security" or "Securities"	Has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007.
"Securities Account"	Means an account established by the Depository for a Depositor for the recording of deposit of Securities and for dealing in such Securities by the Depositor.
"Shareholder"	Means a holder of one or more share(s) in the Company.
"Unlisted Deposited Security"	Means a Deposited Security other than Listed Deposited Security.

Interpretation

4. (1) Expressions referring to writing include, unless the contrary intention appear, references to printing, lithography, photography and other modes of representing or reproducing words in a visible form. *Interpretation*
- (2) Words importing the singular number only shall include the plural number, and vice versa.
- (3) Words importing the masculine gender only shall include the feminine gender.
- (4) Words importing persons shall include corporations.
- (5) Unless the context requires otherwise, other words and expressions contained in this Constitution shall bear the same meaning as in the Act when this Constitution becomes effective and binding on the Company.

TYPE AND PURPOSE OF COMPANY**Type of Company**

5. (1) The Company is a public company limited by shares. *Public company*
- (2) The liability of the Members is limited to the amount, if any, unpaid on shares held by the Members. *Members' liability*

Purpose of Company

6. (1) The principal objects for which the Company is established are: *Objects*
- (a) To purchase or otherwise acquire for investment lands, houses, buildings plantations and other property of any tenure and any interest therein and any moveable property of any description or any interest therein and to create and sell freehold and leasehold ground rents and to make advances upon the security of land or house, or other property, or any interest therein and generally to sell, lease or exchange land and house property and any other property whether real or personal and whether for valuable consideration or not;
- (b) To purchase, establish and carry on business as general merchants, manufacturers, importers, exporters, commission agents, del credere agents, removers, packers, storers, store-keepers, general traders, factors and manufacturers of and dealers in foreign and local produce, manufactured goods, materials and general merchandise and to import, buy, prepare, manufacture, render marketable, sell, barter, exchange, pledge, charge, make advances on and otherwise deal in or turn to account, produce goods, materials and merchandise generally either in their prepared, manufactured or raw state and undertake, carry on and execute all kinds of commercial trading and other manufacturing operations and all business whether wholesale or retail; and
- (c) To develop and turn to account any land acquired by the Company or in which the Company is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, fitting up, decorating, demolishing, maintaining, and improving buildings and by planting, paving, draining, letting on buildings leases or agreements and by advancing money to and entering into contracts and agreements of all kind with builders, tenants and others.
- (2) Without derogating from the generality of this Clause, the Company shall have the full capacity to carry on or undertake any business or activity that is in the best interest of the Company with full rights, powers and privileges for such purpose in accordance with Section 21 of the Act, subject always to the requirements of any applicable laws and regulations. *Legal capacity and powers of the Company*

SECURITIES**Classes of Shares**

7. (1) The capital of the Company shall consist of ordinary shares. *Ordinary shares*
- (2) A holder of ordinary share(s) shall have the following voting rights: *Rights of ordinary shares*
- (a) Right to vote on a show of hands to one (1) vote on any resolution of the Company; and
- (b) Right to vote on a poll to one (1) vote for every share held on any resolution of the Company.

Variation of Rights

- | | | | |
|-----|-----|--|--|
| 8. | (1) | If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied: | <i>Variation of rights</i> |
| | (a) | with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or | |
| | (b) | by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation. | |
| (2) | | The provisions of this Constitution relating to General Meetings apply with the necessary modifications to every separate meeting of the holders of the shares of the class referred to in Clause 8(1), except that: | <i>Quorum for Class Meeting</i> |
| | (a) | for a meeting other than an adjourned meeting, a quorum is constituted by two (2) persons present holding at least one-third (1/3) of the number of issued shares of such class, excluding any shares of that class held as treasury shares; | <i>Class Meeting</i> |
| | (b) | if that class of shares only has one holder, a quorum is constituted by one (1) person present holding shares of such class; and | |
| | (c) | for an adjourned meeting, a quorum is constituted by one (1) person present holding share(s) of such class. | <i>Adjourned Class Meeting</i> |
| (3) | | The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by: | <i>Variation of rights of existing preference shares</i> |
| | (a) | the terms of the issue of the existing preference shares; or | |
| | (b) | this Constitution of the Company as in force at the time when the existing preference shares were issued. | |

Records of Members

- | | | | |
|-----|-----|---|-----------------------------|
| 9. | (1) | The records of Members of the Company comprise the following: | <i>Records of Members</i> |
| | (a) | Record of Depositors; and/or | |
| | (b) | Register of Members. | |
| (2) | | In relation to Deposited Securities, a Depositor whose name appears in the Record of Depositors maintained by the Depository in accordance with Section 34 of the Central Depositories Act in respect of the Securities of the Company which have been deposited with the Depository shall be deemed to be a shareholder, debenture holder or option holder of the Company, as the case may be, and shall, subject to the provisions of the Central Depositories Act and any regulations made under that Act, be entitled to the number of securities stated in the Record of Depositors. | <i>Record of Depositors</i> |
| (3) | | In relation to non-Deposited Securities, the Company shall: | <i>Register of Members</i> |
| | (a) | maintain a Register of Members at its Office or such other place as may be determined by the Directors from time to time; and | |
| | (b) | record the particulars of the Members as prescribed under Section 50 of the Act in the Register of Members. | |
| (4) | | The Company shall use the address of a Member in the Record of Depositors or Register of Members (as applicable) for the purpose of delivering Company's Documents and such address may be any one or more of the following: | <i>Address</i> |
| | (a) | a residential address; | |
| | (b) | a postal address; | |
| | (c) | a registered office (if the Member is a corporation); | |
| | (d) | a business address; | |
| | (e) | an email address; | |

- (f) a facsimile number; and/or
- (g) contact details as provided by the Depositor to the Depository.
- (5) (a) In relation to Deposited Securities, a Depositor must notify the Depository from time to time of any change of his particulars or such information as required under the Rules. *Notification of change of particulars of Record of Depositors*
- (b) In relation to non-Deposited Securities, each Member must notify the Company as soon as practicable (in any event no later than fourteen (14) days) of any change of his particulars to enable the Company to record such change in the Register of Members and notify the Registrar within the aforesaid timeline as stipulated in the Act. *Notification of change of particulars of Register of Members*

Certificates of Shares or Debentures

- 10. (1) The Company may, as required by the Depository, issue a Jumbo Certificate in the name of the Depository or its nominee company, as nominee for Depositors, for the Deposited Securities issued by the Company from time to time. *Issuance of Jumbo Certificate*
- (2) In relation to non-Deposited Securities:
 - (a) every person whose name is entered as member in the Register of Members or holder in the register of debenture holders shall be entitled without payment to receive a certificate in respect of the shares or debentures issued under the Seal in accordance with the Act. *Issuance of share / debenture certificate*
 - (b) in respect of shares or debentures held jointly by several persons, the Company is not bound to issue more than one (1) certificate for such shares or debentures, and delivery of a certificate for shares or debentures to one (1) of several Joint Holders is sufficient delivery to all such holders. *Issuance of share / debenture certificate to Joint Holders*
 - (c) if a certificate of shares or debentures is worn out, defaced, lost or destroyed, it may be re-issued on payment of a fee not exceeding RM50.00 on the application by the Shareholder or debenture holder. The Directors may, at its absolute discretion and as they think fit, impose such terms and requirements (if any) as to evidence and indemnity and payment of out-of-pocket expenses of the Company incidental to the investigation, and in the case of defacement or wearing out, on delivery of the old certificate. *Loss or destruction of share / debenture certificate*

Beneficial Ownership of Shares

- 11. (1) Except as required by law, the Central Depositories Act, the Rules or pursuant to any order of the Court, no person is to be recognised by the Company as holding any share upon any trust. *Trust*
- (2) Except as required by law, this Constitution, the Central Depositories Act, the Rules or pursuant to any order of the Court, the Company is not bound by or compelled in any way to recognise or enter into the Register of Members or Record of Depositors: *Not compelled to recognise trust*
 - (a) any equitable, contingent, future or partial interest in any share or unit of a share; or
 - (b) any other rights in respect of any share or unit of share,

other than the registered holder's rights to the entirety of the share or unit of share.
- (3) Clause 11(2) applies even when the Company has notice of any interest or right (including notice of any trust expressed, implied or constructive in this regard) referred to in Clauses 11(2)(a) or (b). *Notice of interest or right*

DEALING IN SECURITIES

Issue of Securities

- 12. (1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to: *Allotment of shares or grant of rights*
 - (a) issue and allot shares in the Company; and

- (b) grant rights to subscribe for shares or options over unissued shares in the Company.
- (2) Subject to the Act, the Listing Requirements, this Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares): *Pre-emptive rights shall not apply*
- (a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;
- (b) to any person, whether a Member or not, in such numbers or proportions as the Directors may determine; and
- (c) for such consideration as the Directors may determine.
- (3) (a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. *Issue of new shares or securities to Members*
- (b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.
- (c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.
- (4) Subject to Paragraph 6.06 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue. *General mandate for issue of securities*
- (5) (a) The Company may pay commission (including brokerage) subject to the following: *Permitted commission*
- (i) the commission shall not exceed the rate of ten percent (10%) of the price at which the shares in respect whereof the same is paid are issued; or
- (ii) the commission shall not exceed an amount equal to ten percent (10%) of that price,
- whichever is lesser;
- (b) The rate of commission shall be disclosed in the manner prescribed in the Act; and
- (c) The said commission may be satisfied by payment in cash or shares (fully or partly paid shares) or partly in one way and partly in the other. For the purpose of Clause 12(5), commission includes brokerage and the rates referred to in Clause 12(5)(a) shall not apply to brokerage.
- (6) Subject to Section 130 of the Act, where any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest or returns on the amount of such share capital as is for the time being paid up and charge the interest or returns paid to share capital as part of the cost of construction of the works, buildings or the provision of any plant. *Power of Company to pay interest out of capital in certain cases*

Transfer and Transmission of Securities under the Central Depository System

13. Clauses 14 and 15 shall apply to Deposited Securities.

Application

Transfer of Securities

14. The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities. *Transfer of securities*

Transmission of Securities

15. Where: *Transmission of securities*
- (a) the Securities of the Company are listed on another stock exchange; and
 - (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such Securities.

Transfer and Transmission of Shares or Debentures

16. Clauses 17 to 23 shall apply to non-Deposited Securities. *Application*

Transfer of Shares or Debentures

17. (1) Subject to this Constitution and other written laws, any Shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act. *Instrument of transfer*
- (2) The instrument of transfer must be executed by or on behalf of the transferor and the transferee. *Execution of instrument of transfer*
- (3) The transferor shall remain as the holder of such shares or debentures until the transfer is registered and the name of the transferee is entered in the Register of Members or register of debenture holders in respect of the shares or debentures respectively. *Effect the transfer of shares or debentures*
18. (1) To enable the Company to register the name of the transferee, the following items in relation to the transfer of shares or debentures must be delivered by the transferor to the Office of the Company: *Items for transfer of shares or debentures*
- (a) the instrument of transfer duly executed and stamped;
 - (b) the certificate of the shares or debentures which the instrument of transfer relates; and
 - (c) any other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.
- (2) Upon receipt of the items referred to in Clause 18(1), the Company shall, upon the approval of the Board and unless otherwise resolved, register the name of the transferee in the Register of Members or register of debenture holders (as applicable). *Approval of registration*
19. (1) The Directors may decline or delay to register the transfer of shares within thirty (30) days from the receipt of the instrument of transfer if: *Refusal of registration*
- (a) the shares are not fully paid shares;
 - (b) the Directors passed a resolution with full justification to refuse or delay the registration of transfer;
 - (c) the Company has a lien on the shares; and/or
 - (d) the Shareholder fails to pay the Company an amount due in respect of those shares, whether by way of consideration for the issue of the shares or in respect of the sums payable by the Shareholder in accordance with this Constitution.

- (2) Where applicable, the Company shall send a notice of the resolution referred to in Clause 19(1)(b) to the transferor and transferee, within seven (7) days of the resolution being passed by the Directors. *Notification to transferor and transferee*
20. On giving at least fourteen (14) days' notice to the Registrar to close the Register of Members or register of debenture holders, the Company may close the Register of Members or register for any class of members or register of debenture holders (collectively, the "Registers") for the purpose of updating the Registers. The registration of transfer may be suspended at such time and for such period as the Directors may from time to time determine, provided that no part of the relevant Register(s) be closed for more than thirty (30) days in aggregate in any calendar year. *Closing the Register of Members or Register of Debenture Holders*

Transmission on Death

21. In case of the death of a Member or debenture holder, the only persons recognised by the Company as having any title to the interest of the deceased Member or debenture holder in the shares or debentures respectively shall be: *Transmission on death*
- (1) the survivor(s), where the deceased Member or debenture holder was a Joint Holder; and
- (2) the legal personal representatives of the deceased Member or debenture holder, where the deceased Member or debenture holder was a sole holder,

but nothing herein contained shall release the estate of a deceased Joint Holder from any liability in respect of any share which had been jointly held by him with other persons.

Transmission by Operation of Law

22. (1) Any person becoming entitled to a share or debenture in consequence of an Event of Transmission may, upon such evidence being produced as is properly required by the Directors, and subject as hereinafter provided, elect either to register himself as the holder of the share or debenture or to have some other person nominated by him registered as the transferee of the shares or debentures. *Registration of transmission*
- (2) If the entitled person elects to register himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. *Elects to register himself as holder*
- (3) If he elects to have another person registered, he shall execute an instrument of transfer of the share or debenture in favour of that person. *Elects to register other person as the holder*
- (4) All limitations, restrictions and clauses of this Constitution relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as if the Event of Transmission had not occurred and the notice or transfer were a transfer signed by that Shareholder or debenture holder. *Limitations, restrictions and clauses relating to transfer of shares or debentures shall apply to transmission*
23. (1) Upon an Event of Transmission and the receipt by the Company of the relevant notification as required under the Act together with such documentary evidence as required by the Directors from the person who is entitled to the title to the relevant shares or debentures, the Company shall register the person as a shareholder or debenture holder of the Company within sixty (60) days from its receipt of the notification (together with the required documentary evidence). *Entitled to the same rights as the registered holder*
- (2) The registration of transmission of shares or debentures under Clause 23(1) shall entitle the registered holder to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting or otherwise), as the registered holder would have been entitled to if the registered holder had not suffered an Event of Transmission.
- (3) Where two (2) or more persons are jointly entitled to any shares or debentures in consequence of the death of the registered holder, they shall, for the purpose of this Constitution, be deemed to be Joint Holders of the shares or debentures. *Joint Holder*

Lien on Shares

24. (1) The Company has a first and paramount lien on every share for: *Lien on shares*
- (a) any amount due or unpaid in respect of the share which has been called or is payable at a fixed date and/or time;
- (b) all amounts that the Company may be called on by law to pay in respect of the share; and/or

- (c) any reasonable interest in respect of the unpaid amounts on the share and reasonable expenses incurred by the Company in respect of receiving unpaid amounts on the share.
- (2) The Company's lien, if any, on a share extends to all dividends payable in respect of the share which may be retained and applied towards the satisfaction of any or all amounts due to the Company in respect of which the lien exists. *Dividends payable may be used for satisfaction of the amount due*
- (3) The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to: *Company's lien on shares and dividends*
- (a) unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid,
- (b) if the shares were acquired under an employee share option scheme, amounts which are owed to the Company for acquiring them; and
- (c) such amounts as the Company may be called upon by law to pay, and has paid, in respect of the shares of the Member or deceased Member.
- In each case, the lien extends to reasonable interest and expenses incurred because the amount is not paid.
- (4) The Directors may at any time declare a share to be wholly or partly exempt from Clauses 24(1) or (2), or both. *Exemption*
25. No person is entitled to exercise any rights or privileges as a Member until the Member has paid all calls, instalments of calls and other moneys (including interest and expenses) for the time being payable in respect of which the lien exists. *Rights or privileges of a Member*
26. The registration of a transfer of a share approved by the Directors shall operate as a waiver of the Company's lien over the share. *Registration of transfer*
27. (1) Subject to Clause 27(2), the Company may sell, in any manner as the Directors think fit and appropriate, any shares over which the Company has a lien. *Sale of shares under lien*
- (2) A share on which the Company has a lien shall not be sold unless: *Enforcing sale of shares under lien*
- (a) a sum in respect of which the lien exists is presently payable; and
- (b) the Company has, not less than fourteen (14) days before the date of the sale, given to the registered holder for the time being of the share or the person entitled to the share by reason of the death or bankruptcy of the registered holder of the share, a notice in writing stating and demanding payment of such part of the amount in respect of which the privilege or lien exists and is presently payable.
28. (1) To give effect to any sale of shares under Clause 27, the Directors may authorise a person to transfer the shares sold to the purchaser of the shares. *Give effect to any sale of shares*
- (2) The Company shall register the purchaser as the holder of the shares comprised in any such transfer and the Directors shall not be bound to see to the application of the purchase money. *Register the purchaser as the holder*
- (3) The title of the purchaser to the shares shall not be affected by any irregularity or invalidity in the proceedings relating to the sale of the shares. *Title of the purchaser*
29. The proceeds of a sale of shares under Clause 27 shall be received and applied by the Company in payment first of the expenses of the sale, then of such part of the amount in respect of which the lien exists as is presently payable and the residue (if any) shall (subject to any similar lien for sums not presently payable that exists over the shares before the sale) be paid to the person entitled to the shares as at the date of the sale. *Proceeds of sale of shares*

Calls on shares

30. (1) The Directors may from time to time make calls upon the Shareholders in respect of any money unpaid on the shares of the Shareholders and not by the conditions of the allotment of the shares made payable at fixed date, provided that: *Directors to make calls*
- (a) no call shall exceed one-fourth ($\frac{1}{4}$) of the issue price of the share or be payable at less than thirty (30) days from the date fixed for the payment of the last preceding call; and

- (b) each Shareholder shall, upon receiving at least fourteen (14) days' notice specifying the date, time and place of payment, pay to the Company (at the time or times and place specified in the notice) amount called on the Shareholder's shares.
- (2) The Joint Holders of a share shall be jointly and severally liable to pay all calls in respect of their shares. *Joint Holder*
- (3) A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments. *Board's resolution authorising the call*
- (4) A call may be revoked or postponed as the Directors may determine. *Directors may revoke or postpone call*
31. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment of the sum, the person from whom the sum is due shall pay interest on that sum from the appointed day for payment to the time of actual payment at a rate not exceeding eight percent (8%) per annum as the Board may determine. *Interest on late payment*
- (2) The Board may waive payment of any such interest in whole or in part. *Waiver of interest*
32. (1) Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date shall be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. *Sum becomes due and payable*
- (2) In the case of non-payment of such sum, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. *Non-payment of such sum*
33. (1) The Company may accept from any Shareholder the whole or a part of the amount unpaid on a share although no part of that amount has been called up. *Advance from shareholder*
- (2) The Company may make arrangements on the issue of shares for varying the amounts and times of payment of calls as between Shareholders. *Arrangement to vary the amount and payment*
- (3) Upon all or any part of the money advanced by Shareholder (for all or any part of the money uncalled or unpaid upon the shares held by such Shareholder) received by the Directors from the Shareholder become payable, the Directors may authorise the Company to pay interest or return at a rate not exceeding eight percent (8%) per annum as may be agreed upon between the Directors and the Shareholder paying the sum in advance (unless the Company in a General Meeting otherwise directs). *Interest on advance*
- (4) However, the Company may not pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

Forfeiture of Shares

34. (1) If a Shareholder fails to pay any call or instalment of a call on or before the day appointed for the payment of the call or instalment, the Directors may serve a notice on the Shareholder requiring payment of the amount unpaid, together with interest at such rate not exceeding eight percent (8%) per annum as the Directors shall determine. *Notice of forfeiture of shares*
- (2) The notice shall specify a date (not earlier than the expiration of fourteen (14) days from the date of service of the notice) on or before which the payment is required to be made and the notice shall state that, in the event of non-payment on or before the specified date, the shares in respect of which the call was made will be liable to be forfeited. *Contents of notice*
35. (1) If the requirements set out in the notice served under Clause 34 are not complied with, the shares in respect of which such notice has been given shall be forfeited by a resolution of the Directors to that effect, unless the required payment is made before such resolution. *Passing of Directors' resolution to forfeit the shares*
- (2) A forfeiture of shares as referred to in Clause 35(1) above shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. *Forfeiture including all dividends declared*
36. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and, at any time before a sale or disposition of the forfeited shares, the forfeiture may be cancelled on such terms as the Directors think fit. *Forfeited share may be sold, reissued or otherwise*
37. If any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs. *Sale of shares forfeited*

38. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares. Notwithstanding that, such person shall remain liable to pay to the Company all money that, at the date of forfeiture, was payable by the person to the Company in respect of the shares (together with interest or compensation at the rate of eight percent (8%) per annum from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of the interest or compensation). Liability of the person shall cease if and when the Company receives payment in full of all the money (including interest or compensation) so payable in respect of the shares. *Cessation of Member in respect of forfeited shares*
39. A statutory declaration in writing by a Director or Secretary that a share in the Company has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts stated in the declaration against all persons claiming to be entitled to the share. *Statutory declaration*
40. (1) The Company may receive the consideration (if any) given for a forfeited share on any sale or disposition of the shares and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. *Consideration of the forfeited shares*
- (2) Upon the execution of the transfer of the share, the transferee shall be registered as the holder of the share and the Company shall not be bound to see to the application of the purchase money (if any). *Transfer of forfeited shares*
- (3) The title of the transferee to the share is not affected by any irregularity or invalidity in the proceedings in connection with the forfeiture, sale or disposal of the share. *Title of the transferee*
41. The provision of this Constitution as to forfeiture of shares shall apply in the case of non-payment of any sum that, by the terms of issue of a share, become payable to the Company at a fixed date as if that sum of the shares had been payable by virtue of a call duly made and notified. *Provision of forfeited shares*

Conversion of shares into stock

42. The Company may by ordinary resolution passed at a General Meeting convert any paid-up shares into stock and reconvert any stock into paid-up shares in accordance with Sections 84(1)(b) and 86 of the Act. *Conversion of shares into stock and vice versa*
43. (1) The stockholders may transfer their stock or any part thereof in the same manner as the transfer of shares from which the stock arose may, before the conversion, have been transferred or be transferred in the closest manner as the circumstances allow. *Stock is transferable*
- (2) The Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum. *Directors' powers*
44. (1) The stockholders shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose. *Rights of stockholders*
- (2) However, no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such part of stock which would not, if existing shares have conferred that privilege or advantage. *Participation in dividends and profits*
45. For the purpose of Clauses 42 to 44, any reference in this Constitution as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder" respectively. *Reference*

Alteration of Capital

46. (1) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:
- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or *Consolidation of shares*
- (b) subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived. *Subdivision of shares*
- (2) The Company may from time to time by special resolution and subject to other applicable requirements:

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| (a) | cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or | <i>Cancellation of shares</i> |
| (b) | reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained. | <i>Reduction of share capital</i> |
| (3) | The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof. | <i>Purchase of own shares</i> |

PASSING OF RESOLUTIONS OF MEMBERS

Passing of Resolutions of Members

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| 47. | The Company may pass a resolution of the Members or of a class of Members at a meeting of the Members. | <i>Passing a Members' Resolution</i> |
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MEETINGS OF MEMBERS

Convening General Meetings

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| 48. | (1) | The Company shall hold an Annual General Meeting in every calendar year pursuant to Section 340 of the Act to transact the following ordinary business: | <i>Annual general meeting</i> |
| | (a) | The laying of audited financial statements and the reports of the Directors and Auditors; | <i>Ordinary business</i> |
| | (b) | The declaration of dividend (if any); | |
| | (c) | The election or re-election and the fixing of the fees and benefits of the Directors; | |
| | (d) | The appointment and the fixing of the fees and benefits of the Directors; and | |
| | (e) | The appointment or re-appointment and the fixing of the remuneration of the Auditors. | |
| | (2) | All businesses (except for those set out under Clause 48(1)) shall be special that is transacted at an Annual General Meeting and also that is transacted at other General Meeting. | <i>Special business</i> |
| 49. | | Subject to Clause 48, all meetings of Members shall be called General Meetings. | <i>General Meetings</i> |
| 50. | | The Board: | <i>Board to convene General Meeting</i> |
| | (1) | may, whenever it thinks fit, convene a meeting of the Members; and | |
| | (2) | shall convene a General Meeting on the request of the Members pursuant to Section 311 of the Act. | |
| 51. | | A General Meeting may be requisitioned by: | <i>Members to requisite a General Meeting</i> |
| | (a) | any Member(s) holding at least ten percent (10%) of the issued and paid up share capital of the Company pursuant to Sections 310(b) and 311(3)(a) of the Act; or | |
| | (b) | any of the Members representing more than one half of the total voting rights of all of the Members who requisitioned the General Meeting pursuant to Section 313(1) of the Act. | |

Notice of General Meetings

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| 52. | (1) | A notice of a General Meeting must specify the following: | <i>Contents of Notice of General Meeting</i> |
| | (a) | the place, date and time of the General Meeting; | |
| | (b) | the general nature of the business of the General Meeting; and | |
| | (c) | the text of any proposed resolution and other information as the Directors think fit. | |

- (2) If the General Meeting is to be held in two (2) or more places, the notice of the General Meeting shall specify the technology or method that will be used to facilitate the General Meeting. *General Meeting held at two (2) or more venues*
- (3) The main venue of the General Meeting shall be in Malaysia and the chairperson shall be present at that main venue of the General Meeting. *Main venue*
53. (1) The notices convening General Meetings shall specify the place, day and hour of the General Meeting, and shall be given to all Shareholders at least fourteen (14) days before the General Meeting or at least twenty-one (28) days before the General Meeting where any special resolution is to be proposed or where it is an Annual General Meeting. Any notice of a General Meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the Annual General Meeting, of every such meeting must be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed. *Notice of General Meetings*
- (2) The notice of General Meeting shall exclude the date of issuing the notice and the date of the General Meeting.
- (3) An Annual General Meeting may be called by a notice shorter than the period referred to in Clause 53(1) if so agreed by all the Members entitled to attend and vote at the General Meeting.
- (4) The technology to be used for the purpose of this Clause must allow the Members who participate in the physical and/or virtual General Meeting to communicate simultaneously with the chairperson, Directors, other Members and advisers (if any) taking part in the main venue of the General Meeting and such technology may include telephone, television, video conferencing, or any other telecommunication or digital methods which permits instantaneous communication. *Technology to be used for physical and/or virtual General Meeting*
- (5) Subject to the Act, the Listing Requirements and other applicable laws and regulations, the physical and/or virtual General Meeting shall be deemed to constitute a General Meeting and all provisions of this Constitution relating to General Meetings shall apply to any physical and/or virtual General Meeting provided the following conditions are met: *Conditions for physical and/or virtual General Meeting*
- (a) All the Members for the time being entitled to receive notice of the General Meeting shall be entitled to receive notice of the physical and/or virtual General Meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as determined by the Board of Directors and permitted by this Constitution; and
- (b) The Members who attend the General Meeting remotely may participate, speak and vote at the physical and/or virtual General Meeting provided that the remote locations should leverage on technology to facilitate voting, including voting in absentia and remote shareholders' participation at the physical and/or virtual General Meeting.
- (6) A General Meeting, other than an Annual General Meeting and a General Meeting for passing of a special resolution, may be called by a notice shorter than the period referred to in Clause 53(1) if so agreed by a majority in the number of the Members who collectively hold not less than ninety-five percent (95%) of the total number of shares giving the rights to attend and vote at the General Meeting, excluding any shares in the Company held as treasury shares. *Shorter notice*
54. Notice of every General Meeting shall be given in the manner authorised by Clause 127 to: *Persons entitled to receive notice of General Meeting*
- (1) every Member (including any person who is entitled to a share in consequence of the death or bankruptcy of a Member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting and the Company has been notified of the person's entitlement in writing);
- (2) every Director; and
- (3) the Auditors.
55. (1) In relation to Deposited Securities, the Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of General Meetings shall be given by the Company. *Record of Depositors*
- (2) The Company shall also request the Depository in accordance with the Rules, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the General Meeting ("General Meeting Record of Depositors").

- (3) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a Depositor shall not be regarded as a Member entitled to attend any General Meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.

Quorum for General Meetings

56. (1) No business is to be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business. *Quorum*
- (2) Two (2) Members personally present at a meeting or by proxy or by Representative of Member shall constitute a quorum. *More than one (1) Member*
- (3) For the purpose of constituting a quorum:
- (a) one (1) or more representatives appointed by a corporation shall be counted as one (1) Member; *Corporate representative*
- (b) one (1) or more proxies appointed by a person shall be counted as one (1) Member; or *Proxy*
- (c) the presence of one (1) or more Joint Holders shall be counted as one (1) Member. *Joint Holders*

No Quorum

57. If a quorum is not present within half an hour after the time appointed for a General Meeting: *Quorum is not present*
- (1) where the General Meeting was convened upon the requisition of Members, the meeting shall be dissolved; or *Requisition of Member*
- (2) in any other case: *Other case*
- (a) if no determination is made by the Directors, the General Meeting shall stand adjourned to the same day in the next week at the same time and place or if that day falls on a public holiday then to the next business day following that public holiday; or *Adjournment of General Meeting*
- (b) the General Meeting shall stand adjourned to another day and at another time and place as the Directors may determine; and
- if at the adjourned General Meeting, a quorum is not present within half an hour from the time appointed for the meeting, then any Member present shall form a quorum. *Adjourned General Meeting*

Chairperson of General Meetings

58. The chairperson of a General Meeting is:
- (1) where the Board has appointed a chairperson or deputy chairperson amongst the Directors, the Chairperson of the Board; or *Chairperson of the Board*
- (2) where:
- (a) the Chairperson of the Board is unable or unwilling to act as the chairperson of the General Meeting; *Members to appoint Chairperson of General Meeting*
- (b) the Chairperson is not present within fifteen (15) minutes after the time appointed for the holding of the General Meeting; or
- (c) the Board has not appointed a chairperson amongst the Directors,
- the Members present shall elect one of their Members present to be the chairperson of the General Meeting.
- (3) For avoidance of doubt, a proxy or Representative of Member may be elected as the chairperson of the General Meeting by a resolution passed at the meeting.

Adjournment of General Meetings

59. (1) The chairperson shall adjourn a General Meeting, at which a quorum is present, from time to time and from place to place if the Members present with a majority of votes that may be cast at that meeting agree or direct the chairperson to do so. *Members' consent is required*

- (2) No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place (referred to as the "Original General Meeting"). *Only transact the business left unfinished at the General Meeting*
- (3) There is no need to give any notice of an adjourned General Meeting or of the business to be transacted at an adjourned General Meeting unless the adjourned General Meeting is to be held thirty (30) days or more after the date of the Original General Meeting or otherwise as the chairperson directs. *Notice of adjourned General Meeting*

Voting by Show of Hands

60. (1) Subject to the Listing Requirements, at a General Meeting, a resolution put to the vote of the General Meeting shall be decided on a show of hands unless a poll is demanded before or on the declaration of the result of the show of hands. *By show of hands*
- (2) On a vote on a resolution at a General Meeting on a show of hands, a declaration by the chairperson that a resolution has been passed unanimously, or with a particular majority, or is lost, and an entry to that effect in the minutes of the proceeding shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. *Declaration by the chairperson*

Voting by Poll

61. (1) A poll may be demanded: *Demand a poll*
- (a) by the chairperson;
- (b) by at least three (3) Members present in person or by proxy;
- (c) by any Member or Members present in person or by proxy and representing not less than ten percent (10%) of the total voting rights of all the Members having the right to vote at the General Meeting; or
- (d) by a Member or Members holding shares in the Company conferring a right to vote at the General Meeting being shares on which an aggregate sum has been paid up equal to not less than ten percent (10%) of the total paid up shares conferring that right.
- For purposes of this Clause, references to "Member" shall include Representative of Member.
- (2) The demand for a poll may be subsequently withdrawn. *Withdrawal of a demand for poll*
- (3) Subject to Clause 61(4), if a poll is duly demanded, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairperson directs. *When a poll is to be held*
- (4) No poll shall be demanded on the election of a chairperson of a General Meeting or on a question of adjournment of a General Meeting. *No poll on election of chairperson or adjournment*
- (5) When a poll is properly demanded, the earlier vote by a show of hands shall be superseded by the result of the poll and the result of the poll shall be the resolution of the General Meeting at which the poll was demanded. *Result of the poll*

Casting Vote

62. In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the General Meeting at which the show of hands takes place or at which the poll is carried out is entitled to a second or casting vote. *Chairperson shall have a casting vote*

Voting Entitlement

63. Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- (1) at meetings or class meetings of Members, each Member entitled to vote may vote in person or by a proxy or by Representative of Member; *Voting by Member*
- (2) on a vote by way of show of hands, every Member who is present in person or by proxy or Representative of Member has one (1) vote; *Voting by a show of hands*
- (3) on a vote by way of poll, every Member who is present in person or by proxy or by Representative of Member shall have one (1) vote for each share or stock the Member holds; and *Voting by poll*

- (4) in the case of Joint Holders, the joint holders shall be considered as one (1) Member. *Voting by Joint Holders*
64. For the purposes of Clause 63(2): *Votes by proxy*
- (1) where a Member entitled to vote on a resolution has appointed a proxy, the proxy shall be entitled to vote on a show of hands, provided that he is the only proxy appointed by the Member; *May vote by show of hands if one proxy is appointed*
- (2) where a Member entitled to vote on a resolution has appointed more than one (1) proxy,
- (a) the proxies shall only be entitled to vote on a poll; and *May only vote on a poll if more than one (1) proxy appointed*
- (b) the appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy; and
- (3) in respect of Clause 64(1), where the shares of the Company are quoted on a stock exchange and if a Member entitled to vote on a resolution has appointed more than one (1) proxy, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange. *Exception*
65. For the purposes of Clause 63(4), if the Joint Holders purport to exercise the power to vote in the same way, the power is treated as exercised in that way. If the Joint Holders do not purport to exercise the power in the same way, the power is treated as not exercised. *Votes of Joint Holders of shares*
66. For the purposes of Clause 63, when a corporate Member appoints more than one (1) representative, if its representatives purport to exercise the power to vote in the same way, the power is treated as exercised in that way. If the representatives do not purport to exercise the power in the same way, the power is treated as not exercised. *Votes of corporate representative of shares*

Voting Restrictions

67. If a Member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health, the relevant committee or trustee or such other person as properly appointed under the applicable law to manage his estate may exercise any rights of the Member in relation to a meeting of the Company's Members as if the committee, trustee or other person were the Member. *Member is of unsound mind*
68. No member is entitled to attend and vote at any General Meeting unless all calls or other sums presently payable by the Member in respect of shares in the Company have been paid. *Calls unpaid*

Objection to Votes

69. (1) An objection may be raised to the qualification of a voter only at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered. *Objection to qualification of a voter*
- (2) Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision is final and conclusive. *Any objection shall be referred to the chairperson*
- (3) A vote not disallowed pursuant to an objection at the General Meeting is valid for all purposes. *Vote not disallowed*

PROXIES / REPRESENTATIVES OF MEMBERS

General

70. (1) A Member of the Company may appoint a proxy and/or Representative of Member to exercise his rights to attend, participate, speak and vote for the Member at a General Meeting. A proxy may but need not be a Member of the Company. *Proxy / Representative of Member*
- (2) Subject to the Act and this Constitution, a proxy or Representative of Member is only entitled to vote: *Entitlement to vote*
- (a) if the Member is entitled to vote;
- (b) if the Member is not personally present at the General Meeting;
- (c) if the Member has complied with the requirements set out in this Constitution to properly appoint a proxy or Representative of Member and to give notice of such appointment to the Company;

- (d) if the Member has conferred a right to vote on the proxy or Representative of Member; and
- (e) the appointment of proxy or Representative of Member was not revoked by the Member by a notice of revocation forty-eight (48) hours before the time of holding of the General Meeting or adjourned General Meeting or such other time that may be determined by the Directors and the said revocation must be deposited at the Office or such other place in Malaysia as is specified in the notice convening the General Meeting.
- (3) A proxy or Representative of Member may vote, whether on a show of hands or on a poll, on any question at any General Meeting and to the extent permitted under the instrument of proxy or certificate of appointment of corporate representative or power of attorney. *May vote by a show of hands or on a poll*

Proxies

71. (1) An instrument appointing a proxy: *Manner of execution of instrument appointing a proxy*
- (a) must be in writing and executed by or on behalf of the appointing Member in substantially the form and in the manner as specified in "Appendix A" annexed hereto or in such other permitted form (including the electronic proxy appointment and voting manner) as the Board of Directors may determine from time to time;
- (b) will not be invalid merely because it omits any particulars of the proxy and the appointing Member; and
- (c) will be deemed to have appointed the Chairperson of the General Meeting as the proxy of the appointing Member where no other person has been named to act as proxy.
- (2) An instrument appointing a proxy may: *Form of instrument of proxy*
- (a) specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote in the resolution except as specified in the instrument;
- (b) specify the proportion or number of votes that the proxy may exercise; and/or
- (c) be a specific appointment for a particular meeting.
- (3) An instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority :
- (a) shall be deemed to confer authority to demand or join in demanding a poll; *Confer authority to demand a poll*
- (b) shall be deposited at the Office or at such other place in Malaysia as is specified in the notice convening the General Meeting or adjourned General Meeting, at which the person named in the instrument proposes to vote: *Time limit to deposit instrument appointing a proxy*
- (i) not less than forty-eight (48) hours before the time for holding the General Meeting or adjourned General Meeting; or
- (ii) in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll; and
- (c) may be accepted if it is: *Execution by electronic or digital signature or authentication of an appointment by electronic means*
- (i) transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Member; or
- (ii) authenticated in any document given to the Company by electronic means which shows the validity of the appointment of a proxy.
- (4) In Clause 71(3), documents relating to proxies include: *Documents relating to proxies*
- (a) the appointment of a proxy in relation to a General Meeting;
- (b) any document necessary to show the validity of, or otherwise relating to, the appointment of a proxy; and
- (c) notice of the revocation of the authority of a proxy.

- (5) For the purposes of Clause 71(3), delivery may be effected by:
- Manner of delivery*
- (a) physical delivery of the document;
 - (b) delivery by facsimile transmission;
 - (c) delivery by email transmission; or
 - (d) lodging electronic document,
- to the place, facsimile number, electronic address or the designated website link or address (where applicable) as specified in the notice of General Meeting.
- (6) The proceedings at a General Meeting shall not be invalidated where an appointment of proxy in respect of that General Meeting is sent in electronic form, but cannot be read by the Company due to technical problems or other reasons.
- (7) If a Member is entitled to cast two (2) or more votes at a General Meeting, the Member:
- Member with two (2) or more votes*
- (a) may appoint up to two (2) proxies; and
 - (b) must specify the proportion or number of the Member's votes each proxy may execute.
- (8) (a) 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.
- Appointment of multiple proxies*
- (b) An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (9) 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.
- Appointment of proxy by authorised nominee*
- (10) When two (2) or more valid but differing appointments of a proxy are received by the Company in respect of the same share for use at the same General Meeting, the one which is last received (regardless of its date or of the date of its execution or submission) shall be treated as replacing and revoking the other as regards that share. If the Company is unable to determine which appointment was last received, none of them shall be treated as valid in respect of that share.
- Differing Appointment of Proxy*
- (11) For the avoidance of doubt, the appointment of a proxy shall not preclude a Member from attending and voting in person at a General Meeting.
72. (1) Subject to Clause 72(2), a vote given in accordance with the terms of an instrument of proxy is valid despite:
- Validity of a vote*
- (a) the previous death or unsound mind of the appointing Member;
 - (b) the revocation of the instrument or of the authority under which the instrument was executed; or
 - (c) the transfer of the share in respect of which the instrument or power is given.
- (2) Clause 72(1) does not apply if an instrument in writing of such:
- (a) death, unsound mind or transfer has been received by the Company before the commencement of the General Meeting or adjourned General Meeting at which the instrument is used; or
 - (b) revocation by the Member was not received by the Company forty-eight (48) hours before the time of holding of the General Meeting or adjourned General Meeting or such other time that may be determined by the Directors, and
- the said notification must be deposited at the Office or such other place in Malaysia as is specified in the notice convening the General Meeting.

Attorneys

73. (1) A person purporting to be the attorney of a Member shall be required to produce the original Power of Attorney to the Company. *Power of attorney*
- (2) 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 jurisdictions in which it is executed.

Corporate Representatives

74. (1) A corporate Member may appoint an individual as its corporate representative to exercise all or any of the powers the corporate Member may exercise. *Appointment of corporate representative*
- (2) The appointment may be a standing appointment until notice of revocation is received by the Company.
- (3) The instrument of appointment may set out restrictions on the powers of the corporate representative.
- (4) A corporate Member may appoint more than one (1) corporate representative. However, it shall observe the voting entitlement set out in Clause 66.

DIRECTORS**Number of Directors**

75. (1) The Company may from time to time by an ordinary resolution passed at a General Meeting fix the number of Directors (excluding Alternate Director) but the number so fixed shall not be less than two (2) nor more than twenty (20). *May fix the number of Directors*
- (2) The shareholding qualification for Directors may be fixed by the Company in general meeting and until so fixed no shareholding qualification for Director shall be required. *Shareholding qualification for Directors*

Retirement of Directors

76. (1) An election of Directors shall take place each year. *Election*
- (2) At the first Annual General Meeting of the Company, all the Directors shall retire from office at the conclusion of the Annual General Meeting. *Retirement at Annual General Meeting*
- (3) At the Annual General Meeting in every subsequent year, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at the conclusion of the Annual General Meeting in every year provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. *Retirement at Annual General Meeting in every subsequent year*
- (4) The Directors to retire in every year shall be the Directors who have been longest in office since the Directors' last election, but as between persons who became Directors on the same day, the Directors to retire shall be determined by lot, unless they otherwise agreed among themselves. *Directors to retire*
- (5) A retiring Director shall be eligible for re-election at the Annual General Meeting. *Eligible for re-election*
- (6) The Company may appoint any person who is not disqualified under the Act to fill in vacancy at the Annual General Meeting at which a Director so retires, and if no appointment was made to fill the vacancy, the retiring Director shall, if he offers himself for re-election, be deemed to have been re-elected, unless:
- (a) at that meeting, the Company expressly resolved not to fill the vacated office; or
- (b) a resolution for the re-election of the Directors is put to the meeting and lost.

Appointment of Directors

77. The Directors shall have power from time to time to appoint any person: *Appointment by Directors*
- (1) to be a Director to fill a casual vacancy; and

- (2) to be an addition to the existing Directors,
- subject to the total number of Directors shall not exceed the maximum number fixed in Clause 75(1).
78. Any Director so appointed under Clause 77 shall hold office only until the next Annual General Meeting, and shall then be eligible for re-election. *Hold office until next Annual General Meeting*
79. The Members may, at any time and from time to time by an ordinary resolution, appoint any person: *Appointment by Members*
- (1) to be a Director to fill a casual vacancy; and
- (2) to be an addition to the existing Directors,
- subject to the total number of Directors shall not exceed the maximum number fixed in Clause 75(1).
80. Subject to Clause 75(1), no person, not being a retiring Director, shall be eligible for election to the office of Director at any General Meeting unless a Member intending to propose him for election has, at least eleven (11) clear days before the meeting, left at the Office of the Company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such member to propose him for election, provided that in the case of a person recommended by the Directors for election, nine (9) clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board shall be served on the Members at least seven (7) days before the meeting at which the election is to take place. *Notice of intention to appoint Director*

Proceedings in case of Vacancies

81. The remaining Director may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to this Constitution, the remaining Director may, except in an emergency, act only for the purpose of increasing the number of Directors to such minimum number, or to summon a General Meeting. *Proceedings in case of vacancies*

Defects in Appointment of Directors

82. The acts of a Director shall be valid notwithstanding any defect that is discovered after his appointment or in his qualifications. *Validity of acts of Directors*

Appointment of Managing and Executive Directors

83. (1) The Board of Directors may from time to time appoint one (1) or more of its body to the office of Managing Director (which term shall be deemed to include the chief executive or other such designation of the Company's chief executive officer) for such period and on such terms as they think fit and, subject to the terms of any agreement entered into in any particular case, may revoke any such appointment. *Managing and Executive Directors*
- (2) A Director (other than a Managing Director) holding any such other office or employment is herein referred to as an "Executive Director". *Executive Director*
- (3) Any such appointment of a Managing Director automatically terminates if the appointee ceases from cause to be a Director. *Cessation of office of Managing Director*
84. A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board of Directors may determine. *Remuneration*
85. (1) The Board of Directors may, upon such terms and conditions and with such restrictions as it may think fit, entrust to and confer upon a Managing Director or an Executive Director any of the powers exercisable by them. A Managing Director or an Executive Director shall be subject to the control of the Board of Directors. *Directors may confer powers to Managing Director or Executive Director*
- (2) Any powers so conferred may be collateral with, or be to the exclusion of, the powers of the Board of Directors.
- (3) The Board of Directors may at any time, and from time to time, revoke, withdraw, alter or vary all or any of the powers so conferred on a Managing Director or an Executive Director.

Appointment of Alternate Director

86. (1) Any Director (called in this Clause the "Appointer") may, with the approval of a majority of the other members of the Board of Directors, appoint one (1) or more persons to be his Alternate Director in the Appointer's place for any period as the Appointer thinks fit provided that:
- (a) such person is not a Director of the Company; and
- (b) such person does not act as an Alternate Director for more than one (1) Director of the Company.
- (2) An appointment or removal of an Alternate Director must be in writing under the Appointer's hand. The original notification of appointment or removal must be provided by the Appointer to the Board. *Appointment or removal must be in writing*
- (3) An Alternate Director may resign from office by notice in writing to the Appointer and the Board. *Resignation*
- (4) An Alternate Director must vacate office if the Appointer vacates office as a Director or removes the appointee from office. *Vacate office*
87. An Alternate Director is entitled to receive notice of Board Meetings and, if the Appointer is not present at such a meeting, is entitled to attend and vote in his stead. *Entitled to receive notice of Board Meetings*
88. (1) An Alternate Director may exercise any powers that the Appointer may exercise and the exercise of any such power by the Alternate Director shall be deemed to be the exercise of the power by the Appointer. *Exercise of power*
- (2) The exercise of any power by an Alternate Director shall be an agent of the Company and not as an agent of the Appointer.
89. An Alternate Director:
- (1) has no entitlement to receive remuneration from the Company and any fee paid by the Company to the Alternate Director shall be deducted from the Appointer's remuneration; and *Not entitled to receive remuneration*
- (2) is entitled to be reimbursed for all the travelling and other expenses properly incurred by him in attending the Board Meetings on behalf of the Appointer from the Company. *May be paid travelling and other expenses*

Appointment of Associate Director

90. (1) The Board may from time to time appoint any person to be an associate director and may from time to time revoke any such appointment. *Appointment or revocation*
- (2) The Board may fix, determine and vary the powers, duties and remuneration of any person appointed as an associate director. *Board to fix the terms*
- (3) A person appointed as an associate director does not have any right to attend or vote at any Board Meetings except by the invitation and with the consent of the Board. *May attend Board Meetings by invitation*

Removal of Director

91. Subject to the Act, the Company may by an ordinary resolution remove any Director and may by an ordinary resolution appoint another person in place of the removed Director provided that the total number of Directors should not at any time fall below the minimum or exceed the maximum set out in Clause 75(1) of this Constitution. *May remove and appoint a Director by ordinary resolution*

Vacation of Office of Director

92. The office of Director shall become vacant if the Director: *Vacation of office*
- (a) resigns from his office by giving a written notice to the Company at its Office;
- (b) is removed from office in accordance with Clause 91 of this Constitution;
- (c) becomes disqualified from being a Director under Section 198 or Section 199 of the Act;
- (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001;
- (e) dies or has passed away;

- (f) has been convicted by a court of law of an offence under the securities laws; or
- (g) otherwise vacates his office in accordance with this Constitution.

Remuneration of Directors

93. (1) The Company may from time to time by an ordinary resolution passed at a General Meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors. *Non-executive Directors' remuneration*
- (2) Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a General Meeting. *Fee*
- (3) If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.
- (4) The following expenses shall be determined by the Directors: *Expenses*
- (a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and
 - (b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.
- (5) Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration shall not include a commission on or percentage of turnover. *Executive Directors' remuneration*

Powers of Directors

94. (1) The business and affairs of the Company shall be managed by or under the direction and supervision of the Directors who may pay all expenses incurred in promoting and registering the Company. *Directors shall manage the business and affairs of the Company*
- (2) The Directors may exercise all the powers necessary for managing and for directing and supervising the management of the business and affairs of the Company except any power that the Act or by this Constitution requires the Company to exercise in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. *Validity of acts of Directors*
- (3) Where an oral contract is made by a Director acting under authority, express or implied, the contract is to be reduced to writing within fourteen (14) days and may be subject to ratification by the Board (if required). If there is any non-compliance with the above requirement of reduction to writing and proper ratification by the Board, the Director entering into such oral contract shall assume personal responsibility for the same and shall indemnify the Company fully in all respects in relation to such contract. *Oral contract shall be reduced to writing and Board's ratification*
- (4) (a) The Directors may procure the establishment and maintenance of any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons who are or shall have been at any time in the employment or service of the Company or any subsidiary company or to any persons who are or have been a Director or other officer of and holds or has held salaried employment in the Company or any subsidiary company, or the wives, widows, families or dependents of any such persons. *Establishment and maintenance of fund*
- (b) The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, association, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibitions or for any public, general or useful object.
95. Without limiting the generality of Clause 94(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

- | | | |
|-----|---|--|
| (1) | borrow money; | <i>Borrowing</i> |
| (2) | mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital; | <i>Mortgage</i> |
| (3) | issue debentures and other Securities whether outright or as security; and/or | <i>Issue debentures</i> |
| (4) | (a) lend and advance money or give credit to any person or company; | <i>Lend or advance money</i> |
| | (b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; | |
| | (c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; | |
| | and otherwise to assist any person or company. | |
| 96. | All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for money paid to the Company, must be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by any two (2) Directors or in such other manner as the Directors may from time to time determine. | <i>Operation of cheques, promissory notes etc.</i> |
| 97. | (1) The Directors may from time to time by power of attorney appoint any corporation, firm, or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for the purposes and with the powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for a period and subject to any conditions as the Directors may think fit. | <i>Power of attorney</i> |
| | (2) Any powers of attorney granted under Clause 97(1) may contain provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities, and discretions vested in the attorney. | |
| 98. | Subject always to the Act and the Listing Requirements, a Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board of Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established. | <i>Director may hold other office</i> |

Delegation of Powers

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| 99. | Subject to the applicable laws and/or the Listing Requirements: | |
| (1) | the Directors may delegate any of their powers to a committee or committees consisting of such their number as they think fit; | <i>Directors may delegate powers to committee</i> |
| (2) | any committee formed under Clause 99(1) shall exercise the powers delegated in accordance with any directions of the Directors and a power so exercised shall be deemed to have been exercised by the Directors; and | <i>Committee shall exercise powers as per Board's direction</i> |
| (3) | the Board shall, subject to the Listing Requirements and upon the committee's recommendation (where applicable), appoint a chairperson of the committee and determine the period for which he is to hold office. | <i>Chairperson of committee</i> |
| 100. | The Company may pass a resolution of the committee either by way of a written resolution or at a meeting of the committee. | <i>Passing a Committee's Resolution</i> |
| 101. | (1) The Company may pass a resolution of the committee by way of a written resolution by the committee's members recording the resolution and signing the record. | <i>Passing of resolution by committee's members</i> |
| | (2) The record of decisions made by the committee is valid and effective as if it were a resolution duly passed at a meeting of the committee. | <i>Record of decision</i> |

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| (3) | Any such resolution may consist of several documents in like form, each signed by one or more of the committee's members, and shall be as valid and effectual as if it were a resolution duly passed at a meeting of the committee. | <i>Resolution may consist of several documents</i> |
| (4) | Any such document may be accepted as sufficiently signed by a member of the committee if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the said member. | <i>Agreement to written resolution by electronic means</i> |
| 102. (1) | A committee may, whenever it thinks fit, convene a meeting of the committee, and may adjourn the meeting as it thinks proper. | <i>Convening of meeting of the committee</i> |
| (2) | The committee may hold a committee meeting at two (2) or more venues within or outside Malaysia using any technology that gives the committee members as a whole a reasonable opportunity to participate. | <i>Committee meeting may hold at two or more venues</i> |
| (3) | The virtual meeting of the Directors set out in Clause 120 shall apply to the meeting of the committee. | <i>Virtual meeting of committee</i> |
| (4) | Where a meeting of committee is held and: | <i>Chairperson of meeting</i> |
| (a) | a chairperson has not been appointed as provided by Clause 99(3); | |
| (b) | the person so appointed is not present within fifteen (15) minutes after the time appointed for holding the meeting; or | |
| (c) | the person so appointed is unable or unwilling to act as the chairperson of the meeting, | |
| | the members present may, subject to the Listing Requirements, choose one of their number to be chairperson of the meeting. | |
| (5) | No business is to be transacted at any meeting unless a quorum of members is present at the time when the meeting proceeds to business. | <i>Quorum</i> |
| (6) | Subject to the Listing Requirements, two (2) members personally present at a meeting shall constitute a quorum. | <i>Quorum</i> |
| (7) | Questions arising at any meeting of the committee must be determined by a majority of votes of the members present, and in the case of an equality of votes, the chairperson has a second or casting vote, except where two (2) members form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue shall not have a casting vote. | <i>Votes</i> |

Duties of Directors

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| 103. | A Director shall at all times exercise his powers in accordance with the Act, for a proper purpose and in good faith in the best interest of the Company. | <i>Duties</i> |
| 104. | Where a Director acts by virtue of his position as an employee of the Company, or who was appointed by or as a board representative of Member, employer or debenture holder, that Director shall be taken to have acted in the best interest of the Company, and in the event of any conflict between his duty to act in the best interest of the Company and his duty to his nominator, he shall not subordinate his duty to act in the best interest of the Company to his nominator. | <i>Duties of nominee Director</i> |

Directors' Interest in Contracts

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| 105. (a) | A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest. | <i>Directors' interest in contracts</i> |
| (b) | Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act. | |

PASSING OF RESOLUTIONS OF DIRECTORS

Passing of Resolutions of Directors

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| 106. | The Company may pass a resolution of the Directors either by way of a written resolution or at a meeting of the Directors. | <i>Passing a Directors' Resolution</i> |
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DIRECTORS' WRITTEN RESOLUTION

Passing of resolution by the Directors

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| 107. | (1) | The Directors may pass a resolution without a Board Meeting, if a majority of the Directors entitled to vote and sign on the resolution signed the resolution, signifying their agreement to the resolution set out in the document. | <i>Passing of resolution by more than one Director</i> |
| | (2) | Any such resolution may consist of several documents in like form, each signed by one (1) or more of the Directors, and shall be as valid and effectual as if it were a resolution duly passed at a Board Meeting. | <i>Resolution may consist of several documents</i> |

Agreement to written resolution by electronic means

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| 108. | (1) | Any such document may be accepted as sufficiently signed by a Director if transmitted to the Company by any technology purporting to include a signature and/or an electronic or digital signature by the Director. | <i>Agreement to written resolution by electronic means</i> |
| | (2) | For the purposes of Clause 108(1), delivery may be effected by: | <i>Manner of delivery</i> |
| | (a) | physical delivery of the document; | |
| | (b) | delivery by facsimile transmission; or | |
| | (c) | delivery by email transmission, | |
| | | to the place, facsimile number or electronic address as specified by the Director or Secretary of the Company. | |

MEETINGS OF DIRECTORS

Frequency of Board Meetings

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| 109. | The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. | <i>Frequency of Board Meetings</i> |
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Convening Board Meetings

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| 110. | A Director may at any time, and the Secretary shall on the requisition of a Director to do so, convene a Board Meeting by giving notice in accordance with Clause 111. | <i>Secretary or Director may convene a Board Meeting</i> |
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Notice of Board Meetings

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| 111. | (1) | A notice of a Board Meeting must specify the following: | <i>Contents of Notice of Board Meeting</i> |
| | (a) | the place, date and time of the Board Meeting; | |
| | (b) | the general nature of the business (including matters to be discussed) of the Board Meeting; and | |
| | (c) | where the Directors think fit, the text of any proposed resolution and other information. | |
| | (2) | If the Board Meeting is to be held in two (2) or more places, the notice of the Board Meeting shall specify the technology that will be used to facilitate the Board Meeting. | <i>Board Meeting held at two (2) or more venues</i> |
| | (3) | The main venue of the Board Meeting shall be the place where the chairperson is present at the Board Meeting. | <i>Main venue</i> |
| 112. | Reasonable notice in the circumstances must be given of all Board Meetings. | <i>Notice period</i> | |
| 113. | Notice of every Board Meeting shall be given to all Directors in accordance with the manner specified in Clause 127. | <i>Directors entitled to receive notice</i> | |

Quorum for Board Meetings

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| 114. | (1) | No business is to be transacted at any Board Meeting unless a quorum of Directors is present at the time when the meeting proceeds to business. | <i>Quorum</i> |
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- (2) Two (2) Directors personally present at a meeting shall constitute a quorum.

*More than one
Director*

- (3) In this clause, "Director" includes Alternate Director.

*Meaning of
Director*

No Quorum

115. If a quorum is not present within half an hour after the time appointed for a Board Meeting:

*Quorum is not
present*

- (1) the Board Meeting shall stand adjourned to another day and at another time and place as the Directors may determine; or

*Adjournment of
Board Meeting*

- (2) if no determination is made by the Directors, the Board Meeting shall stand adjourned to the same day in the next week at the same time and place or if that day falls on a public holiday then to the next business day following that public holiday; and

- (3) if at the adjourned Board Meeting, a quorum is not present within half an hour from the time appointed for the meeting, then any Director present shall form a quorum.

*Adjourned Board
Meeting*

Chairperson of Board Meetings

116. (1) The Directors shall appoint one of their number as Chairperson and may also appoint another of their number as Deputy Chairperson of the Company.

*Chairperson and
Deputy Chairman*

- (2) The Directors shall determine the period for which such Chairperson or Deputy Chairperson is to hold office.

Office period

- (3) The Chairperson or Deputy Chairperson (in the absence of the Chairperson) shall be the Chairperson of the Board Meeting.

*Chairperson of
Board Meetings*

- (4) Where a Board Meeting is held and:

*Chairperson of
Board Meetings*

- (a) a Chairperson or Deputy Chairperson has not been appointed as provided by Clause 116(1); or

- (b) the person so appointed is not present within fifteen (15) minutes after the time appointed for the holding of the Board Meeting or is unable to act for all or part of the meeting;

the Directors present shall elect one of their number to be the chairperson of the Board Meeting.

- (5) For avoidance of doubt, an Alternate Director shall not be elected as the chairperson of the Board Meeting.

Adjournment of Board Meetings

117. (1) The chairperson shall adjourn a Board Meeting, at which a quorum is present, from time to time and from place to place if the Directors present with a majority of votes that may be cast at that meeting agree or direct the chairperson to do so.

*Directors' consent
is required*

- (2) No business is to be transacted at any adjourned Board Meeting other than the business left unfinished at the Board Meeting from which the adjournment took place (referred to as the "Original Board Meeting").

*Only transact the
business left
unfinished at the
Board Meeting*

- (3) There is no need to give any notice of an adjourned Board Meeting or of the business to be transacted at an adjourned Board Meeting unless the adjourned Board Meeting is to be held more than thirty (30) days after the date of the Original Board Meeting.

*Notice of
adjourned Board
Meeting*

Voting at Board Meetings

118. (1) Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

Directors' decision

- (2) Each Director is entitled to cast one (1) vote on each matter for determination.

Casting of vote

Casting Vote

119. In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue shall not have a casting vote. *Chairperson shall have a casting vote*

Virtual Meetings of Directors

120. (1) The Directors may hold a Board Meeting at two (2) or more venues within or outside Malaysia using any technology that gives the Directors as a whole a reasonable opportunity to participate. *Board Meeting may hold at two (2) or more venues*
- (2) The technology to be used for the purpose of this Clause must be such that each Director taking part in the meeting must be able to communicate simultaneously with each of the other Directors taking part in the meeting and may include telephone, television, video conferencing, or any other audio and/or visual device which permits instantaneous communication. *Technology to be used for virtual meeting*
- (3) A virtual meeting shall be deemed to constitute a Board Meeting and all the provisions of this Constitution as to Board Meetings shall apply to any virtual meeting provided the following conditions are met: *Conditions for virtual meeting*
- (a) All the Directors for the time being entitled to receive notice of the Board Meeting (including any Alternate Director) shall be entitled to receive notice of a virtual meeting. Notice of any such meeting shall be given by an appropriate form of technology (or in such other manner) as permitted by this Constitution; and
- (b) A Director may not leave a virtual meeting by disconnecting from the technology used unless he has previously expressly notified the chairperson of the meeting of his intention to leave the meeting and a Director shall be conclusively presumed to have been present and to have formed part of the quorum at all times during such a meeting until such notified time of his leaving the meeting.
- (4) A minute of the proceedings of meetings including virtual meetings shall be sufficient evidence of such proceeding and of the observance of all necessary formalities if certified as a correct minute by the chairperson of the meeting or the next succeeding meeting. *Minutes*

SECRETARY**Appointment of Secretary**

121. The Secretary shall in accordance with the Act be appointed by the Board for such terms, at such remuneration, and upon such terms and conditions as the Board may think fit. *Appointment*

Casual Vacancy of Secretary

122. (1) Any Secretary so appointed under Clause 121 may be removed by the Directors, in accordance with the terms and conditions of its appointment. *Removal*
- (2) The office of a Secretary may or will become vacant if the Secretary: *Vacation of office*
- (a) resigns from office by notice in writing to the Board, the Secretary shall cease to act as Secretary upon the expiry of thirty (30) days from the date of the notice to the Board or from the effective date as specified in his notice or the terms of appointment; or
- (b) is unable to communicate with the Directors at the last known residential address, the Secretary may, notify the Registrar of that fact and of his intention to resign from the office, and he shall cease to act as the Secretary on the expiry of thirty (30) days from the date of the notice to the Registrar.
- (3) The Board shall fill the vacancy of the Secretary within thirty (30) days after the occurrence of any event under Clause 122(1) or (2). *Fill the casual vacancy of Secretary*

INSURANCE AND INDEMNITY OF APPLICABLE PERSONS**Applicable Persons**

123. The provisions of Clauses 124 to 126 shall apply to the following persons ("Applicable Persons"): *Applicable persons*
- (1) every person who is or has been an Officer;

- (2) Auditors; and
- (3) any other officers as defined in the Act.

Indemnity

124. The Company does not exempt an Applicable Person from a liability which by law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust, of which he may be guilty in relation to the Company incurred in his capacity as an Applicable Person. *No indemnity*
125. (1) The Company may indemnify an Applicable Person out of the Company's assets for any costs incurred by him or the Company in respect of any proceedings: *Indemnity may be allowed*
- (a) that relates to his liability for any act or omission in his capacity as an Applicable Person; and
 - (b) in which judgment is given in favour of the Applicable Person or in which the Applicable Person is acquitted or in which the Applicable Person is granted relief under the Act, or where proceedings are discontinued or not pursued.
- (2) The Company may also indemnify an Applicable Person in respect of an application for relief under the Act.
- (3) The Company may indemnify an Applicable Person in respect of: *Exception*
- (a) any liability to any person, other than the Company, for any act or omission in his capacity as an Officer or Auditors; and
 - (b) costs incurred by that Applicable Person in defending or settling any claim or proceedings relating to any such liability except:
 - (i) any liability of the Director to pay:
 - (aa) a fine imposed in criminal proceedings; or
 - (bb) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature, however arising; or
 - (ii) any liability incurred by the Director:
 - (aa) in defending criminal proceedings in which he is convicted; or
 - (bb) in defending civil proceedings brought by the Company, or an associated company, in which judgment is given against him.
- (4) Where the costs and expenses incurred by an Applicable Person under Clause 125(1) and (2) are recovered by the Company under an insurance policy taken out or paid for by the Company pursuant to Clause 126, the extent of the indemnification of an Applicable Person shall be reduced accordingly.

Insurance

126. (1) The Company may, with the prior approval of the Board, purchase and maintain insurance, at the expense of the Company, for an Applicable Person, against: *Insurance*
- (a) civil liability, for any act or omission in his capacity as a Director or Officer or Auditors; and
 - (b) costs incurred by that Officer or Auditors in defending or settling any claim or proceeding relating to any such liability; or
 - (c) costs incurred by that Officer or Auditors in defending any proceedings that have been brought against that person in relation to any act or omission in that person's capacity as an Officer or Auditors:
 - (i) in which that person is acquitted;
 - (ii) in which that person is granted relief under the Act; or
 - (iii) where proceedings are discontinued or not pursued.

- (2) In the case of a Director, Clauses 125(2) and (3) and 126(1)(a) and (b) shall not apply to any civil and criminal liability in respect of a breach of the duties of the Directors as specified in Section 213 of the Act.

ADMINISTRATION

Notices, Documents and Other Publication

127. Any Company's Documents may be given by the Company to the persons mentioned below in the following manner: *Notice*
- (1) In respect of a Member and person entitled to a Security in consequence of an Event of Transmission ("Persons"): *Members*
- (a) The Company's Documents shall be in writing and shall be given to the aforesaid Persons either:
- (i) in hard copy, which shall be sent to the Persons either personally or by post to his last known address; *Hard copy*
- (ii) in electronic form, which shall be either: *Electronic form*
- (aa) transmitted to the last known electronic address provided by the Persons to the Company;
- (bb) transmitted to the last known contact details as recorded in the Register of Members or Record of Depositors provided by the Persons to the Company or Depository respectively;
- (cc) by publishing on a website;
- (dd) transmitted by the Company to the Persons using any appropriate electronic communication platform established by the Company or third parties, or
- (iii) partly in hard copy and partly in electronic form. *Both of the above*
- (b) If a notice of General Meeting is published on the website, the Company must notify the Persons in writing in hard copy or electronic form stating the following: *Website*
- (i) it concerns a General Meeting;
- (ii) the place, date and time of the General Meeting; and
- (iii) the designated website link or address where a copy of the notice may be downloaded,
- and the notice must be published on the Company's website throughout the period starting from the date of notification until the conclusion of the General Meeting. *Period of publication on website*
- (c) If the Company publishes its documents (other than a notice of General Meeting) ("Company's Publication") on its Company's website or any other appropriate electronic communication platform, the Company must notify the Persons in writing in hard copy or electronic form stating the following: *Publication on Website*
- (i) brief description of the Company's Publication; and
- (ii) the designated website link or address where a copy of the Company's Publication may be downloaded.
- (d) In the event of a delivery failure, the Company must immediately send the Company's Documents to the affected Members by other appropriate means as permitted under Clause 127(1)(a). *Delivery failure*
- (e) The Persons may request for a hard copy of the Company's Documents from the Company if they are sent by electronic means. *Request for hard copy*
- (2) In respect of a Director, the Company's Documents shall be in writing and shall be given to the Director either: *Directors*
- (a) in the manner(s) set out in Clause 127(1) (except for publishing on a website); or

- (b) to the Director's last known service address.
- (3) In respect of the Auditors, the Company's Documents shall be in writing and shall be given to the Auditors either: *Auditors*
- (a) in the manner(s) set out in Clause 127(1) (except for publishing on a website); or
- (b) to the Auditors' last known address.
- (4) In respect of a holder of Debt Securities, the Company's Documents shall be in writing and shall be given to the holder of Debt Securities:
- (a) in the manner(s) set out in Clause 127(1); or.
- (b) to the holder of Debt Securities' last known address provided by the said holder to the Company or Depository.
- (5) For the purpose of Clause 127(1), the Board of Directors may, at its discretion, determine the appropriate mode of communication with the persons mentioned above. *Directors' discretion*
128. Where the Company's Documents are: *Service of notice*
- (1) served by post, service of the notice shall be deemed to be effective by properly addressing, prepaying and posting a letter containing the notice, and to have been effected, in the case of a notice of the Persons, on the day after the date of its posting; *Post*
- (2) sent by facsimile transmission, service of the notice shall be deemed to be effected at the time when the notice is transmitted, unless the Company receives notification that the transmission was not successful; *Facsimile transmission*
- (3) sent by electronic transmission, service of the notice shall be deemed to be effected at the time when the notice is transmitted electronically, unless the Company receives notification that the transmission was not successful; *Electronic transmission*
- (4) published on the Company's website or any appropriate electronic communication platform, service of the notice shall be deemed to be effected on the day on which the notice first appears on the Company's website to which the relevant person may have access or the day on which the notice of publication is deemed to have been served or delivered to such person under Clause 127, whichever is later; or *Website*
- (5) served or delivered in person, service of the notice shall be deemed effected at the time the relevant Company's Documents are delivered, received or left at the address of such person. *Personal delivery*
129. The Company's Documents may be given by the Company to Joint Holders by giving the notice to the Joint Holder first named in the Register of Members. *Joint Holder*
130. Any Company's Documents delivered or sent to any Member in such manner as provided in Clause 127(1) shall, if such Member be then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served on his legal personal representative or survivor.

Written Resolutions and Minutes

131. The Directors must cause: *Written resolutions and minutes*
- (1) all Directors' and committees' written resolutions;
- (2) all proceedings and resolutions of Board Meetings and committee meetings; and
- (3) all proceedings and resolutions of General Meetings,
- to be duly entered into the books kept for that purposes in accordance with the Act.
132. The records of resolutions passed by way of Directors' and committees' written resolutions or at the Board Meetings, committee meetings and General Meetings and signed in accordance with the Act and this Constitution are evidence of the proceedings, resolutions or declaration to which they relate, unless the contrary is proved.

Execution of Documents

133. (1) The Company shall adopt a Seal, known as the common seal, on which its name and registration number and the words "Common Seal" are engraved in legible romanised characters. *Seal*
- (2) The Directors shall provide for the safe custody of the Seal. *Custody*
- (3) The Seal shall only be used by the authority of the Board of Directors or of a committee of the Board of Directors authorised by the Directors on their behalf. *Authority of the Directors*
- (4) The Company may execute a document by affixing the Seal to the document where the affixing of the Seal is witnessed by: *Affixing the Seal*
- (a) two (2) Directors;
- (b) one (1) Director and one (1) Secretary; or
- (c) one (1) Director and another person appointed by the Directors for that purpose.
- (5) (a) Any Director or the Secretary or any person so appointed by the Directors shall have power to authenticate any documents affecting this Constitution and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. *Authentication of documents*
- (b) A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or the written resolutions or minutes of a meeting of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute or written resolution so extracted is a true and accurate record of the resolutions or proceedings at a duly constituted meeting to which it relates.
134. (1) The Company may have an official Seal, on which its name and registration number and the words "Common Seal" and the place where it is to be used are engraved in legible romanised characters. *Official seal for use abroad*
- (2) The Directors shall provide for the safe custody of the official Seal. *Custody*
- (3) The Directors may exercise all the powers of the Company in relation to any official Seal for use outside Malaysia and in relation to branch registers of debenture holders kept in any place outside Malaysia. *Authority of the Directors*
- (4) The Company may execute a document by affixing the official Seal to the document where the affixing of the official Seal is witnessed by: *Affixing the official Seal*
- (a) two (2) Directors;
- (b) one (1) Director and one (1) Secretary;
- (c) one (1) Director and another person appointed by the Directors for that purpose; or
- (d) two (2) persons appointed by the Directors for that purpose, and
- the person affixing official Seal shall certify in writing on the deed or document to which the official Seal is affixed the date and place it is affixed.
- (5) The Company may have an official Seal to seal: *Official seal for Securities*
- (a) Securities issued by the Company; or
- (b) documents creating or evidencing Securities so issued,
- on which its name and registration number and the words "Securities" are engraved in legible romanised characters.
- (6) The official Seal for Securities shall be executed in the manner provided in Clause 133(4).

FINANCIAL MATTERS

Financial Statements

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| 135. | (1) | The Directors must cause proper accounting and other records to be kept in accordance with Section 245 of the Act and such records must be true and complete accounts of the affairs and transactions of the Company and give a true and fair view of the state of the Company's affairs and explain its transactions. | <i>Accounting and other records</i> |
| | (2) | The Directors shall from time to time, in accordance with the provisions of the Act and the Listing Requirements, cause to be prepared and approved, and to be circulated to the Members, Directors and Auditors and laid before the Company in Annual General Meeting such financial statements and consolidated financial statements (if any) and reports of Directors and Auditors. | <i>Circulation and laying of financial statements</i> |
| | (3) | No Member (who is not a Director) shall have any right of inspecting any accounting or other records of the Company except where such right is conferred by law. | <i>Right of inspection</i> |

Audit

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| 136. | (1) | <p>(a) The Board shall appoint the first Auditors of the Company at any time before the first Annual General Meeting, at such remuneration as the Board thinks fit.</p> <p>(b) The Auditors appointed under Clause 136(1)(a) shall hold office until the conclusion of the first Annual General Meeting.</p> | <i>First Auditors</i> |
| | (2) | <p>(a) For subsequent years, the Board may, subject to the Act, appoint the Auditors to fill casual vacancy in the office of the Auditors, at such remuneration as the Board thinks fit.</p> <p>(b) The Auditors appointed under Clause 136(2)(a) shall hold office until the conclusion of the next Annual General Meeting.</p> | <i>Appointment of Auditors by Board</i> |
| | (3) | <p>For subsequent years, the Members may by an ordinary resolution:</p> <p>(a) re-appoint the existing Auditors;</p> <p>(b) appoint another person as the Company's Auditors;</p> <p>(c) remove the Auditors; and/or</p> <p>(d) if there is a vacancy in the office of the Auditors, appoint Auditors to fill the vacancy.</p> <p>The remuneration of the Auditors appointed under Clause 136(3) shall be fixed by the Members by ordinary resolution or in such manner as the Members may determine.</p> | <i>Change of Auditors by Members</i> |
| | (4) | <p>The Auditors shall hold office in accordance with the terms of their appointment, provided that:</p> <p>(a) they do not take office until the previous auditors have ceased to hold office unless they are the first Auditors; and</p> <p>(b) they ceased to hold office at the conclusion of the Annual General Meeting next following their appointment, unless they are re-appointed.</p> | <i>Term of office of Auditors</i> |
| | (5) | The powers and duties of the Auditors are as regulated under Sections 266 and 287 of the Act. | <i>Powers and duties</i> |
| | (6) | The Auditors shall attend every Annual General Meeting where the financial statements and consolidated financial statements (where applicable) of the Company for a financial year ("Financial Statements") are to be laid, so as to respond according to their knowledge and ability to any question relevant to the audit of the Financial Statements. | <i>Attendance of Auditors</i> |
| | (7) | <p>The Auditors may cease to act as Auditors of the Company by:</p> <p>(a) giving a notice of resignation in writing to the Company at the Office and their term of office shall end after twenty-one (21) days from the date of the notice to the Company or from the effective date as specified in their notice; or</p> <p>(b) giving a notice in writing to the Company at the Office indicating that they do not wish to seek re-appointment at the forthcoming Annual General Meeting.</p> | <i>Resignation of Auditors</i>

<i>Retirement of Auditors</i> |

Dividends

- | | | | |
|------|-----|--|--|
| 137. | (1) | A dividend may be declared by: | <i>Declaration of dividend</i> |
| | (a) | the Directors; or | |
| | (b) | the Members on the recommendation of the Board of Directors as it thinks appropriate. | |
| (2) | | The payment of a dividend is to those holders of such class of shares as the Directors have determined in accordance with and subject to any conditions upon which the shares have been issued. | <i>Payment of dividend</i> |
| (3) | | A dividend shall not exceed the amount recommended by the Directors. | <i>Directors to recommend amount</i> |
| 138. | | The Directors may authorise a distribution of dividends in accordance with Section 132 of the Act, and any dividend so authorised must be out of profits of the Company available for distribution and provided the Company is solvent. The Directors may authorise a distribution at any time and for such amounts as the Directors shall consider appropriate so long as the Directors are satisfied that the Company will be solvent for a period of twelve (12) months after the distribution is made. | <i>Distribution only if Company is solvent</i> |
| 139. | (1) | A dividend may be classified as: | |
| | (a) | an interim dividend if it is declared and distributed by the Company to its Members prior to the determination of final profit position of the Company for the financial year; | <i>Interim dividend</i> |
| | (b) | a final dividend if it is the last dividend distributed by the Company to its Members after the financial statements for the financial year have been prepared and approved by the Board; and | <i>Final dividend</i> |
| | (c) | a special dividend if it is a non-recurring distribution of the Company's assets, where the amount is larger compared to normal dividend paid out by the Company or other circumstances that the Directors think fit. | <i>Special dividend</i> |
| (2) | | The Directors may, at its discretion, declare dividend pursuant to either Clause 137(1)(a) or (1)(b). | <i>At Directors' discretion</i> |
| 140. | | No dividend is to bear interest against the Company. | <i>No interest bearing</i> |
| 141. | (1) | The Directors may, before recommending any dividend: | <i>Before recommending dividend</i> |
| | (a) | set aside out of the profits of the Company such sums as they think proper as reserves; or | |
| | (b) | carry forward any profits which they may think prudent not to divide, without placing the profits to reserve. | |
| (2) | | The reserves set aside under Clause 141(1)(a): | <i>Reserves that set aside</i> |
| | (a) | are, at the discretion of the Directors, to be applied for any purpose to which the profits of the Company may be properly applied; and | |
| | (b) | may, pending any application under Clause 141(2)(a) and at the discretion of the Directors, be employed in the business of the Company or be invested in any investments (other than shares in the Company) as the Directors may from time to time think fit. | |
| 142. | (1) | Subject to the rights of persons (if any) entitled to shares with special rights or conditions as to dividend entitlement or to any provisions in this Constitution, all dividends must be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. | <i>Dividends must be declared and paid according to the amounts paid</i> |
| (2) | | An amount paid or credited as paid on a share in advance of a call shall not be taken for the purposes of this Clause to be paid or credited as paid on the share and shall not, whilst carrying interest, confer a right to participate in profits. | <i>Amount paid on a share in advance of a call</i> |
| (3) | | All dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. | <i>Dividend must be paid proportionately</i> |

- (4) If any share is issued on terms providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly. *Share ranks for dividend*
143. The Directors may deduct from any dividend payable to a Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. *Deduct dividend from calls*
144. (1) When declaring a dividend, the Directors or Members on the recommendation of the Directors may by ordinary resolution, direct payment of the dividend wholly or partly by the distribution of specific assets, including: *Distribution of specific assets*
- (a) paid-up shares of the Company or any other corporation;
 - (b) debentures or debenture stock of the Company or any other corporation;
 - (c) assets of the Company which the Directors think appropriate; or
 - (d) any combination of any specific assets, and
- the Directors may do all acts and things considered necessary or expedient to give effect to such a resolution.
- (2) Where a difficulty arises with regard to such a distribution directed under Clause 144(1), the Directors may, subject to the Act and the Listing Requirements, do all or any of the following:
- (a) settle the distribution as they think expedient;
 - (b) fix the value for distribution of the specific assets or any part of the specific assets;
 - (c) determine that cash payments be made to any Member on the basis of the value so fixed by the Directors in order to adjust the rights of all parties; and/or
 - (d) vest any specific assets in trustees as the Directors think expedient.
145. (1) Any dividend, interest or other money payable in cash in respect of shares may be paid in such manner as may be determined by the Directors from time to time including: *Payment*
- (a) in respect of Listed Deposited Security, direct crediting the payment into the bank account of the Member as provided by the Member to the Depository from time to time; or
 - (b) in respect of Security other than Listed Deposited Security:
 - (i) by direct crediting the payment into the bank account of the Member as provided by the Member to the Company or Depository from time to time; or
 - (ii) by cheque sent through the post directed to :
 - (aa) the address of the Member as shown in the Register of Members, or in the case of Joint Holders, to the address shown in the Register of Members as the address of the Joint Holder first named in the Register of Members; or
 - (bb) such other address as the holder or Joint Holders in writing directs or direct.
- (2) Every direct transfer or cheque made under Clause 145(1) must be made payable to the order of the person to whom it is sent.
- (3) Any one (1) of two (2) or more Joint Holders may give effectual receipts for any dividends, interest or other money payable in respect of the shares held by them as Joint Holders.

Capitalisation of Profits

146. (1) The Directors may, before declaring or recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves, to be applied, at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied. *Application of profits*
- (2) Pending any such application, the reserves may, at the discretion of the Directors, be used in the business of the Company or be invested in such investments as the Directors think fit. *Utilisation of reserves*

- (3) The Directors may carry forward such amount of the profits remaining as they consider ought not to be distributed as dividends without transferring those profits to reserves. *Dividends*
147. (1) Subject to Clause 147(2), the Company may, upon a recommendation of the Directors and in General Meeting, resolve that it is desirable to capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution to Members, and that such sum be applied, in any of the manners mentioned in Clause 147(3), for the benefit of the Members in the proportions to which those Members would have been entitled in a distribution of that sum by way of dividend. *Members' approval*
- (2) The Directors may, subject to the Act and the Listing Requirements, capitalise any sum, being the whole or a part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution to the Members. *Exemption*
- (3) The amount capitalised under Clause 147(1) is set free for distribution amongst the Members who would have been entitled to the amount had it been distributed by way of dividend and in the same proportions subject to the following conditions: *Capitalised amount*
- (a) the capitalised amount must not be paid in cash;
- (b) the capitalised amount must be applied in or towards either or both of the following:
- (i) paying up any amounts for the time being unpaid on any shares held by the Members;
- (ii) paying up in full unissued shares or debentures of the Company to be allotted, distributed and credited as fully paid up to and amongst such Members in the same proportions.
148. The Directors shall do all things necessary to give effect to the resolution and, in particular, to the extent necessary to adjust the rights of the Members among themselves, may: *To give effect to the resolution*
- (1) issue fractional certificates or make cash payments in cases where shares or debentures becoming distributable in fractions; and
- (2) authorise any person to enter, on behalf of all the Members entitled to the distribution into an agreement with the Company, providing:
- (a) for the allotment to the Members respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon the capitalisation; or
- (b) for the payment up by the Company on the Members' behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the profits resolved to be capitalised, and
- any agreement made under such authority referred to in Clause 147(3)(b) is effective and binding on all the Members entitled to the distribution.

DISSOLUTION

Winding Up

149. Subject to the Act, the Company may be dissolved by a special resolution in a General Meeting. If such a resolution is passed, the Members shall also be required to appoint a liquidator or liquidators for the purpose of winding up the affairs and distributing the property of the Company. *Passing of special resolution*
150. (1) If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company: *Power of liquidator*
- (a) divide amongst the Members in kind the whole or any part of the property, if any, of the Company, whether they consist of property of the same kind or not;
- (b) set a value as the liquidator considers fair upon the property, if any referred to in Clause 150(1)(a);
- (c) determine how the division of property, if any is to be carried out as between the Members or different classes of Members; and
- (d) vest the whole or any part of the property, if any, of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit.

- (2) No Member is compelled to accept any shares or other Securities on which there is any liability.

SECRECY

151. Save as may be expressly provided by the Act, no Member shall be entitled to enter into or upon or inspect any premises or property of the Company nor to require discovery of any information in respect of any detail of the Company's business or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the business and/or conduct of the business of the Company and which, in the opinion of the Directors, it would be inexpedient in the interests of the Member of the Company to communicate to the public.

EFFECTS OF THE LISTING REQUIREMENTS

Effects of the Listing Requirements

- | | |
|--|---|
| <p>152. (1) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done.</p> <p>(2) Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done.</p> <p>(3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).</p> <p>(4) If the Listing Requirements require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.</p> <p>(5) If the Listing Requirements require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.</p> <p>(6) If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution is deemed not to contain that provision to the extent of the inconsistency.</p> | <p><i>Effects of the
Listing
Requirements</i></p> |
|--|---|

CDS Account No.

No. of shares held

being member(s) of DOMINANT ENTERPRISE BERHAD, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at **(Venue)** on **(Date)**, **(Day)** at **(Time)** or any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	For	Against

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this day of

Signature*

Member

* *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.

Notes:

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at (date). Only a member whose name appears on this Record of Depositors shall be entitled to attend this 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 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 a 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 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 General Meeting or adjourned 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, this proxy form must be deposited at the registered office of the Company situated at (address).
 - (ii) By electronic means via facsimile
In the case of an appointment made by facsimile transmission, this proxy form must be received via facsimile at (facsimile no.).
 - (iii) By electronic means via email
In the case of an appointment made via email transmission, this proxy form must be received via email at (email address).

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) Online
In the case of an appointment made via online lodgement facility, please login to the link website using the holding details as shown below:
(Holding details)
 - (v) By mobile device
In the case of an appointment made by mobile device, please follow the instruction provided below:
(Details)
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 (address) not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned 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 this proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging this proxy form is (time), (date) and (day).
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 this proxy form if this has not been lodged at the Company's registered office earlier.

LODGER INFORMATION

Name : Yong May Li (f)
 NRIC No : 560419-01-5064
 Address : Tricor Corporate Services Sdn. Bhd. (779773-H)
 Suite 13.01, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor
 Phone No : 07-3354988/ 07-3322088
 Email : May.Li.Yong@my.tricorglobal.com

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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 / *or failing him (*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 Twenty-Seventh (27th) Annual General Meeting of the Company to be held at Holiday Villa Hotel, Ruby 5, Level 8, No. 260, Jalan Dato' Sulaiman, Taman Abad, 80250 Johor Bahru on Monday, 26 August 2019 at 10.00 a.m. and any adjournment thereof.

Item	Agenda			
1.	To receive Audited Financial Statements and Reports			
ORDINARY BUSINESS		RESOLUTION	*FOR	*AGAINST
2.	Approval of Single Tier Final Dividend	Ordinary Resolution 1		
3.	Approval of Directors' Fee	Ordinary Resolution 2		
4.	Approval of Directors' Benefits	Ordinary Resolution 3		
	Re-election of Directors who retire pursuant to Article 84 of the Company's Articles of Association, constituting part of the Constitution of the Company :-			
	a. Mr. Cha Aku Wai @ Sia Ah Kow	Ordinary Resolution 4		
	b. Mr. Teo Ah Bah @ Teo Chuang Kwee	Ordinary Resolution 5		
	c. Mr. Waldersee Chan Chung Ching	Ordinary Resolution 6		
6.	Re-appointment of Messrs. BDO PLT as Auditors	Ordinary Resolution 7		
SPECIAL BUSINESS				
7.	Continuing in office as Independent Non-Executive Director : Mr. Johnson Kandasamy A/L David Nagappan	Ordinary Resolution 8		
8.	Authority to Directors to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016	Ordinary Resolution 9		
SPECIAL RESOLUTION				
9.	Proposed alteration of the existing Memorandum and Articles of Association by replacing with a new Constitution.	Special Resolution 1		

(*Please indicate with an "X" in the space provided and to show how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion).

Dated this : _____ day of _____ 2019

No. of Shares held	CDS Account No.

Signature/Common Seal of Shareholder

Notes:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA"), 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.
- Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointment shall be invalid.
- The instrument appointing a proxy, in the case of an individual shall be signed by the appointor or his/her attorney duly authorised in writing and in the case of a corporation, either under seal or under the hand of an officer duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
- The instrument appointing a proxy 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 48 hours before the time appointed for holding the meeting.
- For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 19 August 2019 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting.

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**AFFIX
STAMP
HERE**

THE COMPANY SECRETARY
DOMINANT ENTERPRISE BERHAD (221206-D)
Suite 1301, 13th Floor, City Plaza,
Jalan Tebrau,
80300 Johor Bahru,
Johor, Malaysia

1st fold here



Dominant
Enterprise Berhad (221206-D)

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81300 Johor Bahru, Johor, Malaysia.
Tel: +60(7) 558 8318 Fax: +60(7) 554 3720
Email: debgroup@dominant.com.my
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