

**PANSAR**  
ANNUAL REPORT 2022

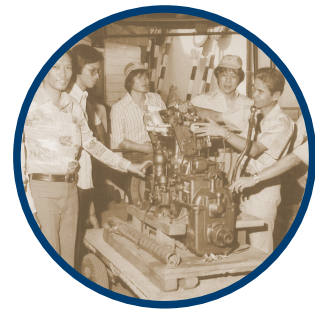




Where we began...

# OUR GUIDING VALUES

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We take the utmost pride in earning what is deserved and deal only by fair, free and voluntary exchange. Our reputation of trust and reliance are driven by our belief in the values that shape Pansar.

**1** INNOVATIVE

To always push boundaries and seek better solutions.

**2** PASSIONATE

To have the energy that fuels us to be the best we can be in everything we do.

**3** RESPONSIBLE

To be dependable and accountable in all that we do.

**4** TEAM-ORIENTED

To ensure that the result of each collaborative effort is greater than the sum of each part.

**5** COMPASSIONATE

To always treat others the way we would like others to treat us.

**6** HUMBLE

To ingrain in us the value of staying grounded and continuously bettering ourselves.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Dato' James Tai Cheong @ Tai Chiong**, *Chairman*

**Datuk Tai Hee**, *Managing Director*

**Ling Lee Chuon @ James Ling Chung**, *Non-Independent Non-Executive Director*

**Clarence Ting Ing Horh @ Ting Ing Ho**, *Non-Independent Non-Executive Director*

**Fong Yoo Kaw @ Fong Yee Kow**, *Independent Non-Executive Director*

**Azman Bin Bujang**, *Independent Non-Executive Director*

### REGISTERED OFFICE

4<sup>th</sup> Floor  
Wisma Pansar  
23-27 Jalan Bengkel  
96000 Sibu  
Sarawak

**T** +60 84 333 366

**F** +60 84 331 212

**E** enquiries@pansar.com.my

**W** pansar.com.my

### SHARE REGISTRAR

Metra Management Sdn Bhd  
35th Menara Multi-Purpose  
Capital Square  
No. 8 Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Selangor  
Malaysia

**T** +60 3 2698 3232

**F** +60 3 2698 0313

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

### STOCK NAME AND STOCK CODE

Pansar Berhad (8419)

Pansar Berhad (8419PA)

Pansar Berhad (8419WA)

### AUDITORS

Messrs Crowe Malaysia PLT  
Chartered Accountants  
1<sup>st</sup> Floor  
1 Lorong Pahlawan 7A2  
Jalan Pahlawan  
96000 Sibu  
Sarawak

### COMPANY SECRETARY

Pauline Kon Suk Khim  
(MAICSA 7014905)  
(CCM Practicing Certificate  
No. 202008001607)

### PRINCIPAL BANKERS

Malayan Banking Berhad  
Standard Chartered Bank Malaysia Berhad  
United Overseas Bank Malaysia Berhad  
Hong Leong Bank Berhad



## Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am pleased to present the Annual Report for Pansar Berhad and its subsidiaries for the financial year ended 31 March 2022 ("FY2022").

This past year has been both a momentous and challenging one for us.

Momentous as we ventured into a synergistic business by acquiring a well-established construction and engineering company, Perbena Emas Sdn. Bhd., in April 2021. With the combined earnings potential and the benefits of vertical integration, we envisage the enlarged Pansar becoming a leading player in East Malaysia's civil and infrastructure development.

Challenging as there were disruptive lockdowns due to COVID-19, leading to stop work order, supply chain, and work disruptions which impacted every company, including ours. After a short period of stability, the war in Ukraine and growing inflation created renewed uncertainty and exacerbated an already confusing situation. However, we did all that we had to do to get to where the group needed to be.

Moving forward, Pansar has always followed a growth strategy based on a longer-term outlook. Overall, we believe our secured orderbook can sustain us even in the event of a downturn for the next few years. Some notable infrastructure projects that we are implementing include UNIMAS Teaching Hospital in Kota Samarahan, the construction and completion of Batang Lupar 1 Bridge in Samarahan (the longest riverine bridge in Malaysia), M&E for the Shell headquarters in Miri and retrofitting of the STIDC building in Kuching, amongst others; with a total orderbook value of RM1.4 billion.

The Sarawak state government's Post COVID Development Strategy towards 2030 (PCDS 2030) has already listed numerous infrastructure projects which we aim to be a part of. This includes the second trunk road, coastal road upgrades, water grid programs, rural electrification project, telecommunications infrastructure, and the road linkage to villages.

Globally, we expect recessionary pressures to increase, with escalation of geopolitical conflicts, disruptions in the supply chain and unpredictability in the financial markets. We are hopeful that we would be able to weather the downturn thanks to the easing of restrictions, reopening of international borders and implementation of investment projects. GDP growth in Malaysia is projected to grow by 5.3% to 6.3% as announced in March 2022.

Since our founding in 1961, we have weathered many economic crises. Amongst them are the Oil crisis of 1973, the Asian Financial crisis of 1997, COVID-19, and now the outbreak of Russia-Ukraine War. No matter the economic circumstances, the company must continue to grow sustainably, even through tough times. We know from experience that time and trends will continue moving with or without our participation. Hence, we are always preparing for future opportunities by moving forward one step at a time.

## **Acknowledgement**

On behalf of the Board of Directors, I would like to extend my sincere appreciation to all shareholders, our valued customers, suppliers, contractors, financiers, business partners, non-governmental organisations, and the relevant authorities whom we have been dealing with for their support to the Group over the years.

To our management and staff, thank you for your commitment and drive for excellence. Together, I am confident that we will move to our next level of growth. I look forward to sharing many good moments with you as we continue to break new grounds and extend our reach regionally and globally.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL AND BUSINESS OPERATIONAL REVIEW

FY2022 was a milestone and challenging year for us.

We successfully completed the acquisition of a construction and civil engineering business, Perbena Emas Sdn Bhd (“PESB”) in April 2021. This is the first year the results are consolidated into our Group’s accounts.

With the acquisition, we achieved record revenue of RM601.6 million, a 97.9% increase from RM304.0 million in FY2021. The growth was also supported by improved performance from all our business segments.

Geographically, Malaysia remained as our key market contributing 98% revenue to the Group in FY2022 while Singapore accounted for the remaining 2%.

## BUSINESS DIVISIONS



**Marine & Industrial.** We recorded revenue of RM96.5 million, an increase of 9.4% from RM88.2 million in FY2021. With the easing of the lockdown and the opening up of the economy, project completions began to progress. The industrial sector was largely supported by the favourable palm oil and commodity prices. This division is our second largest revenue contributor, accounting for 16.1% of our FY2022 top line. Barring any supply chain disruptions, we expect this sector to remain stable supported by ongoing projects.



**Building & Construction Materials.** Our Building & Construction Materials division recorded revenue of RM90.8 million, an increase of 10.7% from RM82.0 million in FY2021. The construction industry continues to be severely disrupted by the stoppage of work at many construction sites. Even with the opening up of our borders, we continue to suffer from huge labour shortages. Having said that, ongoing construction and infrastructure projects have buffered these effects.



**Agro Engineering.** Our Agro Engineering division registered revenue of RM34.2 million, an increase of 33.3% from RM25.7 million generated in the previous year. Operation in the agriculture and palm oil sectors were allowed to continue throughout the year. A pivot to small holders and government tenders has helped improved sales. With the government pushing for development in the agro and food industries, we will continue to explore new business opportunities.

## Management Discussion And Analysis (cont'd)



**Electrical & Air Conditioning.** Our Electrical & Air Conditioning division registered revenue of RM27.6 million, a 24.6% increase from RM22.2 million by focusing on new channels. We will continue to evaluate and refresh our product portfolio to enhance our sales mix and achieve better margins. The division's push towards digital and aftermarket service is expected to reach a larger customer base.



**Heavy Equipment.** This division performed well as revenue increased significantly by 67.7% to RM27.9 million from RM16.7 million a year earlier. This was driven mainly by expanded customer base and improved demand for backhoe loaders, excavators and the associated spare parts as well as maintenance and aftersales technical support services in the local market. Our focus on this sector and on capturing market share from competitors has proven successful. We will continue to grow our business by adapting to customer needs, capturing new market share, and improving parts availability and customer service.



**Mechanical & Electrical.** Due to increased work activities during the financial year, we recorded higher revenue of RM94.7 million for FY2022, a 36.8% increase from RM69.2 million a year earlier. The division's outstanding order book stood at RM206.0 million as at 31 March 2022. The opening up of the economy allowed us to progress these projects. These orders are expected to be delivered within the next 24 months and will generate sustainable revenue streams for the Group up to 2024. To this end, we will closely monitor the delivery of projects while selectively tendering for new contracts to replenish our order book.



**Construction & Infrastructure.** Our newly acquired subsidiary PESB experienced a challenging year. With restricted movement and lockdowns, we were not able to recognize project revenue as planned. Supply chain disruption and manpower shortages added to the challenges. Despite all these, the division still managed to report revenue of RM229.7 million and was the largest revenue contributor to the Group, accounting for 38.2%. We expect the outlook for the construction and engineering industry to remain challenging because of the continuous labour shortages and volatile inflationary pressures. We will focus on cost management and project implementation for our outstanding order book of over RM1.2 billion.

## Management Discussion And Analysis (cont'd)

### EXPENSES AND OTHER INCOME

With the addition of the newly acquired business, administrative expenses increased by 58.0% to RM53.2 million in FY2022 compared to RM33.7 million in FY2021. We also recognized fair value loss on quoted equity investment as well as intangible amortization charges on acquisition of subsidiary.

Selling and distribution expenses increased by RM0.5 million, or 5.6% to RM9.6 million for FY2022. The increase was largely due to increase in staff and related costs of RM0.3 million from higher commission to sales personnel which is in line with the increase in revenue.

Finance costs increased by RM5.3 million to RM6.1 million in FY2022 mainly due to higher usage of project financing for the new Construction & Infrastructure division as well as the interest charged on the new term loans in FY2022.

Other operating expenses increased from RM0.6 million in FY2021 to RM2.2 million in FY2022 as we took a prudent approach and made about RM1.7 million of impairment on intangible assets.

Other operating income decreased by 60.9% from RM15.6 million in FY2021 to RM6.1 million in FY2022. Amongst others, the decrease was largely attributed to the absence of fair value gain on quoted equity investment and one-off gain on disposal of investment in associate that were recognised in FY2021, as well as lower wage subsidy received from government to support the businesses amid the Covid-19 pandemic. These were partially offset by an increase in the write back of impairment on inventory due to better inventory management control.

Despite the impairment charges on contract assets of RM0.7 million on prudent approach, we managed to record a net impairment gain on financial assets and contract assets of RM3.5 million in FY2022 as opposed to a net impairment loss of RM1.3 million in FY2021. We stepped up our credit control and management resulting in overall lower allowance for impairment and higher bad debt recovery.

### PROFITABILITY

The Group recorded a net profit of RM0.7 million for FY2022 compared to RM10.8 million for FY2021. Net profit for the current financial year included one off non-cash fair value loss on quoted equity investment of RM6.3 million and amortization charges on intangible assets arising from acquisition of subsidiary of RM3.4 million. Despite lower profit, our EBITDA (earnings before interest, taxes, depreciation and amortization) rose 33.0% to RM23.2 million in FY2022 as compared to RM17.4 million in FY2021.

### PRINCIPAL RISKS

Looking ahead to FY2023, the Group expects the business environment to remain challenging. The global economy is highly uncertain – the effects of the pandemic, supply chain problems made worse by the war in Ukraine, inflation, and the prospect of a recession looming are key risks. Domestically, we will have to continue evaluating and managing the potential impact from fluctuations in exchange rates as well as rising material, logistics and labour costs.

## Management Discussion And Analysis (cont'd)

Amid this difficult operating backdrop, we will continue to be prudent, tightening cost control to ensure our competitiveness, better margins and profitability. We will also closely monitor our trade receivables to mitigate the possibility of bad debts, and control our purchases to keep our inventory optimized.

### FINANCIAL POSITION & CASH FLOW

Our non-current assets increased by RM120.8 million from RM53.9 million as at 31 March 2021 to RM174.7 million as at 31 March 2022. This was largely because of the acquisition of subsidiary, which resulted in increase of goodwill of RM52.7 million and intangible assets of RM31.7 million. Other investments decreased to RM13.7 million as at 31 March 2022 from RM19.9 million a year earlier due to the mark to market of quoted securities that had resulted in a fair value loss of RM6.3 million. The fair value of this investment is based on the quoted closing market prices on the last trading day of the financial year.

Our current assets increased by RM107.2 million from RM318.6 million as at 31 March 2021 to RM425.8 million as at 31 March 2022. The increase was largely attributed to the additions from construction business, partially offset by a decrease in cash and bank balances, mainly due to net cash outflow on acquisition of subsidiary.

Other receivables, deposits and prepayments increased from RM10.3 million as at 31 March 2021 to RM91.7 million as at 31 March 2022. This was due mainly to certain deposits and prepayments made to suppliers for purchase of goods as well as advance payment to subcontractor for project start up and procurement costs.

In FY2022, we recorded RM97.0 million of net cash used in operating activities which was mainly due to the net cash outflow for the construction business. Due to higher working capital requirement, our gearing ratio increased to 0.6 times at the end of FY2022. We are well supported by our principal bankers and available banking facilities.

Maintaining a healthy financial position, with strict capital and cash flow management, continues to be our key priority. We had cash and cash equivalents of RM19.1 million as at 31 March 2022, a decrease of RM119.7 million from 31 March 2021, net of dividend payout and cash outflow for acquisition of subsidiary.

Our investment in liquid money market fund which was classified under "short term investments" stood at RM19.9 million as at 31 March 2022, a decrease of 4.7% from RM20.9 million a year ago.

Moving forward, we will be continually looking for new growth opportunities, set new goal and strategies while remaining prudent in managing our cash flow and cautious against overleveraging.

Total current liabilities increased from RM61.7 million in FY2021 to RM261.6 million in FY2022. The increase was mainly attributed to the additions from construction business in bank borrowings and outstanding trade payables.

Non-current liabilities increased from RM6.0 million as at 31 March 2021 to RM37.1 million as at 31 March 2022. The increase was mainly due to the recognition of deferred tax liabilities and term loans to part finance the acquisition of subsidiary.

Our equity attributable to equity holders as at 31 March 2022 was RM301.4 million, translating to net assets value per ordinary share of RM0.66.

## Management Discussion And Analysis (cont'd)

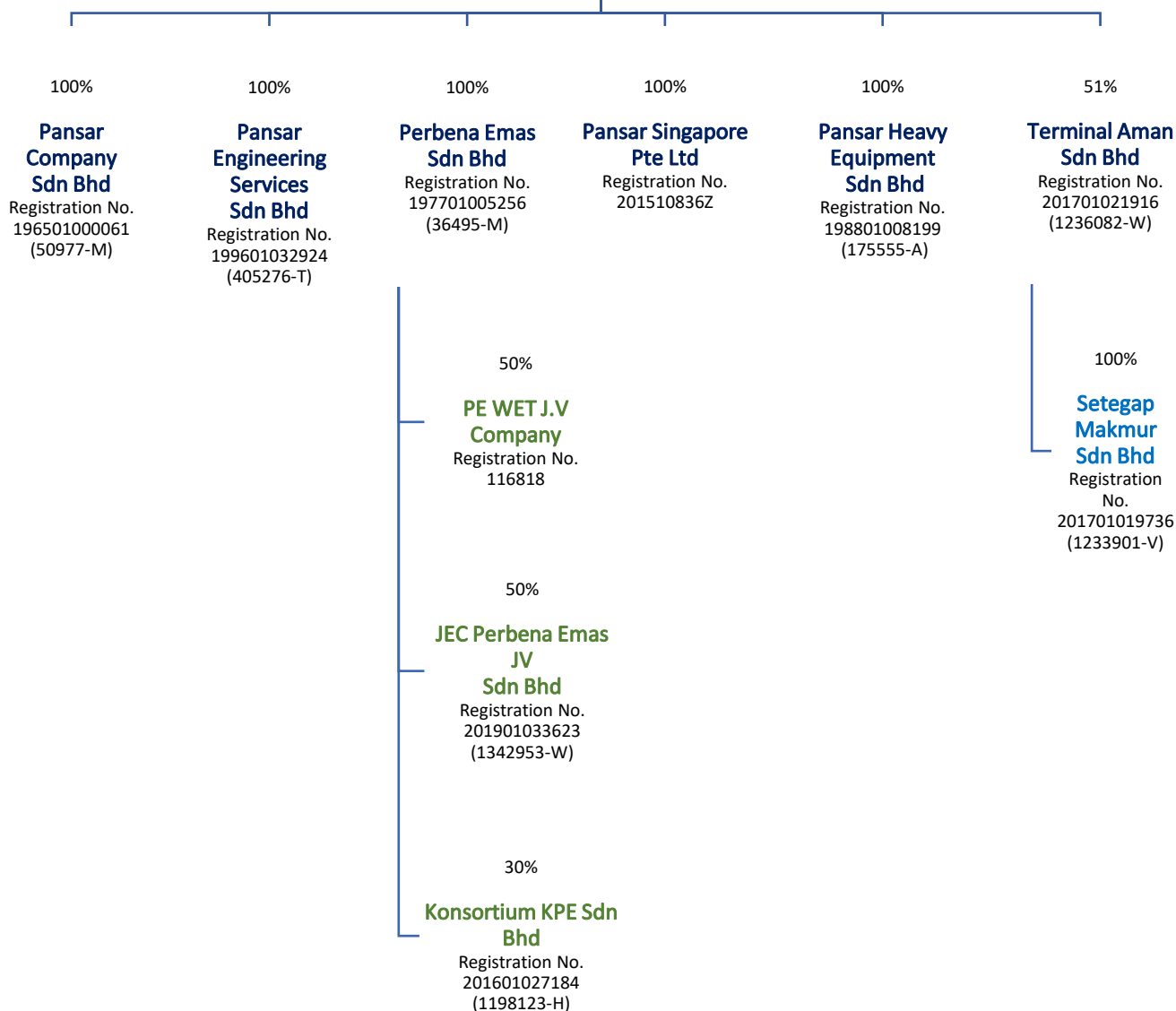
The following are the key financial indicators for the past five years of Pansar Berhad.

	UOM	2018	2019	2020	2021	2022
<b>Total revenue</b>	RM' million	386.5	368.0	338.7	304.0	601.6
<b>Nett income</b>	RM' million	8.7	7.9	7.3	10.8	0.7
<b>Earnings per share</b>	Sen	3.08	1.72	1.6	2.34	0.2
<b>EBITDA</b>	RM' million	14.3	13.5	16.5	17.4	23.2
<b>Return on assets</b>	%	3.2	3.1	2.8	2.9	0.1
<b>Return on capital employed</b>	%	6.9	6.7	6.3	4.1	2.9
<b>Current ratio</b>	Times	2.6	2.8	2.7	5.2	1.6
<b>Quick ratio</b>	Times	2.3	2.1	2.2	4.4	1.4
<b>Debt equity ratio</b>	Times	NA	NA	NA	NA	0.6
<b>Retained profits</b>	RM' million	142.9	137.2	140.0	143.8	141.3
<b>Dividend yield (ordinary share)</b>	%	2.00	3.04	3.01	4.52	2.25
<b>Equity attributable to equity holders</b>	RM' million	182.3	174.7	177.8	304.0	301.4

# CORPORATE STRUCTURE

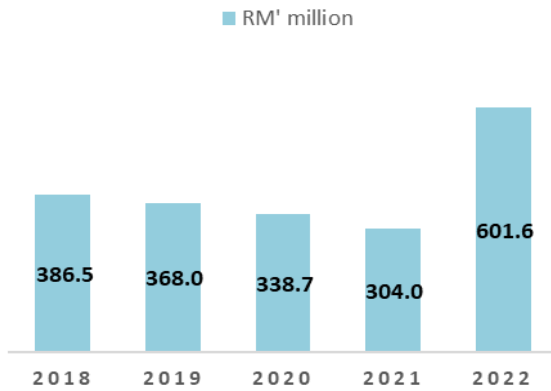
## PANSAR BERHAD

Registration No.  
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(18904-M)

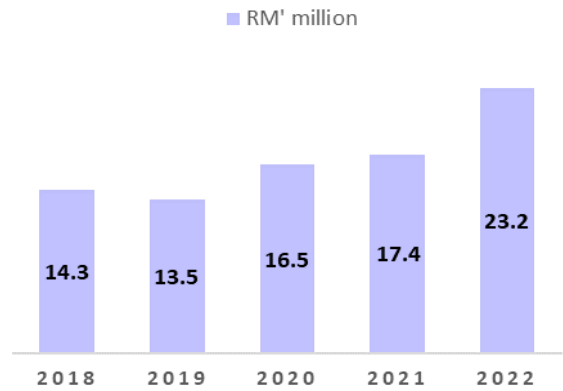


# FINANCIAL HIGHLIGHTS

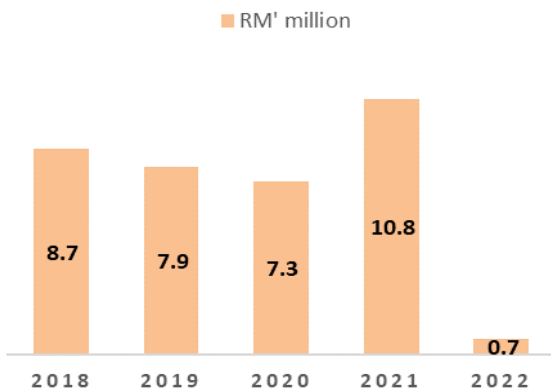
## TOTAL REVENUE



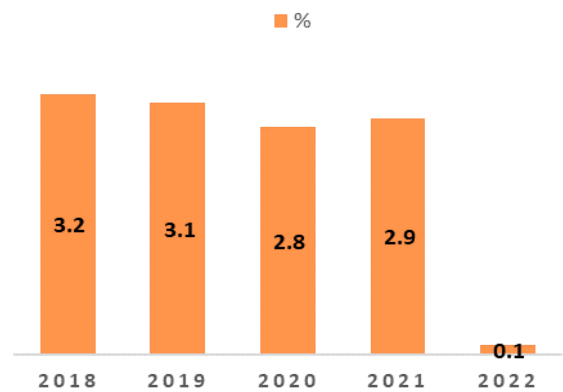
## EBITDA



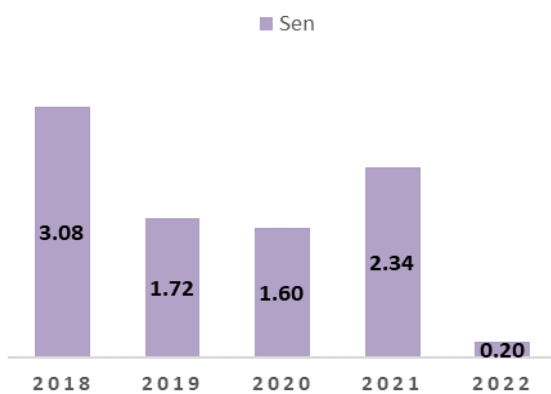
## NETT INCOME



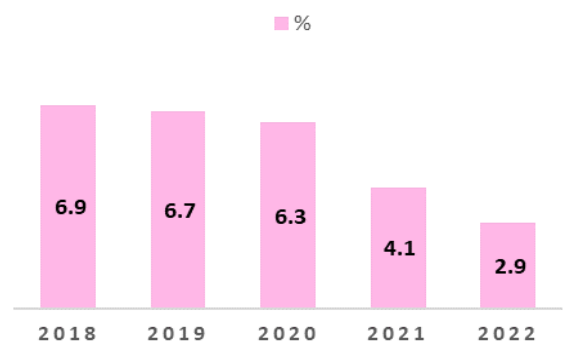
## RETURN ON ASSETS



## EARNINGS PER SHARE

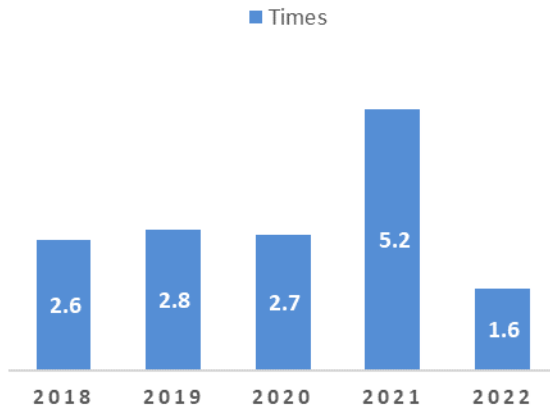


## RETURN ON CAPITAL EMPLOYED

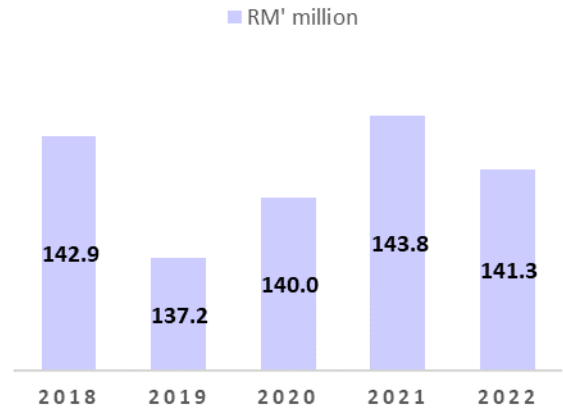


## Financial Highlights (cont'd)

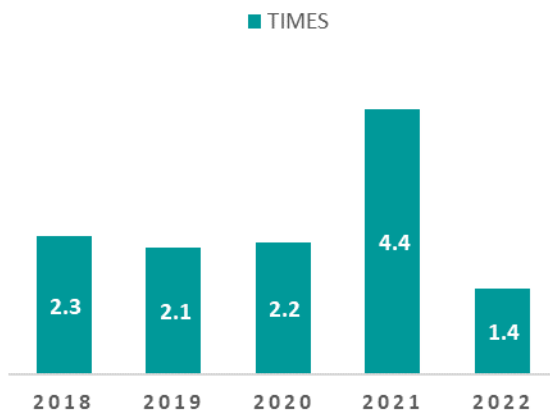
### CURRENT RATIO



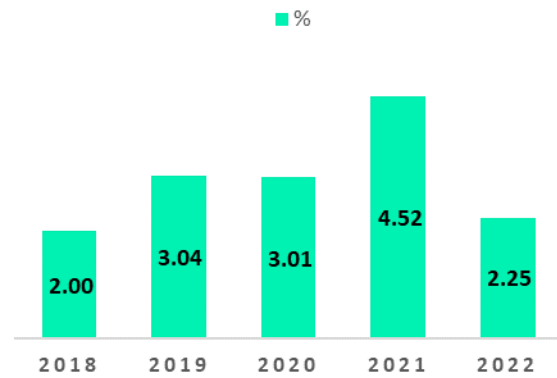
### RETAINED PROFITS



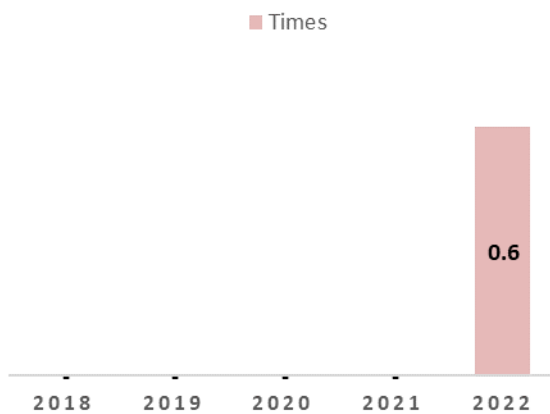
### QUICK RATIO



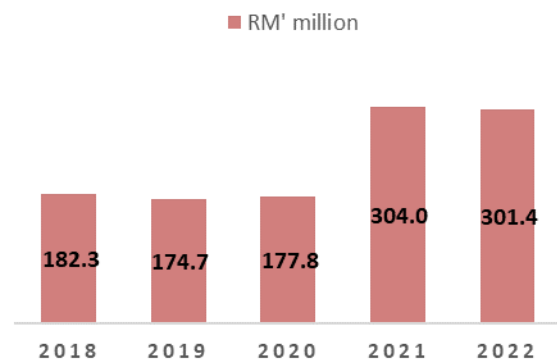
### DIVIDEND YIELD (ORDINARY SHARE)



### DEBT EQUITY RATIO



### EQUITY ATTRIBUTABLE TO EQUITY HOLDERS



## Board of Directors



### **DATO' JAMES TAI CHEONG @ TAI CHIONG**

Non-Independent Non-Executive Chairman  
67, Male, Malaysian

Dato' James Tai Cheong has been the Chairman of the Board since October 2010. Dato' James Tai Cheong holds executive positions in more than 15 companies and has over 20 years of experience in construction, oil palm plantations and milling, timber logging and processing.

Dato' James Tai Cheong obtained his Bachelor of Business Administration from New Zealand.



### **DATUK TAI HEE**

Managing Director  
59, Male, Malaysian

#### **Board Committee**

Risk Management Committee Chairman

Datuk Tai Hee joined Pansar in 1988 and has since held various positions in the Group and became its Managing Director in October 2010. Besides Pansar, Datuk Tai holds various directorships in over 30 companies. This has enabled him to gain much insights in the fields of oil and gas, hospitality, plantation, manufacturing, shipping, travel, tourism, retail mall and environmental waste management. Datuk Tai also sits on the Board and is the Non Independent Non Executive Chairman of Reservoir Link Energy Berhad which is listed on the Main Board of Bursa Malaysia.

He is Vice-President of the Malaysia Japan Economic Association (MAJECA) and Vice President of Sarawak Chamber of Commerce & Industry, Sibu Regional Centre. In 2016, he was appointed as a member representing Malaysia in the East Asia Business Council. Datuk Tai Hee was appointed as Pemanca by Sarawak Government on 31<sup>st</sup> March 2021.

His varied experience in multiple industries injects the Board of Pansar Berhad with fresh perspective.

Datuk Tai Hee obtained his Bachelor of Science (Honours) Information Systems Design from the United Kingdom.

## Board of Directors (cont'd)



### **LING LEE CHUON @ JAMES LING CHUNG**

Non-Independent Non-Executive Director  
75, Male, Malaysian

#### **Board Committees**

Remuneration Committee Chairman, Audit Committee Member

Mr Ling is a trained professional engineer who has considerable experience in the field of civil, design construction and structural engineering. Mr Ling holds various executive positions in Perbena Emas Group. He has undertaken very sophisticated and innovative civil and structural projects successfully over the past 40 plus years. Mr Ling holds various directorships in a varied field of businesses from retail malls, municipal waste management to specialist steel fabrication.

Mr Ling obtained his Bachelor of Engineering (Civil) from the University of Canterbury, New Zealand.



### **CLARENCE TING ING HORH @ TING ING HO**

Non-Independent Non-Executive Director  
63, Male, Malaysian

#### **Board Committee**

Risk Management Committee Member, Nomination Committee Member

Mr Ting is a licensed Company Secretary. He holds directorships in more than 10 companies and brings to the Board of Pansar Berhad experience gained in the hospitality, plantations, timber and sawmilling sectors. Currently he is the Chairman of Sibu Municipal Council and has been appointed Chairman of CIDB Jawatankuasa Pembinaan Sibu on 1<sup>st</sup> July 2022.

Mr Ting qualified in Economics and Psychology from University of York Toronto Canada.



### **IR AZMAN BIN BUJANG**

Independent Non-Executive Director  
59, Male, Malaysian

#### **Board Committees**

Nomination Committee Chairman, Audit Committee Member,  
Remuneration Committee Member

Ir Azman is a professional engineer with 35 years of technical and management experience and has provided expertise in numerous fields, including project management on the Bakun Hydroelectric Project in Sarawak. He is also a director in another Malaysian company. He is a Corporate Member of the Institute of Engineers Malaysia.

Ir Azman obtained his Bachelor of Science (Mechanical Engineering) from the United Kingdom.

## Board of Directors (cont'd)



### **FONG YOO KAW @ FONG YEE KOW**

Independent Non-Executive Director  
70, Male , Malaysian

#### **Board Committees**

Audit Committee Chairman, Nomination Committee Member,  
Remuneration Committee Member

He was a Partner of EY prior to his retirement in 2010. During his time in the Accountancy profession he held positions of Financial Accountant in New Zealand and Group Financial Controller in Malaysia before joining EY as a Senior Manager, Principal and Partner. At EY he was involved in the areas of corporate finance, internal audit, tax planning, business strategy, corporate restructuring and performance improvement. His professional memberships include, Member of the Malaysian Institute of Accountants, Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators, and Member of the Chartered Accountants of Australia and New Zealand. He is a Director in a number of companies and sits on the Boards of Bursa Malaysia listed YKGI Holdings Berhad, Sarawak Oil Palms Berhad and DPI Holdings Berhad.

Mr Fong holds a Bachelor's Degree in Commerce and Administration from Victoria University of Wellington, New Zealand.

#### *Footnotes:*

*Other than those specifically mentioned here, none of the Directors hold Directorships in any other public company on Bursa Malaysia and any listed issuer, or have any personal interests or conflicts.*

*Dato' James Tai Cheong @ Tai Chiong and Datuk Tai Hee are sons of Puan Sri Datin Sri Ling Lah Kiong, a major shareholder in the Company, and are nephews of Ling Lee Chuon @ James Ling Chung, who is a Member of the Board of Pansar Berhad along with being a brother to Puan Sri Datin Sri Ling. They, along with Clarence Ting Ing Horh @ Ting Ing Ho, are deemed interested in transactions entered into with related parties, which are carried out in the ordinary course of business, as detailed in the Notes to the Financial Statements for breakdown of Recurrent Related Party Transactions.*

*Except as disclosed therein, they have no personal interest in any other business arrangement with the Company.*

*The Directors of Pansar have been carefully selected for their blend of entrepreneurial, financial, management and technical experience as well as their potential multidisciplinary multi-industry contribution to the Board and the business of the Company. Other than Fong Yoo Kaw @ Fong Yee Kow, who was appointed on 01 November 2011, all the other Directors were first appointed to the Board on 21 October 2010.*

*Attendance of the Directors at Board meetings is as listed on page (B2) of this Annual Report. None of the Directors have ever been charged or convicted for any offence at any time over the past 5 years.*

## Senior Management



**DATUK TAI HEE**  
Managing Director  
59, Male, Malaysian



**JESSIE NGIAM AI CHENG**  
Chief Financial Officer  
57, Female, Malaysian

Ms Ngiam joined the Group in 1991 and has held various finance and accounting positions within the Group. She was appointed to the position of Chief Financial Officer in July 2020 and is responsible for the overall financial and management reporting functions of the Group. She is a member of the Malaysian Institute of Accountants and the CPA Australia.

Ms Ngiam obtained her Bachelor of Economics from Australia.

Ms Ngiam does not hold directorship in any public company and any listed issuer. She does not have any family relationship with any director or major shareholder or has any conflict of interest with the Company. She has not been convicted of any offence within the past five years.



**DAVID TAI WEI**  
Chief Operating Officer  
39, Male, Malaysian

Mr. David Tai joined Pansar Berhad in 2015 as Corporate Strategy Head and was appointed as General Manager-Business Divisions in 2018. On 1<sup>st</sup> April 2022, he was promoted to Chief Operating Officer of the Company. He served as an Assistant Vice-President of an international investment group, with over eight years' experience in Singapore, London, India and Australia.

Mr. Tai qualified in Jurisprudence from the United Kingdom.

Mr. Tai does not hold directorship in any public company and any listed issuer.

He is the nephew of Dato' James Tai Cheong @ Tai Chiong, Chairman of the Company, and, Datuk Tai Hee, Managing Director of the Company. Mr. Tai has not been convicted of any offence within the past five years.

## COMPLIANCE REPORTS

Corporate Governance Overview Statement	Directors' Responsibility Statement	Statement on Risk Management and Internal Control	Audit Committee Report	Sustainability Report
<b>B1</b>	<b>B8</b>	<b>B9</b>	<b>B14</b>	<b>B19</b>
				Other Compliance Information
				<b>B26</b>

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## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Pansar Berhad (“Pansar”) believes that the practice of good corporate governance is important in ensuring long-term sustainability and business prosperity and hence, enhancing shareholders’ value. The Board is pleased to present this Corporate Governance Overview Statement (“this Statement”) which provides shareholders and investors of Pansar with an overview of the Company’s corporate governance (“CG”) practices during the financial year 2022.

This Statement is prepared in accordance with the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad. It is to be read together with the CG Report of the Company which is available on the Company’s website at [www.pansar.com.my](http://www.pansar.com.my).

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### Board Responsibilities

The Board is primarily responsible for providing effective leadership in determining the Company’s strategic direction and corporate goals and to monitor the progress towards achieving them. In this regard, the Board is guided by the principles and practices set out in the Board Charter to ensure that all board members, acting collectively and individually on behalf of the Company, are aware of the specific functions of the Board, their duties and responsibilities.

#### Board Leadership

The Chairman of the Board has been entrusted the responsibility of instilling good governance practices and leadership in the Board whilst the Managing Director (“MD”) is the head of management with overall responsibility for the day-to-day management of the business and implementation of the Board’s policies and decisions. There is a clear division of responsibility between the Chairman and the Managing Director in the running of the Board and the business of the Company to ensure an appropriate balance of power, authority and accountability at the Board level.

In line with the recommendation of the Malaysian Code of Corporate Governance (“MCCG 2021”), the Chairman of the Board resigned as a member of the Nomination Committee on 26 November 2021.

The Managing Director is supported by management committees of various functions as he leads the Senior Management in the daily business and operations of the Group and the implementation of the strategies and policies approved by the Board. The functions and powers of the Management are governed by the Limits of Authority adopted throughout the Group and embedded in the control systems. The delegation of the Board authority to the Managing Director is reviewed as and when the need arises.

The Independent Non-Executive Directors are responsible for providing unbiased and independent judgement to the Board and ensuring effective check and balance in the Board decision-making process.

#### Board Committee

The Board has delegated certain responsibilities to the Management and the following committees are appointed by the Board: -

- a) Audit Committee
- b) Nomination Committee
- c) Remuneration Committee
- d) Risk Management Committee

## Corporate Governance Overview Statement (cont'd)

These committees operate their functions within their approved terms of reference but the ultimate responsibility for the final decision rest with the Board.

### Board Administration

The Board is supported by a Company Secretary, who is qualified to act as Company Secretary under the Companies Act 2016. The Company Secretary is a Chartered Secretary/Chartered Governance Professional who is a fellow member of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”).

The Company Secretary, besides performing her statutory duties under the Companies Act, 2016, also provides the Board with guidance on matters relating to good corporate governance practices affecting the Company. All Board Members have access to the advice and services of the Company Secretary.

### Board Commitment

The Directors have also shown their commitment towards the Company in their attendance and active participation at Board meetings throughout the year in review.

Below are details showing attendance of the Directors at the Board meetings held for the financial year 2022:

Name of Directors	Board of Directors' Meeting	Percentage of Attendance
Dato' James Tai Cheong @ Tai Chiong	5/5	100%
Datuk Tai Hee	5/5	100%
Clarence Ting Ing Horh @ Ting Ing Ho	5/5	100%
Ling Lee Chuon @ James Ling Chung	5/5	100%
Azman Bin Bujang	5/5	100%
Fong Yoo Kaw @ Fong Yee Kow	5/5	100%

### Good Business Conduct

The Group has in place a Code of Conduct and Ethics to serve as a source of guiding principles for acceptable behaviour and practice in the Company. To further enhance good governance, the Anti-Corruption and Bribery Policy and Whistleblowing Policy have been established to enable employees and stakeholders to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate manner.

### Sustainability Management

The Board together with the Management acknowledge their responsibility of promoting sustainability while creating value for shareholders and the communities in which it operates. The Group's commitment to sustainability starts with the Board of Directors and senior management and is reinforced at all levels.

The Group strives to achieve a sustainable balance between meeting its business goals whilst preserving the environment to sustain the ecosystem and the welfare of its employees and the communities in which it operates. The Group's efforts to promote sustainable initiatives for the

## Corporate Governance Overview Statement (cont'd)

communities in which it operates, the environment and the employees are set out in the Sustainability Statement in this Annual Report.

### Directors' Training

All the Directors have completed the Mandatory Accreditation Programme as prescribed by the Listing Requirements of Bursa Malaysia.

The following are the trainings attended by the Directors during the financial year under review:

DIRECTORS	COURSE/SEMINAR
<b>Dato' James Tai Cheong &amp; Tai Chiong</b>	<ul style="list-style-type: none"><li>• Cyber Security: How to Mitigate the Impact of Cyber Crime On Your Business</li></ul>
<b>Datuk Tai Hee</b>	<ul style="list-style-type: none"><li>• Cyber Security: How to Mitigate the Impact of Cyber Crime On Your Business</li></ul>
<b>Fong Yoo Kaw @ Fong Yee Kow</b>	<ul style="list-style-type: none"><li>• Cyber Security: How to Mitigate the Impact of Cyber Crime On Your Business</li><li>• Corporate Liability Implication on Bribery in Malaysia</li><li>• Post Budget Power Talk</li><li>• Portfolio Strategy Put to Work</li><li>• Budget 2022 Seminar</li></ul>
<b>Ling Lee Chuon @ James Ling Chung</b>	<ul style="list-style-type: none"><li>• Cyber Security: How to Mitigate the Impact of Cyber Crime On Your Business</li></ul>
<b>Clarence Ting Ing Horh @ Ting Ing Ho</b>	<ul style="list-style-type: none"><li>• Cyber Security: How to Mitigate the Impact of Cyber Crime On Your Business</li><li>• Risk Management Conference 2021- Navigating Challenges in Unprecedented Times</li><li>• Seminar on "Corporate Liability and Establishing Adequate Procedures for Small Medium Enterprises"</li><li>• Corporate Governance Audit: A Guide for Company Secretary</li><li>• Updates on Annual Return, AGMs, Accounts and Audit in the Covid Era</li><li>• Running and Managing Virtual, Hybrid and Physical Meeting</li><li>• Seminar on Insolvency</li><li>• SSM National Conference 2021- Governing Under New Normal</li></ul>
<b>Azman Bin Bujang</b>	<ul style="list-style-type: none"><li>• Running and Managing Virtual, Hybrid and Physical Meeting</li></ul>

### Board Composition

The Board has six (6) members, comprising one (1) Managing Director and five (5) Non-Executive Directors, including two (2) Directors who are Independent Non-Executive Directors. The structure of the composition is consistent with the Listing Requirements which requires that at least two (2) Directors or one-third of the Board, whichever is the higher, are Independent Directors.

The diverse background of the current board members gives the right mix of skills, knowledge and experience to enable various perspectives to be considered whenever a proposal is put before the Board for decision.

## Corporate Governance Overview Statement (cont'd)

Currently, there is no female Director in the Board. This is not in line with the MCCG of at least 30% representation of women on the Board. The Board will evaluate and match the criteria of the potential candidate as well as consider the appointment of female Director onto the Board in future to bring about a more diverse perspective.

In accordance with the Company's Constitution, all the Directors are subject to election by shareholders at the first Annual General Meeting ("AGM") of the Company after their appointment. Thereon, an election of Directors shall take place every year where one-third (1/3) of the Directors for the time being, or if their number is not three (3) or multiple of three (3), then the number nearest to one-third (1/3) shall retire but shall be eligible for re-election; provided always that all Directors shall retire from office once at least in each three (3) years.

### Nomination Committee

The Nomination Committee ("NC") assisted the Board in establishing a formal and transparent procedure for the appointments and reviews/assessments of Directors to ensure an effective Board.

During the financial year 2022, it has three (3) members, comprising entirely of Non-Executive Directors, of whom the majority are independent, as follows:

#### **Chairman**

**Encik Azman Bin Bujang** (*Independent Non-Executive Director*)

#### **Members**

**Mr Fong Yoo Kaw @ Fong Yee Kow** (*Independent Non-Executive Director*)

**Dato' James Tai Cheong @ Tai Chiong** (*Non-Independent Non-Executive Director*)  
(*Resigned as NC member with effect from 26 November 2021*)

**Clarence Ting Ing Horh @ Ting Ing Ho** (*Non-Independent Non-Executive Director*)  
(*Appointed as NC member with effect from 26 November 2021*)

In line with the recommendation of MCCG 2021, the Chairman of the Board, Dato' James Tai Cheong @ Tai Chiong has resigned as a member of the Nomination Committee on 26 November 2021 and Mr Clarence Ting Ing Horh @ Ting Ing Ho has been appointed as a member in replacement thereof.

In June 2022, the Board established the Directors' Fit and Proper Policy, to ensure that any person to be appointed or elected/ re-elected as a Director of the Group shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the position in the most effective manner. The execution is delegated to the Nomination Committee and is to be reviewed and approved by the Board. This Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary in accordance with the needs of the Company. The Fit and Proper Policy is published on the Company's website.

The key activities undertaken by the Nomination Committee during the financial year under review included the deliberation and review of the following:

- a) the performance and effectiveness of the Board and the Board Committees as a whole.
- b) the size, composition, mix of skills and performance of each Director of the Board.
- c) the term of reference and performance of the Audit Committee and its members.
- d) the recommendations to the Board regarding the Directors who are seeking re-election at the Annual General Meeting.

## Corporate Governance Overview Statement (cont'd)

- e) the recommendation to the Board on the retention of Mr Fong Yoo Kaw @ Fong Yee Kow and Encik Azman Bin Bujang as Independent Directors who have served as independent Non-Executive Directors for a cumulative term of more than nine (9) years.
- f) the appropriate training for the Directors.

Based on the evaluation results performed by NC and the Board on 5 July 2022, the Board was satisfied with the performance of each individual Director and its Board Committees. All Independent Non-Executive Directors have fulfilled the independence standards prescribed under the listing requirement of Bursa Malaysia.

### Remuneration

The remuneration packages and benefits of the Executive Directors are recommended by the Remuneration Committee (“RC”) to the Board for approval. The remuneration scheme for Executive Director is designed to link to the Group’s performance and scope of responsibility and reviewed on an annual basis giving regard to market/industry standards. For Non-Executive Directors, it is determined by the Board in accordance with their level of responsibilities undertaken by them which is subject to the approval of the shareholders at the AGM.

The remuneration for all Non-Executive Directors is based on a standard fixed fee, except for the Chairman of the Board and the Audit Committee Chairman who are paid a higher fee in recognition of their additional responsibilities. All Directors are paid a meeting allowance for each Board and Committee meeting they attend in accordance to the quantum approved by the shareholders in the AGM.

A review of remuneration packages is conducted annually and where necessary, adjusted to appropriately reflect their performance, responsibilities, job functions and market trends.

On 5 July 2022, the RC reviewed and recommended the Directors’ fees to the Board.

A summary remuneration of the Directors for the financial year ended 31 March 2022 distinguishing between Executive and Non-Executive Directors in aggregate, with categorisation into appropriate components set out below:

	FEES		SALARY		BONUS		MEETING ALLOWANCE		EPF & OTHER BENEFITS		TOTAL	
	Company RM	Group RM	Company RM	Group RM	Company RM	Group RM	Company RM	Group RM	Company RM	Group RM	Company RM	Group RM
Datuk Tai Hee	-	3,000	-	1,214,700	-	348,776	3,500	3,500	-	178,886	3,500	1,748,862
Dato’ James Tai Cheong @ Tai Chiong	84,000	96,000	-	-	-	-	4,000	4,000	-	-	88,000	100,000
Ling Lee Chuon @ James Ling Chung	48,000	51,000	-	624,000	-	231,405	6,500	6,500	-	87,880	54,500	1,000,785
Clarence Ting Ing Horh @ Ting Ing Ho	48,000	60,000	-	-	-	-	3,500	3,500	-	-	51,500	63,500
Ir Azman Bin Bujang	48,000	48,000	-	-	-	-	7,000	7,000	-	-	55,000	55,000
Fong Yoo Kaw @ Fong Yee Kow	60,000	66,000	-	-	-	-	7,000	7,000	-	-	67,000	73,000
<b>TOTAL</b>	<b>288,000</b>	<b>324,000</b>	<b>-</b>	<b>1,838,700</b>	<b>-</b>	<b>580,181</b>	<b>31,500</b>	<b>31,500</b>	<b>-</b>	<b>266,766</b>	<b>319,500</b>	<b>3,041,147</b>

## Corporate Governance Overview Statement (cont'd)

Footnote:

- The Company's directors' fees are subject to the shareholders' approval at the AGM, as set out in the notice of AGM.
- The meeting attendance allowance has been approved during the previous AGM held on 1 September 2021.

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Audit Committee

The Audit Committee is established to assist the Board of Directors in fulfilling its statutory and fiduciary responsibilities regarding accounting and financial reporting practices. The Audit Committee also reviews the scope and results of internal and external auditing processes and monitors the effectiveness of the internal controls and risk management to ensure the Board makes properly informed decisions.

The Audit Committee comprises three (3) Non-Executive Directors and the majority of them are Independent Directors. The Audit Committee is chaired by Mr Fong Yoo Kaw @ Fong Yee Kow who is a Senior Chartered Accountant of the Malaysian Institute of Accountants and assisted by Mr Ling Lee Chuon @ James Ling Chung and Encik Azman Bin Bujang.

More details on the activities of the Audit Committee can be found in the Audit Committee Report on pages B14 to B18 of the Annual Report. The terms of reference of the Audit Committee is published on the Company's website.

#### Risk Management and Internal Control

The Board recognizes that proper risk management and internal control are important aspects of a company's governance, management and operation to safeguard shareholders' investment and the group's assets.

The Board is responsible for identifying, assessing, managing and monitoring the material business risks identified by the Risk Management Committee.

Detailed information on risk management and internal control is set out in the Statement on Risk Management and Internal Control in Annual Report 2022.

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

#### Communication with Stakeholders

The Company recognizes the importance of maintaining transparency and effective communication with the shareholders, investors and other stakeholders to keep them abreast of all developments concerning the Pansar Group. As such, the Board is committed to ensuring timely, accurate and proper dissemination of information on the operations, activities and performance of the Pansar Group to its shareholders, investors, and other stakeholders.

The Company strictly adheres to the disclosure requirements stipulated in the Listing Requirements and due care is taken to ensure material and market-sensitive information are not unduly disclosed before an official announcement is made to Bursa Malaysia for public release.

## Corporate Governance Overview Statement (cont'd)

### Conduct of General Meetings

The Company's General Meetings remain the main channel of communication with the Company's shareholders. At each General Meeting, shareholders are encouraged and given sufficient time and opportunity to participate in the proceedings, raise questions and participate in discussions pertaining to the operation and financial aspects of the Group. They may seek clarifications on the Group's performance, major development as well as on resolutions being proposed. All Board members, the senior management team as well as the Company's external auditors are available to respond to shareholders' relevant questions raised at the meeting.

The Minutes of the 48th AGM, which includes the questions raised by shareholders together with the responses by the Company and the outcome of the voting results, will be made available to the shareholders within thirty (30) business days after the AGM on the Company's website at [www.pansar.com.my](http://www.pansar.com.my).

In line with good corporate governance practice, the notice of the 48th AGM of the Company will be issued 28 days before the AGM date. The Company's AGM has always been held at easily accessible venues for the convenience of the shareholders.

This Statement is made in accordance with the resolution of the Board of Directors dated 19 July 2022.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible to ensure that the annual Financial Statements for each financial year are prepared in accordance with the applicable approved accounting standards in Malaysia which give a true and fair view of the financial position, financial performance and cash flows of the Company and of the Pansar Group.

In preparing the Financial Statements for the financial year ended 31 March 2022, the Directors have:

- i) ensured that all the requirements of the Companies Act, 2016 have been complied with;
- ii) followed all the applicable approved accounting standards;
- iii) applied the appropriate and relevant accounting policies on a consistent basis;
- iv) used reasonable judgement and estimations; and
- v) prepared the Financial Statements on a going concern basis as the Directors have reasonable expectation that the Pansar Group has adequate resources to continue in operational existence for the foreseeable future.

The Directors are also responsible for ensuring that the Company and the Pansar Group keep proper accounting records which disclose with reasonable accuracy the financial position of the Company and the Pansar Group. The Directors have the overall responsibility for taking reasonable steps to prevent and detect fraud and other irregularities to safeguard the assets of the Company and the Pansar Group.

This Statement has been approved by the Board on 19 July 2022.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Statement on Risk Management and Internal Control is made pursuant to the requirements of Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; and in accordance with the Malaysian Code on Corporate Governance 2017.

### BOARD RESPONSIBILITIES

The Board holds responsibility for ensuring a sound and effective risk management and internal control system covering financial, operational and compliance aspects is maintained throughout the Pansar Group so that key risk areas are appropriately managed within the risk tolerance levels to safeguard shareholders' investments and the Group's assets.

In fulfilling its oversight responsibility, the Board, assisted by its Risk Management Committee and Audit Committee, reviews the adequacy, effectiveness and integrity of the Group's risk management system and internal control system. These two Committees support the Board by ensuring that the Management implements and maintains a sound system of risk management and internal control and that risk management is embedded in all aspects of the Group's activities to mitigate and/or reduce the overall risk exposure associated with the activities of the Group.

### RISK MANAGEMENT FRAMEWORK

The Board has established a Risk Management Framework to ensure compliance with legal and internal requirements within which key policies and procedures are developed to facilitate a formalised, structured and consistent approach in identifying, assessing and monitoring key business risks identified in accordance with the overall risk appetite of the Pansar Group. The Risk Management Framework is cascaded downwards to all levels of Management who have a collective responsibility for propagating a risk-aware culture and in ensuring that business risk assessment is an explicit part of both the business and operation units' decision-making process.

#### Risk Assessment Process

Possible risk factors are identified for every department, namely Marketing and Purchasing, Finance and Accounts, Credit, Inventory, Personnel, Information Technology and Project. The Management, comprising the respective heads of each business and operation unit, is accountable for the day-to-day management of risks under their areas of responsibility through risk identification, risk analysis, risk evaluation and risk treatment and thereafter, monitoring and communicating these risks in the context of their internal and external environments.

Key risks within their own areas are identified including identification of possible sources or causes of risks and events, and each risk is assessed for the likelihood of occurring and the magnitude of the impact on the relevant business strategies to determine whether the specified level of risk is acceptable or tolerable. Risk ratings are assigned in accordance with the risk matrix. As risk owners, the respective heads are responsible to take appropriate corrective actions including formulating suitable internal control as and when needed to mitigate these risks to within tolerable ranges, with priority on risk-mitigating measures through a combination of preventive, detective and corrective measures based on the risk ratings assigned. The risk profiles developed through this process and their mitigating controls are tabulated in a risk register.

## Statement on Risk Management and Internal Control (cont'd)

The Group seeks to minimise potential adverse impact through among others, assessing the creditworthiness of customers, monitoring of collections and overdue debts, implementing stringent standard operating procedures for more efficient inventory management and entering into foreign currency forward contracts to hedge against its foreign currency risk. Risk assessments are also carried out on potential projects whereby project risks are identified by the project managers to evaluate the feasibility of these projects and discussions are held with the Senior Management before resources are committed to them. Subsequently, the project managers will monitor and provide updates on the projects in the quarterly project management meetings.

### Monitoring, Review and Reporting

On-going monitoring and reviews of the risk register are undertaken every quarter by the Management to assess the continued applicability and relevance of the risks already identified and to re-rate these risks where necessary; as well as to identify emerging risks or new risk factors, if any, faced by the Pansar Group as a whole based on a consistent risk likelihood and impact criteria applied across the Group. In line with this, existing control measures are reviewed to determine their continued relevance or obsolescence in the wake of these changes and/or new risk exposures and redressed accordingly to remain effective. The respective heads also meet every quarter to deliberate on the prevailing economic conditions and other external hazards and their potential impact and risks on the Group's business activities to anticipate our risks rather than to have to deal with their consequences when they do occur. Such risks are analysed and measures are taken on a timely basis to strengthen the control environment. In performing these ongoing risks review processes, the business and operation units liaise closely with the back-office support units to jointly propose ways on how to manage and/or contain these risks within the Group's risk appetites.

The outcomes of these review processes together with their mitigating measures are reported to the Board. The Risk Management Committee is responsible to ensure that the risk management policies and procedures are aligned to the business strategies and risk tolerance.

The risk management and system of internal control instituted by the Pansar Group's business and operation units for the financial year under review and up to the date of this Statement are deemed to be adequate to safeguard shareholders' investment, customers' interests and the Group's assets. There were no major internal control weaknesses or failings that could lead to material losses, contingencies or uncertainties that would require disclosure in this Annual Report 2022.

### INTERNAL AUDIT FUNCTION

The Pansar Group has in place an Internal Audit function which reports independently to the Audit Committee every quarter and provides the Board with sufficient and independent assurance of the effectiveness of the Group's risk management and internal control processes.

All the Internal Audit findings are discussed directly with the Management, where weaknesses have been identified as a result of reviews, recommendations to strengthen controls are presented to the Audit Committee for consideration.

The Internal Audit also follows up on issues raised in previous audits to ensure remedial actions are promptly taken by the Management. The results of such follow-up works are also reported to the Audit Committee.

The activities of the Internal Audit function during the financial year are set out in the Audit Committee Report in this Annual Report 2022.

## Statement on Risk Management and Internal Control (cont'd)

### OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

#### Organisation Structure

The Board has set an organizational structure to govern and manage the decision process in the Pansar Group. The authority limits matrices are set out to govern the approvals and authorisation by the Board and the different levels of Management to ensure accountability, segregation of duties and control over the Group's financial commitments. The authority limits and authorisation levels are built into the control systems to ensure proper checks and authorisation of transactions at each control area throughout the process chain.

Key support functions of the Pansar Group are managed centrally at the head office to ensure consistency, standardisation and compliance in the application of the policies and procedures relating to these functions.

The operating structure of the Pansar Group is aligned to business requirements. It has defined lines of responsibilities to ensure that component tasks are handled by different employees. With segregation of duties, employees' accountability can be enhanced and the risk of error and fraud can be minimised.

#### Audit Committee

Internal Audit reports containing the audit issues, Internal Audit's recommendations and Management's responses are issued by the Internal Audit for deliberation by the Audit Committee before they are reported to the Board. The Committee is kept updated and informed of the status and progress of the implementation through subsequent follow-up audits. The Audit Committee may direct Internal Audit to carry out investigations in respect of any specific events which are deemed to have violated internal policies.

The Audit Committee also reviews the Group's quarterly financial performance and assesses the financial results and operational performance before presenting to the Board.

During the financial year under review, the Audit Committee has also held one formal session with the External Auditors without the presence of the Management. The External Auditors have also represented that no conflict situation would compromise their independence as External Auditors of the Company.

Further details on the activities of the Audit Committee are set out in the Audit Committee Report in this Annual Report 2022.

#### Business Budget and Review Process

A budgeting exercise is undertaken before the end of each year to establish a budget for the forthcoming year against which performance will be measured regularly. This annual budget is deliberated in the Management meeting before being tabled to the Board for their deliberation and approval.

Scheduled operational and management meetings are held to discuss and review the strategies, budgets, financial and operational performances of the Pansar Group. The quarterly management accounts containing key financial results, operational performances and comparison of actual performances against budgets are presented to the Management team at these meetings for monitoring and review. Explanations for significant variances are subsequently followed up and necessary actions taken are reported in the meetings. Key operational and management issues are also highlighted for deliberation and resolution at these meetings. This process enables employees' performances to be monitored, appraised and rewarded according to the achievements of targets set for relevant employees.

## Statement on Risk Management and Internal Control (cont'd)

Subsequent interim reports from the Management on key operating statistics and financial performances together with comparisons are reviewed by the Audit Committee. Variances between the actual and targeted results together with the responses and corrective measures taken are highlighted by the Audit Committee to the Board. The quarterly Financial Statements are presented to the Board for their consideration and approval. The Board also plays an active role in discussing and reviewing the performance and risks faced by the Company.

### Information and Communication

A comprehensive and automated information system enables transactions to be captured, compiled and reported through established reporting lines across the Pansar Group on a timely basis.

Appropriate channels of communication and procedures are in place for reporting of significant control failings or weaknesses that are identified together with details of corrective actions being undertaken, to the relevant levels of Management and the Board.

### Policies and Procedures

Documented policies and procedures covering major key and critical functions are in place to regulate the functional processes of the Pansar Group and to guide the employees in their day-to-day operational activities in a consistent way. These include standard operating procedures, memorandum, and handbooks that are updated to incorporate changes to the systems, work environment and guidelines issued by regulators. Compliance with these policies and procedures is an essential element of the internal control framework.

### Human Resources

Job descriptions and responsibilities are clearly defined and communicated. Manpower requirement planning is carried out regularly together with the respective business and operation units to optimise staff resources and increase efficiency. Continuous emphasis is placed on enhancing the competency level and quality of employees across all functions through mentoring, training and skills development and upgrading programmes to enhance their skills, knowledge and competencies.

### Joint Ventures and Associate

The Board does not review the internal control systems of joint ventures and associate as the Board does not have any direct control over their operations. Notwithstanding this, the Group's interests are safeguarded through having Board representations in the respective joint ventures and associate. Such representations provide the Board with information for decision making on the continuity of the Group's investments based on the performance of the joint ventures and associate. In addition, information on the financial performance of the joint ventures and associate is also provided regularly to the Management and reported quarterly to the Board.

## BOARD ASSURANCE AND LIMITATION

The Board has received assurances from the Managing Director and Chief Financial Officer that the system of risk management and internal control for the financial year under review is operating adequately in all material aspects. With these assurances, the Board is satisfied that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Pansar Group and is of the view that the risk management and internal control systems that are presently in place are sufficient to support both the types of businesses and size of operation to enable the Pansar Group to achieve its business objectives.

## **Statement on Risk Management and Internal Control (cont'd)**

However, the Board wishes to state that because of the inherent limitations in any systems, the control systems and procedures are designed only to manage rather than to eliminate all risks. It can only provide reasonable and not absolute assurance against material errors, losses, frauds or the occurrence of unforeseen circumstances. Nonetheless, the Board is cognizant of the changing and challenging business environment and thus is committed to continuous enhancements and improvements to strengthen its internal control systems so as to meet the long-term goals and objectives of the Pansar Group.

### **REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS**

Pursuant to Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement for inclusion in the Annual Report and have reported to the Board that nothing has come to the attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the risk management and internal control of the Pansar Group.

This Statement is made in accordance with the resolution of the Board of Directors dated 19 July 2022.

## AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the report on the Audit Committee for the financial year ended 31 March 2022.

### COMPOSITION AND MEETINGS OF THE AUDIT COMMITTEE

The present Audit Committee comprises three (3) members of whom two (2) are Independent Non-Executive Directors and one (1) is a Non-Independent Director. The Audit Committee (“the Committee”) held five (5) meetings during the financial year ended 31 March 2022 which were attended by the members as tabulated below:

NAME OF MEMBERS	DIRECTORSHIP	NUMBER OF MEETINGS ATTENDED
<b>Fong Yoo Kaw @ Fong Yee Kow</b>	<b>Chairman</b> Independent Non-Executive Director	5/5
<b>Ling Lee Chuon @ James Ling Chung</b>	<b>Member</b> Non-Independent Non-Executive Director	5/5
<b>Azman Bin Bujang</b>	<b>Member</b> Independent Non-Executive Director	5/5

A full agenda and comprehensive set of meeting papers were circulated to each Committee member with sufficient notification prior to each meeting. The Internal Auditor and other Senior Management were called in when relevant. The External Auditors also attended the meetings at the invitation of the Committee to brief the Audit Committee during the meetings held on 20 May 2021, 5 July 2021 and 17 February 2022 on annual audit issues.

During the financial year under review, the Audit Committee met separately with the External Auditors without the presence of the Management on 20 May 2021.

### AUTHORITY AND DUTIES OF THE AUDIT COMMITTEE

The Audit Committee is governed by its Terms of Reference which are available on the Company’s website at [www.pansar.com.my](http://www.pansar.com.my).

### SUMMARY OF WORKS OF THE AUDIT COMMITTEE

In accordance with its Terms of Reference, the works undertaken by the Audit Committee during the financial year ended 31 March 2022 included the deliberation and review of the following:

## Audit Committee Report (cont'd)

### 1. Financial Reporting

- a. Reviewed the Company and the Pansar Group's compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirements, the requirements of the Companies Act, 2016, applicable approved accounting standards in Malaysia and other relevant regulatory requirements to ensure that the quarterly announcements of financial results and the audited Financial Statements are properly prepared.
- b. Discussed with the Management any significant changes to the regulations, standards and other regulatory requirements that may affect the financial reporting of the Group.
- c. Reviewed and discussed the quarterly unaudited financial results with the Management, in particular any significant items or transactions that have affected the financial performance of the Company and the Group and sought clarifications from the Management before recommending to the Board of Directors for their approval and releasing to Bursa Malaysia Securities Berhad.
- d. Reviewed the annual audited Financial Statements of the Company and the Pansar Group for the financial year ended 31 March 2022 with the Management and the External Auditors before recommending them to the Board of Directors for their deliberation and approval and releasing to Bursa Malaysia Securities Berhad.

### 2. Internal Audit

- a. Reviewed the annual Internal Audit plan with the Internal Auditor to ensure adequate audit coverage of the key risk areas and processes of the business operations activities and projects of the Company and the Pansar Group; recommended the same to the Board for approval and adoption.
- b. Oversaw the Internal Audit activities carried out by Internal Audit and ensure sufficient assistance was rendered by the Management and staff to Internal Audit.
- c. Discussed the Internal Audit reports, their major findings and recommendations; and appraised the adequacy of the Management's responses in resolving the audit issues found to ensure that risk issues were adequately addressed.
- d. Reviewed and recommended to the Board for their approval the Internal Auditor's recommendations for improvements in the areas such as internal controls, the Group's systems and efficiency enhancements including proposed additional improvement opportunities where appropriate.
- e. Monitored and reviewed the progress of follow-ups on audit findings to ensure remedial/corrective actions have been taken by the Management on a timely basis.
- f. Assigned and reviewed ad-hoc investigative audits performed by the Internal Auditor and the actions taken in relation to these investigations.
- g. Reviewed the adequacy of the resources and core skills and competencies of staff within the Internal Audit Department.

## Audit Committee Report (cont'd)

### 3. External Audit

- a. Reviewed and discussed with the External Auditors, their annual audit planning memorandum inclusive of the areas of audit emphasis, the scope for the year and their audit strategies as well as the audit procedures prior to commencement of annual audit for the financial year ended 31 March 2022.
- b. Reviewed with the External Auditors and the Management, the results and observations of the External Audit, significant audit findings and adjustments arising therefrom together with the Management's responses to the findings.
- c. Appraised the performance and evaluated the independence and objectivity of the External Auditors in providing their services, including non-audit services to the Group; and made recommendations to the Board of Directors on their re-appointment and quantum of audit fees.
- d. Met with the External Auditors without the presence of the Management to facilitate discussions of additional matters in relation to audit issues and internal control weaknesses noted in the course of their audit.
- e. The Audit Committee had obtained confirmation from the External Auditors, Messrs. Crowe Malaysia PLT that they have complied with the relevant ethical requirements regarding their independence throughout the audit and that the provision of the non-audit services to the Company and the Group has not compromised their independence, nor were they aware of any relationships between them and the Pansar Group that may reasonably be thought to have impaired their independence.
- f. The total amount of audit fees and non-audit fees paid by the Group for the financial year under review were as follow:-

	COMPANY (RM)	GROUP (RM)
Audit		
– Crowe Malaysia PLT	35,000	207,000
– Hii & Partners	-	7,200
Non-audit		
– Crowe Malaysia PLT	35,000	50,000
– Crowe Tax (Sarawak) Sdn Bhd	20,450	45,150
– Crowe Corporate Services Sdn Bhd	60,000	60,000
<b>Total</b>	<b>150,450</b>	<b>369,350</b>

### 4. Related Party Transactions

- a. Reviewed quarterly, the related party transactions entered into by the Company and the Pansar Group during the financial year and ensured that the transactions were undertaken on normal commercial terms which were not detrimental to the interests of minority parties.
- b. Reviewed the Circular to Shareholders with regards to the shareholders' mandate in respect of the recurrent related party transactions of a revenue or trading nature before recommending to the Board for approval for circulation to its shareholders.

## Audit Committee Report (cont'd)

### 5. Other Matters

- a. Discussed any latest changes issued by any statutory and regulatory bodies and/or changes in the economic landscape and their implication and possible impact on the Company and the Group, and highlighted these concerns to the Board.
- b. Briefed the Board on the latest changes in the Listing Requirements and ensured all Board members understood their fiduciary duties.
- c. Reviewed the Statement on Risk Management and Internal Control and the Audit Committee Report and recommended to the Board for approval for the Statements to be published in the Annual Report.

### EVALUATION OF THE AUDIT COMMITTEE

For the financial year under review, an evaluation was carried out on the terms of office and performance of the Audit Committee by the Nomination Committee.

### INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group is performed in house and reports directly to the Audit Committee. The Terms of Reference of the Internal Audit function are spelt out in the Internal Audit Charter. The Internal Audit plan is reviewed and approved by the Audit Committee before it is carried out by the Internal Audit. The Audit Committee holds discussions and reviews regularly with the Internal Auditor on issues and matters raised.

The Internal Audit is responsible to provide an independent evaluation and review of the adequacy and effectiveness of the internal control system, governance and operational control processes within the Pansar Group and its adherence to established policies, procedures and standards, and statutory requirements; and where necessary, to provide recommendations for improvements in controls to the existing systems and work processes. Investigative audits were also carried out by the Internal Audit upon the request of the Audit Committee and the Management.

The audits ensure that established controls are appropriate, effectively applied and within acceptable risk tolerance levels. All outcomes of reviews and investigative audits are reported to the Audit Committee. Internal Audit thus provides assurance to the Audit Committee of the integrity of the Pansar Group's internal control and management information systems.

The total costs incurred by the Internal Audit Department in managing its Internal Audit activities during the financial year ended 31 March 2022 amounted to RM156,878.

The main activities carried out by the Internal Audit Department during the financial year ended 31 March 2022 were as follows:

1. Discussed the Internal Audit plan with the Audit Committee.
2. Performed operational audits to ascertain the adequacy and integrity of their internal controls and made recommendations for improvements where weaknesses were found.
3. Discussed with the Audit Committee the audit findings and proposed recommendations and the Management's responses and actions on the issues found.

## **Audit Committee Report (cont'd)**

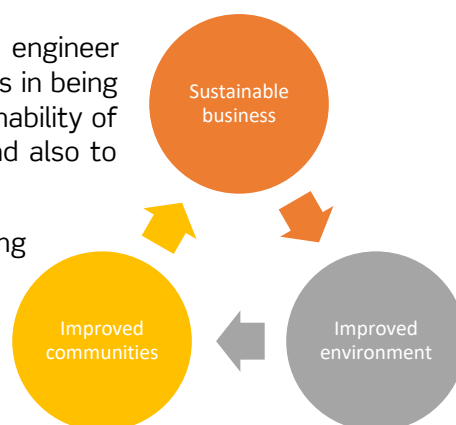
4. Issued and briefed the Internal Audit reports to the Audit Committee quarterly on control and risk management issues identified from the audits together with their recommendations for improvements and enhancements to the processes.
5. Performed follow-up audit on matters from previous Internal Audit reports to ensure corrective and preventive actions have been undertaken by the Management and presented the updates to the Audit Committee.
6. Carried out special investigations and reviews upon request by the Management or the Audit Committee.

# SUSTAINABILITY REPORT

## SUSTAINABLE STRATEGIES AND GOALS

For over 60 years, PANSAR has been on a mission to engineer responsible ways to make life better. We pride ourselves in being forward-looking, striving to ensure the long-term sustainability of our business for our shareholders and stakeholders, and also to create value for our community.

Pansar recognizes the importance of incorporating sustainability into every facet of our operations. In our view, this is a competitive advantage and part of our commitment to maintain excellence in business operations. The monetary value we create would directly lead to improvements in the welfare of the local community and the living environment.



## GOVERNANCE FRAMEWORK

The Board is ultimately responsible for governing sustainability matters. The Board is supported in this responsibility by the Risk Management Committee, which oversees the formulation, implementation and management of PANSAR's sustainability initiatives.

The Risk Management Committee is empowered by the Board to ensure that the strategic plan of the company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.

At the management level, PANSAR's Operational Committee is responsible for updating and reviewing the day-to-day compliance of the company's operations to the strategic sustainability plan.

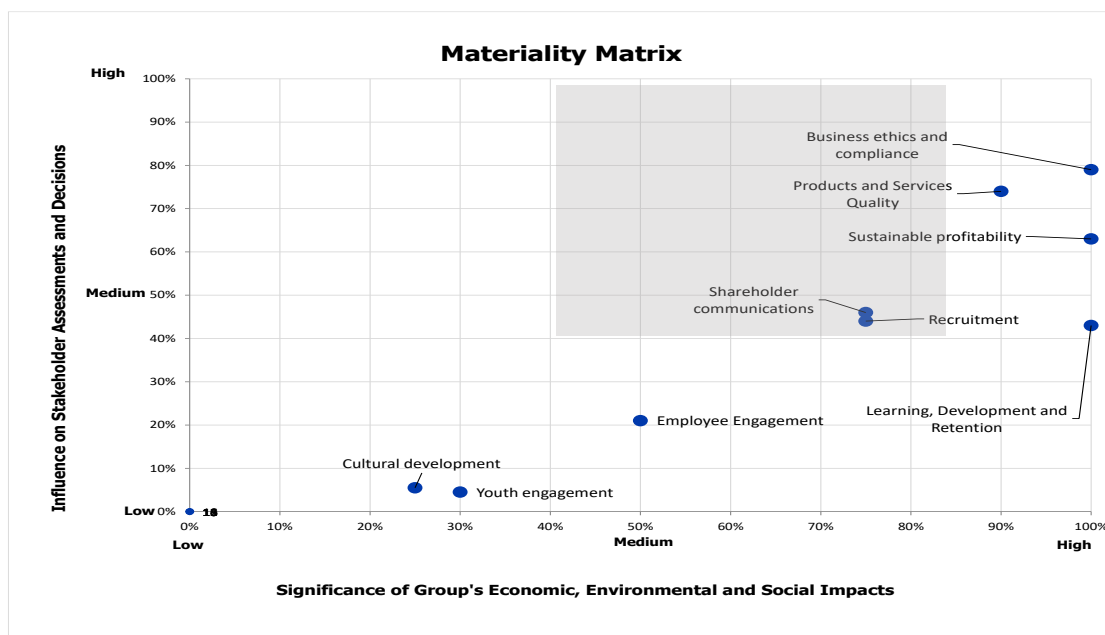


This sustainability report is prepared within the scope of our listed operations.

## MATERIALITY MATRIX

Pansar evaluated the importance of relevant ESG issues to our stakeholders. The insights gained from this assessment helped us to identify the areas to create value for sustainable growth. This assessment is conducted once a year and the material matters were selected upon deliberation by our top management team.

## Sustainability Report (cont'd)



## STAKEHOLDER ENGAGEMENT

At Pansar, we regularly engage our varied stakeholders constantly in order to take into account their expectations and concerns regarding sustainability matters.

STAKEHOLDER	ENGAGEMENT CHANNEL	FREQUENCY	MATERIAL ISSUES	CATEGORIES
Employees	<ul style="list-style-type: none"> <li>• Trainings</li> <li>• Social club activities</li> <li>• Intranet</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Employee engagement</li> <li>• Learning and development</li> <li>• Recruitment</li> </ul>	<ul style="list-style-type: none"> <li>• Economic</li> <li>• Social</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• AGM/EGM</li> <li>• Website</li> <li>• Investor relations</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Sustainable profitability</li> <li>• Shareholder Communications</li> </ul>	<ul style="list-style-type: none"> <li>• Economic</li> <li>• Environmental</li> </ul>
Directors	<ul style="list-style-type: none"> <li>• AGM/EGM</li> <li>• Board meetings</li> </ul>	At least quarterly	<ul style="list-style-type: none"> <li>• Sustainable profitability</li> <li>• Business ethics and Compliance</li> <li>• Learning and development</li> </ul>	<ul style="list-style-type: none"> <li>• Economic</li> <li>• Social</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Sales engagement</li> </ul>	Continuous	<ul style="list-style-type: none"> <li>• Product selection</li> </ul>	<ul style="list-style-type: none"> <li>• Economic</li> <li>• Environment</li> </ul>
Business partners and Suppliers	<ul style="list-style-type: none"> <li>• Business plan meetings</li> <li>• Joint visits</li> <li>• Supplier evaluation</li> </ul>	Continuous	<ul style="list-style-type: none"> <li>• Sustainable profitability</li> <li>• Product selection</li> </ul>	<ul style="list-style-type: none"> <li>• Economic</li> <li>• Environment</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>• Community programmes</li> </ul>	At least once a year	<ul style="list-style-type: none"> <li>• Cultural development</li> <li>• Youth engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Social</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>• Compliance reporting</li> <li>• Anti-bribery and Corruption</li> </ul>	Continuous	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Tax, audit, listing requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Economic</li> <li>• Social</li> </ul>

## Sustainability Report (cont'd)

### ECONOMIC

As our materiality matrix shows, the top priority for our stakeholders and operations is to have sustainable and ethical business practices. Business ethics and compliance, products and services quality, and sustainable profitability were ranked as the top three issues.

#### A. Financial Results

The revenue for this Financial Year (“FY”) was RM601.6 million, a milestone for the group and almost double the revenue achieved in the previous FY. The increase was mainly due to our newly acquired subsidiary: Perbena Emas Sdn Bhd, which broadened our revenue sources to include the downstream construction segment. At the same time, there was improved business performance from all our existing business segments.

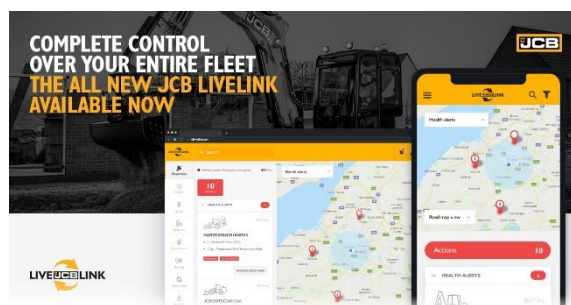
#### B. Supply Chain and Customer Service

A major challenge to the sustenance of our business was the disruption to supply chains. It is not sufficient to have a good product if we were unable to deliver it within the timeframe expected by our customers. To this end, Pansar re-grouped its Logistics department into a combined Credit, Inventory & Logistics team which allowed for full visibility and control over our supply chain. The single team meant decisions could be implemented quickly, issues were surfaced quickly, and there was a single point of contact for all supply chain related enquiries.

As part of our digitalization initiatives, we created a mobile version of our existing Customer Service Engagement system to plan, track, and invoice all our service orders. Instead of waiting for technicians to return from site and administrators to key in data, our team is now able to create and update service orders wherever there is a mobile network connection. This saves time, effort, and paper.

#### C. Technological Innovation

Pansar has been introducing products which assist our customers in saving resources and reducing life-cycle costs of the equipment they bought from us. At sea, our Yanmar engines can be equipped with a *Remote Monitoring system* which gives real time engine status, fuel consumption rate, data logging of historical events, engine fault notification with suggested actions, as well as periodic maintenance notifications on any mobile device. On land, our JCB machines are equipped with *LiveLink*, which allows customers to track their machine status and maintenance schedules on their own mobile devices. This reduces downtime and reduces the number of trips and the time spent on problem diagnosis.



## Sustainability Report (cont'd)



On the Perbena Emas side, we have been busy introducing advanced technologies that reduce waste. One such technology is *CIPR* (Cold In-Situ Pavement Recycling), which focuses on using recycled material to build roads. These materials are mixed with stabilizing agents such as cement, lime, bitumen emulsion or foamed bitumen, which provides additional strength to existing recycled

material. The recycled material is then compacted and a wearing course is laid on top of the completed base course to provide a smooth riding surface.

We have introduced *CIPR* to a few projects, with Ulu Suai (19km road) being our pioneer project for *CIPR*, followed by Sadong Jaya (9.3km road). *CIPR* not only saves on construction time and cost for the project, because it uses recycled material from the site, it means less reliance of quarried products, which reduces logistical issues which in turn saves on fuel and reduces the amount of pollution from trucks.

### D. Business Ethics and Compliance

Pansar has our Anti-Corruption and Bribery Policy, Whistleblowing Policy, as well as IT Equipment Usage Policy in place. Each employee has to read and verify their acceptance of these policies on our Intranet. All employees have to re-read and re-sign the documents again whenever any changes are made. In this way, we ensure that policies are cascaded to each level of the organization.

We have also strengthened and centralized the reporting of our corporate gift and entertainment expenses in order to reduce risk. For this FY, we had zero cases on bribery or corruption reported.

As always, we continue to abide by the Terms of Reference for our Board Charter, Audit Committee, Risk Management Committee, Remuneration Committee and Nomination Committee.

## Sustainability Report (cont'd)

### SOCIAL AND COMMUNITY

**We continue to strive to build a better and more caring community where we grow our business. We find, through experience, that this has helped us build a more positive company culture that is supportive and driven to serve the customers' interest.**

#### A. PPVIN



At the height of the pandemic, Pansar collaborated with *ProtectHealth* Corporation Sdn Bhd, SEGi University, and University Technology Sarawak (“UTS”) to be a Pusat Pemberian Vaksin Industri (“PPVIN” or Industrial Vaccination Center). 150 volunteers from the three organisations worked 6 days a week including public holidays under Pansar’s overall coordination in order to administer the COVID19 vaccine to the workers of Sibü.

Ultimately, the 23,948 individuals were vaccinated at the PPVIN in 22 days of operation: this was about 10 per cent of the total vaccinated in Sibü Division during that time.

In addition to those vaccinated at the PPVIN, our team also went out with a mobile bus to the palm oil estates in the surrounding areas. 6,093 additional individuals were vaccinated in this way. This was crucial as normally it would be difficult for these companies to organize their workers to come into the cities. Overall, workers from over 100 companies were vaccinated by our PPVIN.



#### B. Human Capital

**Pansar values the contributions of our employees, and focus on prioritizing their health and safety. We also invest in developing their talent, identifying and developing future leaders. We provide a conducive working environment that is nurturing and supportive even during these times of hybrid work.**

##### 1. Health and Safety

Employees’ health and safety was our top priority. We are glad to report that every single one of our employees is fully vaccinated against COVID19.

We are proud to announce that thanks to the continued efforts of all team members to sustain our performance, no layoffs, redundancies, or mutual separations were required during the movement control period.

## Sustainability Report (cont'd)

### 2. Training

PANSAR views every employee as a long-term part of the family, and thus believes in upgrading the skills of all employees.

With the gradual opening up of the economy, 32 training courses were conducted compared to 18 for the previous year:

▪ Technical skills	: 22
▪ Safety First Aid	: 1
▪ SOP	: 3
▪ Application usage	: 1
▪ Manpower management	: 4
▪ Project Planning and Control	: 1

More than 80% of PANSAR's office employees received at least one training this year. A total of 432 hours (compared to 232 hours last year) was spent on training this financial year.

### 3. Recruitment and Internal promotions



In tandem with the skills upgrading, PANSAR also believes in promoting employees from within whenever possible in order to have a sustainable workforce. For this financial year, PANSAR carried out 23 internal employee promotions as succession planning and to advance our business. Even though the MCO had impacted business, as part of business sustainability, a general increment was given (average of 5.5%).

Despite the challenging environment, we also welcomed 44 new team members, both as succession planning and to fill new positions for furthering our business. This balanced the 47 retirements and resignations for the year. In addition, we accepted 13 interns from four local universities. This was our part to improve the employment rate and the economic development in the communities we operate in.

## ENVIRONMENT

### A. Paperless Communications

Our plan to respect the environment and optimise scarce resources has pushed us to enhance our online presence via our website and social media. This has gone beyond what we had originally expected to achieve. For one, you, our shareholder, can now have instant access to any information you need, whether it be an annual report, a circular or a quarterly report. You can even access it from anywhere in the world.

At the board level, the board has decided that all communications would become paperless within the next 12 months. All notices and board papers are no longer printed on paper unless legally required.

## Sustainability Report (cont'd)

Our customers also have instant access to our product brochures. This year, as part of our digitalization initiative, we have also implemented the Salesforce online system in order to improve our sales management, and also to save a large amount of paper: invoices can now be issued directly at our customer's site and sent to their email or phones immediately, while being logged into our backend system automatically.

Across the company, we have been steadily reducing our paper usage despite the increase in economic activities:

<b>A4 REAMS</b> (500 sheets per ream)	<b>2022</b>	<b>2021</b>
<b>Pansar Company Sdn Bhd</b>	1,385 (Malaysia) 4 (Singapore)	1,426 (Malaysia) 45 (Singapore)
<b>Pansar Engineering Services Sdn Bhd</b>	210	266
<b>Pansar Heavy Equipment Sdn Bhd</b>	45	32
<b>Total</b>	<b>1,644</b>	<b>1,769</b>

### B. Reducing Our Environmental Footprint

Perbena Emas has changed the fuel that all our machinery uses to Euro 5 diesel this year, in line with government mandates. Euro 5 diesel lowers toxic emissions because of its significantly lowered sulphur content, which improves air quality.

Euro 5 diesel has a maximum sulphur content limit of 10ppm compared to Euro 2M (the previous standard) that had a limit of 500ppm. Across the 885,000 litres of diesel which we used in the year, this is a potential reduction of up to 433,650ml of sulphur emitted into the environment<sup>1</sup>. Sulphur dioxide can cause acid rain, damaging trees and plants, causes haze, and is also an irritant to our respiratory system.

### C. Environmental Awareness

Internally, we educate our employees on sustainability. For Earth Day which fell on 22nd April 2022, we conducted a CSR activity focused on sustainable gardening. Each employee was presented with a pot, soil, fertilizer and seeds, and a talk was conducted by Tanami (an initiative by Sarawak Eco-Warriors and Kuching Beach Cleaners) teaching everyone the importance of food security and sustainable gardening. We hope to educate our team with a holistic, living-in-harmony-with-nature worldview, as well as give them the technical know-how to do so.



<sup>1</sup>  $(500\text{ppm} - 10\text{ppm}) \times 885000 \div 1000 = 433,650 \text{ ml}$

## **OTHER COMPLIANCE INFORMATION**

The following information is provided in accordance with Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

### **Recurrent Related Party Transactions of a Revenue or Trading Nature**

The Company has obtained a Shareholders' Mandate to allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature at the Annual General Meeting of the Company convened on 1 September 2021. At the forthcoming Annual General Meeting to be held on 25 August 2022, the Company will seek the approval of the shareholders for the proposed renewal of the shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

### **Utilisation of Proceeds Raised from Corporate Proposals**

There were no corporate proposals during the financial year.

### **Material Contracts Involving Directors and Major Shareholders**

There were no material contracts entered into by the Company or its subsidiaries (not being contracts entered into in the ordinary course of business) involving Directors' and major Shareholders' interests either subsisting at the end of the financial year or entered into since the end of the previous financial year.

# Audited Financial Statements

for the financial year ended 31 March 2022

Directors' Report	Statement by Directors / Statutory Declaration	Independent Auditors' Report	Statements of Financial Position	Statements of Profit or Loss and Other Comprehensive Income
C1	C10	C11	C19	C21
		Statements of Changes in Equity	Statements of Cash Flows	Notes to the Financial Statements
		C23	C28	C32

<b>Analysis of Shareholdings</b>	C155
<b>Analysis of RCPS Holdings</b>	C158
<b>Analysis of Warrant Holdings</b>	C161
<b>List of Properties</b>	C164

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## DIRECTORS' REPORT

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

### PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### RESULTS

	<b>The Group RM</b>	<b>The Company RM</b>
Profit after taxation for the financial year	688,952	318,825
Attributable to:-		
Owners of the Company	920,594	318,825
Non-controlling interests	(231,642)	-
	<u>688,952</u>	<u>318,825</u>

### DIVIDENDS

An interim single-tier dividend of 0.75 sen per ordinary share amounting to RM3,450,424 in respect of the financial year ended 31 March 2021, which was declared on 5 July 2021, was paid on 2 September 2021.

On 19 July 2022, the Company declared an interim dividend of 2.12 sen per redeemable convertible preference share ("RCPS") amounting to RM4,861,711 in respect of the current financial year, payable on 5 September 2022, to RCPS holders whose names appeared in the record of depositors on 15 August 2022. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2023.

### RESERVES AND PROVISIONS

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

## DIRECTORS' REPORT (CONT'D)

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### ISSUES OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from RM153,120,746 to RM153,182,021 by the issuance of 107,500 new ordinary shares from the exercise of Warrants 2018/2023 at the exercise price of RM0.57 per warrant as disclosed in Note 27 to the financial statements which amounted to RM61,275. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There were no other changes in the share capital of the Company and no debentures were in issue during the financial year.

As at 31 March 2022, the number of Redeemable Convertible Preference Shares ("RCPS") in issue is 229,325,975. The salient terms of the RCPS are disclosed in Note 27(d) to the financial statements.

### TREASURY SHARES

As at 31 March 2022, the Company held as treasury shares a total of 4,023,150 of its 464,079,850 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM2,313,335. The details of the treasury shares are disclosed in Note 28 to the financial statements.

### WARRANTS 2018/2023 ("Warrants")

On 7 June 2018, the Company issued 154,000,000 free detachable Warrants on the basis of one (1) Warrant for every two (2) existing ordinary shares in the Company.

The Warrants are constituted by the Deed Poll dated 21 May 2018. The salient features of the Warrants are disclosed in Note 27(e) to the financial statements.

For the financial year ended 31 March 2020, adjustments were made in accordance with the provisions of the Deed Poll to reflect the consequential revision in the increase in the number of Warrants and the revision in the exercise price upon the implementation of the bonus issue.

Further adjustments were made, for the financial year ended 31 March 2021, in accordance with the provisions of the Deed Poll to reflect the consequential revision in the exercise price upon the implementation of the renounceable rights issue of new RCPS.

## DIRECTORS' REPORT (CONT'D)

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### WARRANTS 2018/2023 (“Warrants”) (CONT'D)

The movements in the Warrants are as follows:-

	<b>Number of Unexecised Warrants</b>
At 1 April 2021	229,027,650
Exercised	(107,500)
At 31 March 2022	<u>228,920,150</u>

As at 31 March 2022, the details of the unexercised Warrants of the Company are as follows:-

	<b>Date Issued</b>	<b>Adjusted Exercise Price</b>	<b>Number of Warrants Over Ordinary Shares</b>	<b>Warrants Expiry Date</b>
Warrants 2018/2023	7 June 2018	RM0.57	228,920,150	6 June 2023

### OPTIONS GRANTED OVER UNISSUED SHARES

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

### BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

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

## **DIRECTORS' REPORT (CONT'D)**

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### **CURRENT ASSETS**

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

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

### **VALUATION METHODS**

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

### **CONTINGENT AND OTHER LIABILITIES**

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

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

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

### **CHANGE OF CIRCUMSTANCES**

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

## DIRECTORS' REPORT (CONT'D)

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### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than the acquisition of a new subsidiary as disclosed in Note 45 to the financial statements.

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

### DIRECTORS

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

Dato' James Tai Cheong @ Tai Chiong  
Datuk Tai Hee  
Clarence Ting Ing Horh @ Ting Ing Ho  
Ling Lee Chuon @ James Ling Chung  
Azman Bin Bujang  
Fong Yoo Kaw @ Fong Yee Kow

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

David Tai Wei  
Lee Muk Sui  
Ting Ing Hung (Alternate to Clarence Ting Ing Horh @ Ting Ing Ho)  
Ting Lina @ Ding Lina  
Samuel James Tai Huei  
Eric Phan Tze Wei  
Ting Ping Chiong  
Lawrence Ting Tii Huang  
Helen Teng Lung Wong  
Pau Chiong Ching  
Ronald Ling Ing Han  
Richard Chong Heng Onn  
Ling Mee Hung (Appointed on 21.3.2022)  
Wong Kai Hung (Appointed on 21.3.2022)  
Tai Chu Ung (Resigned on 14.6.2022)  
Loh Ing Kian (Resigned on 21.3.2022)

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' INTERESTS

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

	< ----- Number of Ordinary Shares ----- >			
	At 1.4.2021	Bought	Sold	At 31.3.2022
<b>The Holding Company,</b>				
<b>Pan Sarawak Holdings Sdn. Bhd.</b>				
<i>Direct Interests</i>				
Ling Lee Chuon @ James Ling Chung	393,750	-	-	393,750
<i>Indirect Interests</i>				
Dato' James Tai Cheong @ Tai Chiong	16,774,902	-	-	16,774,902
Datuk Tai Hee	16,774,902	-	-	16,774,902
Clarence Ting Ing Horh @ Ting Ing Ho	3,584,610	-	-	3,584,610
<b>The Company</b>				
<i>Indirect Interests</i>				
Dato' James Tai Cheong @ Tai Chiong <sup>^</sup>	302,251,053	10,000	-	302,261,053
Datuk Tai Hee <sup>#</sup>	301,768,303	-	-	301,768,303
Ling Lee Chuon @ James Ling Chung <sup>*</sup>	1,904,550	-	-	1,904,550
Number of Redeemable Convertible Preference Shares				
	At 1.4.2021	Bought	Sold	At 31.3.2022
<b>The Company</b>				
<i>Direct Interests</i>				
Ling Lee Chuon @ James Ling Chung	-	35,756,046	-	35,756,046
<i>Indirect Interests</i>				
Dato' James Tai Cheong @ Tai Chiong <sup>^</sup>	154,125,801	-	(104,158,916)	49,966,885
Datuk Tai Hee <sup>#</sup>	153,884,426	-	(104,158,916)	49,725,510
Ling Lee Chuon @ James Ling Chung <sup>*</sup>	3,952,275	68,467,770	-	72,420,045

## DIRECTORS' REPORT (CONT'D)

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### DIRECTORS' INTERESTS (CONT'D)

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

	< ----- Number of Warrants ----- >			
	At 1.4.2021	Bought	Sold	At 31.3.2022
<b>The Company</b>				
<i>Indirect Interests</i>				
Dato' James Tai Cheong @ Tai Chiong <sup>^</sup>	150,962,013	200,000	-	151,162,013
Datuk Tai Hee <sup>#</sup>	150,870,013	-	-	150,870,013
Ling Lee Chuon @ James Ling Chung <sup>*</sup>	145,500	-	(145,500)	-

<sup>^</sup> Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn. Bhd. and Inplaced Capital Sdn. Bhd. and his spouse and children's shareholding in the holding company.

<sup>#</sup> Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn. Bhd. and Inplaced Capital Sdn. Bhd. and his spouse's shareholding in the holding company.

<sup>\*</sup> Deemed interested by virtue of his substantial interests in JBL Holding Sdn. Bhd. and his spouse and children's shareholdings in the holding company.

By virtue of their substantial interests in the Company, Dato' James Tai Cheong @ Tai Chiong and Datuk Tai Hee are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

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

## DIRECTORS' REPORT (CONT'D)

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### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 48(b) to the financial statements.

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

### DIRECTORS' REMUNERATION

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

	<b>The Group RM</b>	<b>The Company RM</b>
Fees	355,500	288,000
Salaries, bonuses and other benefits	2,419,804	31,500
Defined contribution plans	248,372	-
	<hr/> 3,023,676	<hr/> 319,500

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM31,500.

### INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

### SUBSIDIARIES

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

### HOLDING COMPANY

The holding company is Pan Sarawak Holdings Sdn. Bhd., a company incorporated in Malaysia.

## DIRECTORS' REPORT (CONT'D)

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### AUDITORS

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

The details of the auditors' remuneration for the financial year are as follows:-

	<b>The Group RM</b>	<b>The Company RM</b>
Audit fees	252,970	50,000
Non-audit fees	99,150	55,450
	<hr/> 352,120	<hr/> 105,450

Signed in accordance with a resolution of the directors dated

**Dato' James Tai Cheong @ Tai Chiong**  
Chairman

**Datuk Tai Hee**  
Managing Director

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

We, Dato' James Tai Cheong @ Tai Chiong and Datuk Tai Hee, being two of the directors of Pansar Berhad, state that, in the opinion of the directors, the financial statements set out on pages C19 to C154 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2022 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated

**Dato' James Tai Cheong @ Tai Chiong**  
Chairman

**Datuk Tai Hee**  
Managing Director

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

I, Jessie Ngiam Ai Cheng, MIA Membership Number: 14914, being the officer primarily responsible for the financial management of Pansar Berhad, do solemnly and sincerely declare that the financial statements set out on pages C19 to C154 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Jessie Ngiam Ai Cheng  
at Sibul  
in the State of Sarawak  
on this

**Jessie Ngiam Ai Cheng**  
Officer

Before me

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANSAR BERHAD**

(Incorporated in Malaysia)

Registration No: 197401002551 (18904 - M)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the financial statements of Pansar Berhad, which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages C19 to C154.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### **Basis of Opinion**

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

#### *Independence and Other Ethical Responsibilities*

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

#### **Key Audit Matters**

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS  
OF PANSAR BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 197401002551 (18904 - M)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

**Key Audit Matters (Cont'd)**

<b>Purchase Price Allocation ("PPA")</b> Refer to Note 45 in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>On 13 April 2021, the Company obtained controlling interest in Perbena Emas Sdn. Bhd. ("PESB") for a purchase consideration of RM151.0 million. The Company performed a PPA exercise for the acquisition, where the purchase consideration was allocated to the fair value of the identifiable assets acquired and liabilities assumed, resulting in the recognition of goodwill of RM52.7 million on the business combination.</p> <p>As part of the PPA exercise, management identified intangible assets relating to construction contracts, and performed an estimation of the fair value of the identifiable assets acquired and liabilities assumed. In this exercise, management engaged independent valuers to perform the valuation of the assets of PESB, including subsisting construction contracts, investments in associate and jointly-controlled entities, and leasehold land.</p> <p>We focused on this area as the determination of fair values of the identifiable assets acquired and liabilities assumed, including the identification of intangible assets, required significant management judgement in estimating the underlying assumptions applied.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>▪ assessing the competence, capabilities and objectivity of management's valuation experts.</li> <li>▪ obtaining and reading the Share Purchase Agreement ("SPA") dated 9 September 2020 and the supplemental SPA dated 6 April 2021; and identifying critical terms with accounting impact, including the purchase consideration.</li> <li>▪ holding discussions with management and management's valuation experts to obtain an understanding of the PPA exercise.</li> <li>▪ assessing, with the assistance of our internal valuation specialists, the methodology applied in the PPA exercise and the appropriateness of the key assumptions used in determining the valuation of intangible assets.</li> <li>▪ evaluating the adequacy of the disclosures in the financial statements.</li> </ul>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS  
OF PANSAR BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 197401002551 (18904 - M)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

**Key Audit Matters (Cont'd)**

<b>Impairment Assessment of Goodwill Arising from the Acquisition of PESB</b> Refer to Note 15 in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>The Group has goodwill with a total carrying amount of RM53.1 million as at 31 March 2022, of which RM52.7 million relates to the acquisition of PESB. No impairment was recognised for the financial year.</p> <p>An annual impairment assessment was performed on the goodwill of RM52.7 million, which represents the amount of purchase consideration in excess of the fair value of the identifiable assets acquired and liabilities assumed on acquisition date. The recoverable amount of the investment in PESB was determined on a value-in-use ("VIU") basis using a discounted cash flow ("DCF") model.</p> <p>We focused on this area because the determination of recoverable amount requires significant management judgement, particularly in respect of the estimated gross profit margin, terminal value and discount rate.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>▪ assessing the appropriateness of the underlying assumptions made by management in their cash flow projections, including the estimated gross profit margin, terminal value and discount rate, based on the economic and industry conditions relevant to PESB's business.</li> <li>▪ performing sensitivity analysis, which included assessing the effect of reasonable possible changes in key drivers (e.g. gross profit margin and discount rate) of the cash flow projections to evaluate the impact on the headroom over the carrying amount.</li> <li>▪ evaluating the adequacy of the disclosures in the financial statements.</li> </ul>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS  
OF PANSAR BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 197401002551 (18904 - M)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

**Key Audit Matters (Cont'd)**

<b>Expected Credit Loss ("ECL") Assessment on Trade Receivables and Contract Assets</b> Refer to Note 14, Note 19 and Note 52.1(b)(iii) in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>As at 31 March 2022, the Group's trade receivables (including related parties) and contract assets were recorded at a total gross amount of RM261.2 million, with a total impairment allowance of RM15.6 million.</p> <p>MFRS 9 requires the use of an ECL model to measure impairment of financial assets. The model requires consideration of both historical and current information, as well as reasonable and supportable forecasts of future conditions (including macroeconomic information).</p> <p>Management adopted the simplified approach to estimate a lifetime ECL allowance for all trade receivables and contract assets. The ECL on these financial assets were estimated using a provision matrix based on the Group's historical credit loss experience, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of these receivables to settle their debts.</p> <p>We considered this as a key audit matter due to the judgements and estimates involved in the application of the ECL model.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>▪ evaluating the valuation methodology and model used by management to ascertain that these have been consistently applied by management.</li> <li>▪ testing the accuracy of ageing against supporting documents, on a sample basis.</li> <li>▪ assessing and considering the reasonableness of current and forward-looking information as well as discussing with management to understand the judgements and estimates involved in applying the simplified approach of using lifetime ECL on trade receivables and contract assets.</li> <li>▪ evaluating the adequacy of the disclosures in the financial statements.</li> </ul>

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS  
OF PANSAR BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 197401002551 (18904 - M)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

**Key Audit Matters (Cont'd)**

<b>Liquidity Position</b> Refer to Note 5 in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>For the financial year ended 31 March 2022, the Group generated net operating cash outflows of RM97.0 million, predominantly due to the project advance made to sub-contractors in accordance with the terms of contract agreement for its construction and infrastructure segment.</p> <p>The advance was mainly financed by banking facilities. As at 31 March 2022, the Group's borrowings amounted to RM195.8 million (2021: RM14.6 million).</p> <p>With regards to the above, management has considered the liquidity position of the Group, taking into account of the Group's working capital requirements and funding sources available to meet its financial obligations over the next 12 months.</p> <p>Given the net operating cash outflows for the financial year, we gave audit focus on the ability of the Group to maintain its working capital liquidity to meet its financial obligations.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>▪ discussing with management on the Group's current financing lines; and checking the availability of trade lines and financing.</li> <li>▪ obtaining the Group's budget and forecast with respect to its construction and infrastructure segment; and assessing the cash flows for the next 12 months.</li> <li>▪ assessing the reasonableness of the budget and forecast and evaluating whether key assumptions are within a reasonable range.</li> <li>▪ evaluating the adequacy of the disclosures in the financial statements with regards to the Group's liquidity position.</li> </ul>

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANSAR BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 197401002551 (18904 - M)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

#### **Responsibilities of the Directors for the Financial Statements**

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANSAR BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 197401002551 (18904 - M)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PANSAR BERHAD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 197401002551 (18904 - M)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

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

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

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

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 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.

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

**Ling Hang Ngee**  
03188/07/2023 J  
Chartered Accountant

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## STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	7	-	-	271,075,003	120,075,003
Investment in an associate	8	8,499,799	-	-	-
Investments in jointly-controlled entities	9	1,638,198	-	-	-
Property, plant and equipment	10	39,692,402	19,235,251	-	-
Investment properties	11	8,848,580	8,216,651	5,799,027	5,767,053
Intangible assets	12	32,567,048	1,016,414	-	-
Other investments	13	13,672,083	19,939,982	13,672,083	19,939,982
Trade receivables	14	11,773,926	-	-	-
Goodwill	15	53,138,004	453,040	-	-
Deferred tax assets	16	4,841,586	5,001,425	76,689	47,271
		174,671,626	53,862,763	290,622,802	145,829,309
<b>CURRENT ASSETS</b>					
Inventories	17	52,461,294	46,550,937	-	-
Trade receivables	14	127,160,128	87,493,409	-	-
Other receivables, deposits and prepayments	18	91,745,296	10,340,453	50,369	436,987
Contract assets	19	99,581,873	10,351,790	-	-
Amount owing by subsidiaries	20	-	-	5,942,104	2,818,166
Amount owing by related companies	21	528,460	180,301	-	-
Amount owing by an associate	22	36,272	-	-	-
Amount owing by jointly-controlled entities	23	7,072,921	-	-	-
Short-term investments	24	19,912,686	20,889,077	10,404,793	15,146,355
Derivative assets	25	77,062	162,400	-	-
Current tax assets		5,707,221	739,595	4,119	-
Deposits with licensed banks	26	268,525	264,676	-	-
Cash and bank balances		21,297,654	141,577,556	1,919,171	124,735,274
		425,849,392	318,550,194	18,320,556	143,136,782
<b>TOTAL ASSETS</b>		<b>600,521,018</b>	<b>372,412,957</b>	<b>308,943,358</b>	<b>288,966,091</b>

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

## STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022 (CONT'D)

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	27	274,724,788	274,663,513	274,724,788	274,663,513
Treasury shares	28	(2,313,335)	(2,313,335)	(2,313,335)	(2,313,335)
Reserves	29	29,008,577	31,657,224	11,160,693	14,292,292
		301,420,030	304,007,402	283,572,146	286,642,470
Non-controlling interests		456,923	688,565	-	-
<b>TOTAL EQUITY</b>		<b>301,876,953</b>	<b>304,695,967</b>	<b>283,572,146</b>	<b>286,642,470</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	30	27,845,861	6,003,977	19,000,000	-
Deferred tax liabilities	16	9,204,698	-	-	-
		37,050,559	6,003,977	19,000,000	-
<b>CURRENT LIABILITIES</b>					
Trade payables	33	71,135,462	38,023,289	-	-
Other payables, deposits and accruals	34	12,253,095	6,531,909	370,973	2,312,002
Contract liabilities	19	4,157,597	6,312,357	-	-
Amount owing to holding company	35	-	64,024	-	-
Amount owing to subsidiaries	20	-	-	239	-
Amount owing to related companies	21	1,890,441	505,270	-	-
Derivative liabilities	25	707,501	-	-	-
Borrowings:-	30				
- bank overdrafts		2,161,499	2,776,197	-	-
- other borrowings		165,801,230	5,843,301	6,000,000	-
Provision for employee benefits	36	3,477,795	1,568,451	-	-
Current tax liabilities		8,886	88,215	-	11,619
		261,593,506	61,713,013	6,371,212	2,323,621
<b>TOTAL LIABILITIES</b>		<b>298,644,065</b>	<b>67,716,990</b>	<b>25,371,212</b>	<b>2,323,621</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>600,521,018</b>	<b>372,412,957</b>	<b>308,943,358</b>	<b>288,966,091</b>

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

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
REVENUE	37	601,551,010	303,995,054	8,646,618	6,469,921
COST OF SALES	38	(537,296,812)	(262,156,858)	-	-
GROSS PROFIT		64,254,198	41,838,196	8,646,618	6,469,921
OTHER INCOME		6,096,160	15,608,668	499,510	14,386,585
SELLING AND DISTRIBUTION EXPENSES		(9,629,773)	(9,117,675)	-	-
ADMINISTRATIVE EXPENSES		(53,179,595)	(33,651,177)	(7,686,278)	(3,406,615)
OTHER OPERATING EXPENSES		(2,183,985)	(574,933)	-	-
FINANCE COSTS		(6,138,140)	(883,371)	(1,119,175)	-
NET IMPAIRMENT GAINS/(LOSSES) ON FINANCIAL ASSETS AND CONTRACT ASSETS	39	3,503,863	(1,335,580)	-	-
SHARE OF PROFIT OF EQUITY-ACCOUNTED ASSOCIATES		596,322	116,280	-	-
SHARE OF PROFIT OF EQUITY-ACCOUNTED JOINTLY-CONTROLLED ENTITIES		192,131	-	-	-
PROFIT BEFORE TAXATION	40	3,511,181	12,000,408	340,675	17,449,891
INCOME TAX EXPENSE	41	(2,822,229)	(1,230,067)	(21,850)	(46,771)
PROFIT AFTER TAXATION		688,952	10,770,341	318,825	17,403,120
OTHER COMPREHENSIVE INCOME	42				
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>					
Foreign currency translation differences		204,396	154,092	-	-
Foreign currency translation reserve transferred to profit or loss upon disposal of an associate		-	(180,778)	-	-
Share of other comprehensive income of an equity-accounted associate		-	(51)	-	-
Cash flow hedge		(323,213)	(259,874)	-	-
TOTAL OTHER COMPREHENSIVE INCOME		(118,817)	(286,611)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		570,135	10,483,730	318,825	17,403,120

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

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<b>PROFIT AFTER TAXATION</b>				
<b>ATTRIBUTABLE TO:-</b>				
- Owners of the Company	920,594	10,706,339	318,825	17,403,120
- Non-controlling interests	(231,642)	64,002	-	-
	<u>688,952</u>	<u>10,770,341</u>	<u>318,825</u>	<u>17,403,120</u>
<b>TOTAL COMPREHENSIVE INCOME</b>				
<b>ATTRIBUTABLE TO:-</b>				
- Owners of the Company	801,777	10,419,728	318,825	17,403,120
- Non-controlling interests	(231,642)	64,002	-	-
	<u>570,135</u>	<u>10,483,730</u>	<u>318,825</u>	<u>17,403,120</u>
<b>EARNINGS PER SHARE (SEN):-</b>	43			
Basic	0.20	2.34		
Diluted	0.10	1.55		

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

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	< -- Share Capital -- >			< ----- Non-distributable ----- >			Distributable	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
	Ordinary Shares RM	Redeemable Convertible Preference Shares RM	Treasury Shares RM	Reverse Acquisition Reserve RM	Foreign Exchange Translation Reserve RM	Cash Flow Hedge Reserve RM	Retained Profits RM			
<b>The Group</b>										
Balance at 1.4.2020	151,956,000	-	(2,313,335)	(116,731,744)	4,686,221	161,916	140,000,882	177,759,940	-	177,759,940
Profit after taxation for the financial year	-	-	-	-	-	-	10,706,339	10,706,339	64,002	10,770,341
Other comprehensive income for the financial year:-										
- foreign currency translation differences	-	-	-	-	154,092	-	-	154,092	-	154,092
- foreign currency translation reserve transferred to profit or loss upon disposal of an associate	-	-	-	-	(180,778)	-	-	(180,778)	-	(180,778)
- share of other comprehensive income of an equity-accounted associate	-	-	-	-	(51)	-	-	(51)	-	(51)
- cash flow hedge	-	-	-	-	-	(259,874)	-	(259,874)	-	(259,874)
Total comprehensive income for the financial year	-	-	-	-	(26,737)	(259,874)	10,706,339	10,419,728	64,002	10,483,730
Balance carried forward	151,956,000	-	(2,313,335)	(116,731,744)	4,659,484	(97,958)	150,707,221	188,179,668	64,002	188,243,670

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

**STATEMENTS OF CHANGES IN EQUITY (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	Note	< -- Share Capital -- >			< ----- Non-distributable ----- >			Distributable	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
		Ordinary Shares RM	Redeemable Convertible Preference Shares RM	Treasury Shares RM	Reverse Acquisition Reserve RM	Foreign Exchange Translation Reserve RM	Cash Flow Hedge Reserve RM	Retained Profits RM			
<b>The Group</b>											
Balance brought forward		151,956,000	-	(2,313,335)	(116,731,744)	4,659,484	(97,958)	150,707,221	188,179,668	64,002	188,243,670
Contributions by and distributions to owners of the Company:-											
- exercise of warrants	27	1,164,746	-	-	-	-	-	-	1,164,746	-	1,164,746
- dividends	44	-	-	-	-	-	-	(6,879,779)	(6,879,779)	-	(6,879,779)
Total contributions by and distributions to owners		1,164,746	-	-	-	-	-	(6,879,779)	(5,715,033)	-	(5,715,033)
Changes in ownership interests:-											
- acquisition of a subsidiary	45	-	-	-	-	-	-	-	-	624,563	624,563
Issuance of redeemable convertible preference shares	27	-	121,542,767	-	-	-	-	-	121,542,767	-	121,542,767
Balance at 31.3.2021		153,120,746	121,542,767	(2,313,335)	(116,731,744)	4,659,484	(97,958)	143,827,442	304,007,402	688,565	304,695,967

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

**STATEMENTS OF CHANGES IN EQUITY (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	< -- Share Capital -- >			< ----- Non-distributable ----- >			Distributable	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
	Ordinary Shares RM	Redeemable Convertible Preference Shares RM	Treasury Shares RM	Reverse Acquisition Reserve RM	Foreign Exchange Translation Reserve RM	Cash Flow Hedge Reserve RM	Retained Profits RM			
<b>The Group</b>										
Balance at 1.4.2021	153,120,746	121,542,767	(2,313,335)	(116,731,744)	4,659,484	(97,958)	143,827,442	304,007,402	688,565	304,695,967
Profit after taxation for the financial year	-	-	-	-	-	-	920,594	920,594	(231,642)	688,952
Other comprehensive income for the financial year:-										
- foreign currency translation differences	-	-	-	-	204,396	-	-	204,396	-	204,396
- cash flow hedge	-	-	-	-	-	(323,213)	-	(323,213)	-	(323,213)
Total comprehensive income for the financial year	-	-	-	-	204,396	(323,213)	920,594	801,777	(231,642)	570,135
Balance carried forward	153,120,746	121,542,767	(2,313,335)	(116,731,744)	4,863,880	(421,171)	144,748,036	304,809,179	456,923	305,266,102

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

**STATEMENTS OF CHANGES IN EQUITY (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	Note	< -- Share Capital -- >			< ----- Non-distributable ----- >			Distributable	Attributable to Owners of the Company RM	Non-controlling Interests RM	Total Equity RM
		Ordinary Shares RM	Redeemable Convertible Preference Shares RM	Treasury Shares RM	Reverse Acquisition Reserve RM	Foreign Exchange Translation Reserve RM	Cash Flow Hedge Reserve RM	Retained Profits RM			
<b>The Group</b>											
Balance brought forward		153,120,746	121,542,767	(2,313,335)	(116,731,744)	4,863,880	(421,171)	144,748,036	304,809,179	456,923	305,266,102
Contributions by and distributions to owners of the Company:-											
- exercise of warrants	27	61,275	-	-	-	-	-	-	61,275	-	61,275
- dividends	44	-	-	-	-	-	-	(3,450,424)	(3,450,424)	-	(3,450,424)
Total contributions by and distributions to owners		61,275	-	-	-	-	-	(3,450,424)	(3,389,149)	-	(3,389,149)
Balance at 31.3.2022		153,182,021	121,542,767	(2,313,335)	(116,731,744)	4,863,880	(421,171)	141,297,612	301,420,030	456,923	301,876,953

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

## STATEMENTS OF CHANGES IN EQUITY (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

< --- Share Capital --- >						
	Note	Ordinary Shares RM	Redeemable Convertible Preference Shares RM	Treasury Shares RM	Retained Profits RM	Total Equity RM
<b>The Company</b>						
Balance at 1.4.2020		151,956,000	-	(2,313,335)	3,768,951	153,411,616
Profit after taxation / Total comprehensive income for the financial year		-	-	-	17,403,120	17,403,120
Contributions by and distributions to owners of the Company:-						
- exercise of warrants	27	1,164,746	-	-	-	1,164,746
- dividends	44	-	-	-	(6,879,779)	(6,879,779)
Total contributions by and distributions to owners		1,164,746	-	-	(6,879,779)	(5,715,033)
Issuance of redeemable convertible preference shares	27	-	121,542,767	-	-	121,542,767
Balance at 31.3.2021 / 1.4.2021		153,120,746	121,542,767	(2,313,335)	14,292,292	286,642,470
Profit after taxation / Total comprehensive income for the financial year		-	-	-	318,825	318,825
Contributions by and distributions to owners of the Company:-						
- exercise of warrants	27	61,275	-	-	-	61,275
- dividends	44	-	-	-	(3,450,424)	(3,450,424)
Total contributions by and distributions to owners		61,275	-	-	(3,450,424)	(3,389,149)
Balance at 31.3.2022		153,182,021	121,542,767	(2,313,335)	11,160,693	283,572,146

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

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit before taxation	3,511,181	12,000,408	340,675	17,449,891
Adjustments for:-				
Allowance for impairment losses on contract assets	956,436	-	-	-
Allowance for impairment losses on contract assets no longer required	(234,839)	-	-	-
Allowance for impairment losses on receivables	3,094,745	5,935,441	-	-
Allowance for impairment losses on receivables no longer required	(7,320,205)	(4,599,861)	-	-
Allowance for slow-moving inventories	87,141	571,393	-	-
Allowance for slow-moving inventories no longer required	(1,866,007)	(65,184)	-	-
Amortisation of intangible assets	3,526,207	18,199	-	-
Bad debts written off	407,979	3,541	-	-
Depreciation of investment properties	157,249	159,008	288,026	283,625
Depreciation of property, plant and equipment	9,834,667	4,371,394	-	-
Dividend income	(146,618)	(219,921)	(8,646,618)	(6,469,921)
Fair value loss/(gain) on:-				
- derivatives	128,815	1,632	-	-
- short-term investments	(218,986)	(58,507)	(105,897)	(58,755)
- other investments	6,267,899	(7,893,330)	6,267,899	(7,893,330)
Gain on derecognition of leases	(20,601)	(30,002)	-	-
Gain on disposal of investment in an associate	-	(1,969,427)	-	(5,856,368)
Gain on disposal of investment properties	(37,098)	(145,511)	-	-
Gain on disposal of other investments	-	(74,767)	-	(74,767)
Gain on disposal of property, plant and equipment	(164,655)	(252,524)	-	-
Goodwill written off	4,479	-	-	-
Impairment losses on intangible assets	1,684,386	-	-	-
Interest expense	6,138,140	883,371	1,119,175	-
Interest income	(935,834)	(1,024,816)	(153,588)	(252,771)
Provision for employee benefits	3,280,548	383,257	-	-
Share of profit of equity-accounted associates	(596,322)	(116,280)	-	-
Share of profit of equity-accounted jointly-controlled entities	(192,131)	-	-	-
Unrealised (gain)/loss on foreign exchange	(130,273)	105,624	-	-
Operating profit/(loss) before working capital changes	27,216,303	7,983,138	(890,328)	(2,872,396)

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

## STATEMENTS OF CASH FLOWS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
BALANCE BROUGHT FORWARD	27,216,303	7,983,138	(890,328)	(2,872,396)
Increase in inventories	(4,118,131)	(3,735,024)	-	-
(Increase)/decrease in trade and other receivables	(37,616,874)	17,559,752	386,618	(436,033)
Net increase in contract assets	(67,512,578)	(4,126,768)	-	-
Increase/(decrease) in trade and other payables	536,001	(7,933,390)	(1,941,029)	1,975,141
(Decrease)/increase in amount owing to holding company	(64,024)	64,024	-	-
Net increase in amount owing by subsidiaries	-	-	(3,123,699)	(2,818,166)
Net increase in amount owing to related companies	1,037,848	326,374	-	-
Increase in amount owing by an associate	(36,272)	-	-	-
Increase in amount owing by jointly-controlled entities	(7,072,921)	-	-	-
Payments of employee benefits	(1,372,043)	(1,118,917)	-	-
<b>CASH (FOR)/FROM OPERATIONS</b>	<b>(89,002,691)</b>	<b>9,019,189</b>	<b>(5,568,438)</b>	<b>(4,151,454)</b>
Income tax paid	(4,621,670)	(3,172,149)	(67,006)	(70,947)
Income tax refunded	55,765	48,695	-	48,695
Interest paid	(3,993,914)	(208,116)	-	-
Interest received	568,838	541,899	153,588	252,771
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES</b>	<b>(96,993,672)</b>	<b>6,229,518</b>	<b>(5,481,856)</b>	<b>(3,920,935)</b>

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

## STATEMENTS OF CASH FLOWS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>					
Acquisitions of subsidiaries, net of cash and cash equivalents acquired	45(c)	(147,266,251)	(332,463)	(151,000,000)	(1,050,000)
Dividend received		2,646,618	219,921	8,646,618	6,469,921
Increase in pledged deposits with licensed banks	26	(3,849)	(4,367)	-	-
Proceeds from disposal of an associate		-	6,539,910	-	6,539,910
Proceeds from disposal of investment properties		160,000	680,000	-	-
Proceeds from disposal of other investments		-	173,833	-	173,833
Proceeds from disposal of property, plant and equipment		240,250	412,880	-	-
Purchase of intangible assets		(25,750)	(739,093)	-	-
Purchase of investment properties		(912,080)	-	(320,000)	-
Purchase of property, plant and equipment		(9,099,067)	(2,019,117)	-	-
Purchase of short-term investments		(19,304,623)	(36,312,913)	(152,541)	(15,087,600)
Redemption of short-term investments		20,500,000	20,500,000	5,000,000	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>		<b>(153,064,752)</b>	<b>(10,881,409)</b>	<b>(137,825,923)</b>	<b>(2,953,936)</b>

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

## STATEMENTS OF CASH FLOWS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividend paid	44	(3,450,424)	(6,879,779)	(3,450,424)	(6,879,779)
Drawdown of term loans	46(b)	30,000,000	1,769	30,000,000	-
Interest paid on long-term borrowings	46(b)	(2,012,791)	(675,255)	(1,119,175)	-
Net of drawdown/(repayment) of bankers' acceptance	46(b)	30,178,000	(1,700,000)	-	-
Net of drawdown/(repayment) of invoice financing	46(b)	31,629,273	-	-	-
Net of drawdown/(repayment) of revolving credit	46(b)	54,550,000	(3,000,000)	-	-
Proceeds from exercise of warrants	27	61,275	1,164,746	61,275	1,164,746
Proceeds from issuance of redeemable convertible preference shares	27	-	121,542,767	-	121,542,767
Repayment of hire purchase liabilities	46(b)	(1,955,941)	(30,858)	-	-
Repayment of lease liabilities	46(b)	(3,358,787)	(2,540,435)	-	-
Repayment of term loans	46(b)	(5,257,343)	-	(5,000,000)	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>130,383,262</b>	<b>107,882,955</b>	<b>20,491,676</b>	<b>115,827,734</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(119,675,162)</b>	<b>103,231,064</b>	<b>(122,816,103)</b>	<b>108,952,863</b>
<b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>		<b>9,958</b>	<b>(3,306)</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>138,801,359</b>	<b>35,573,601</b>	<b>124,735,274</b>	<b>15,782,411</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	46(d)	<b>19,136,155</b>	<b>138,801,359</b>	<b>1,919,171</b>	<b>124,735,274</b>

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office, which is also the principal place of business, is 4<sup>th</sup> Floor, Wisma Pansar, 23 – 27, Jalan Bengkel, 96000 Sibul, Sarawak.

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

## 2. HOLDING COMPANY

The holding company is Pan Sarawak Holdings Sdn. Bhd., a company incorporated in Malaysia.

## 3. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 4. BASIS OF PREPARATION

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

4.1 During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

### **MFRSs and/or IC Interpretations (Including the Consequential Amendments)**

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 4. BASIS OF PREPARATION (CONT'D)

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

<b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 5. GOING CONCERN

For the financial year ended 31 March 2022, the Group generated net operating cash outflows of RM97.0 million (2021: net operating cash inflows of RM6.2 million). This was in spite of the net profit of RM0.7 million (2021: RM10.8 million) recorded by the Group for the financial year.

Notwithstanding the financial condition above, the directors believe that there are no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern for the following reasons:-

#### (a) Project Advance to Sub-contractors

The net operating cash outflows recorded for the financial year arose mainly as a result of the advance payment made to sub-contractors for its construction and infrastructure segment, as disclosed in Note 18 to the financial statements, by a subsidiary for a contract project in accordance with the terms of contract agreement. The project advance has been backed by a corporate guarantee to ensure the satisfactory contract performance.

In addition, the directors have a reasonable expectation that there would be more profit contributions from the construction and infrastructure segment for the next 12 months, based on the budget and forecast.

#### (b) Financial Position and Performance of the Group

As at 31 March 2022, the Group had RM19.1 million (2021: RM138.8 million) cash and cash equivalents, and net current assets of RM164.3 million (2021: RM256.8 million). The Group also recorded earnings before interest, tax, depreciation and amortisation ("EBITDA") of RM23.2 million (2021: RM17.4 million) for the financial year.

#### (c) Support from Bankers

As at 31 March 2022, the Group's total borrowings amounted to RM195.8 million (2021: RM14.6 million), of which RM168.0 million (2021: RM8.6 million) were classified as current liabilities. Details of these borrowings are disclosed in Note 30 to the financial statements.

The Group believes that they will continue to have the support of the bankers as they have not defaulted in any repayment obligations. As at the end of the reporting period, the Group has sufficient approved unutilised credit facilities to meet the shortfall in working capital requirements, if any.

In view of the above, the directors believe that the Group will be able to maintain its working capital liquidity to meet its financial obligations. Accordingly, the directors are of the opinion that the going concern basis used in the preparation of the financial statements is appropriate.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES

#### 6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

##### *Key Sources of Estimation Uncertainty*

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

##### **(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 10 to the financial statements.

##### **(b) Impairment of Goodwill**

The assessment of whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating unit to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 15 to the financial statements.

##### **(c) Impairment of Intangible Assets**

The Group determines whether an item of its intangible assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of intangible assets as at the reporting date is disclosed in Note 12 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(d) Write-down of Inventories**

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 17 to the financial statements.

##### **(e) Impairment of Trade Receivables and Contract Assets**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 14 and 19 to the financial statements respectively.

##### **(f) Revenue Recognition for Contract Projects**

The Group recognises contract revenue by reference to the contract progress using the input method, determined based on the proportion of contract costs incurred for work performed to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 19 to the financial statements.

##### **(g) Income Taxes**

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(h) Deferred Tax Assets**

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowance to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowance could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 16 to the financial statements.

##### **(i) Purchase Price Allocation**

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The fair values of the assets acquired and liabilities assumed under the business combinations made during the current financial year are disclosed in Note 45 to the financial statements.

##### **(j) Discount Rates Used in Leases**

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

##### **(a) Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

##### **(b) Contingent Liabilities**

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies, after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the performance and other guarantees issued by the Group are remote.

#### 6.2 BASIS OF CONSOLIDATION

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.2 BASIS OF CONSOLIDATION (CONT'D)

##### (a) Business Combinations

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

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

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

##### (b) Non-controlling Interests

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

##### (c) Changes in Ownership Interests in Subsidiaries Without Change of Control

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

##### (d) Loss of Control

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.2 BASIS OF CONSOLIDATION (CONT'D)

##### (d) Loss of Control

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

#### 6.3 GOODWILL

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

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

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

In respect of equity-accounted associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint ventures.

#### 6.4 FUNCTIONAL AND FOREIGN CURRENCIES

##### (a) Functional and Presentation Currency

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

##### (b) Foreign Currency Transactions and Balances

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

##### (c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in associates and joint ventures that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in associates and joint ventures that includes a foreign operation while retaining significant influence and joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.5 FINANCIAL INSTRUMENTS

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

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

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

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

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

#### (a) Financial Assets

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

##### *Debt Instruments*

#### (i) Amortised Cost

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (a) Financial Assets (Cont'd)

###### *Debt Instruments (Cont'd)*

###### (i) Amortised Cost (Cont'd)

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

###### (ii) Fair Value through Other Comprehensive Income

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

###### (iii) Fair Value through Profit or Loss

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

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

###### *Equity Instruments*

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (a) Financial Assets (Cont'd)

###### *Equity Instruments (Cont'd)*

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

##### (b) Financial Liabilities

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

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

###### (ii) Other Financial Liabilities

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

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

##### (c) Equity Instruments

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

###### (i) Ordinary Shares

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (c) Equity Instruments (Cont'd)

###### (ii) Redeemable Convertible Preference Shares ("RCPS")

RCPS are classified as equity as they are redeemable only at the Company's option, and any dividends are discretionary.

RCPS are classified as equity in accordance with the substance of the contractual arrangement of the instruments. Dividends on RCPS are recognised as distributions within equity.

###### (iii) Treasury Shares

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

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

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

##### (d) Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

Any derivative embedded in a financial asset is not accounted for separately. Instead, the entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

An embedded derivative is recognised separately from the host contract which is a financial liability as a derivative if, and only if, its risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (e) Derecognition

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

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### (f) Financial Guarantee Contracts

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

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

##### (g) Hedge Activities

The Group enters into derivative financial instruments (i.e. forward foreign currency contracts) to manage its exposure to foreign exchange rate risk.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (g) Hedge Activities (Cont'd)

###### (i) Hedge Accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk in fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as a cash flow hedge.

At the inception of the hedge relationship, the Group documents the economic relationship between the hedging instrument and the hedged item, including whether the changes in cash flows of the hedging instrument are expected to offset the changes in the cash flows of the hedged item. The Group also documents its risk management objectives and strategy for undertaking its various hedge transactions.

###### (ii) Fair Value Hedges

Changes in the fair value of qualifying hedging instruments are recognised in profit or loss except when the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income in which case, it is recognised in other comprehensive income.

The carrying amount of a hedged item not measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at fair value through other comprehensive income, the hedging gain or loss is recognised in profit or loss. When the hedged item is an equity instrument designated at fair value through other comprehensive income, the hedging gain or loss remains in other comprehensive income. All hedging gains or losses are recognised in profit or loss in the same line item relating to the hedged item.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a re-calculated effective interest rate. The discontinuation is accounted for prospectively.

###### (iii) Cash Flow Hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity under the cash flow hedge reserve, limited to the lower of cumulative gain or loss on the hedging instrument and cumulative change in fair value of the hedged item (determined on a present value basis) from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.5 FINANCIAL INSTRUMENTS (CONT'D)

##### (g) Hedge Activities (Cont'd)

##### (iii) Cash Flow Hedges (Cont'd)

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedged item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, the loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or when a hedge no longer meets the criteria for hedge accounting. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss in the hedging reserve is reclassified to profit or loss immediately.

#### 6.6 INVESTMENTS IN SUBSIDIARIES

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

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

#### 6.7 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.7 INVESTMENTS IN ASSOCIATES (CONT'D)

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 March 2022. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

#### 6.8 JOINT ARRANGEMENTS

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.8 JOINT VENTURES (CONT'D)

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 31 March 2022. The Group's share of the post-acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.9 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

Buildings	2%
Computer hardware	20%
Furniture, fittings and equipment	10% - 20%
Boats	10%
Motor vehicles	20%
Plant and machinery	20%
Warehouse	10%

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.10 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-of-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of an investment property is measured initially similarly as other right-of-use assets.

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

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are within 60 to 91 years. Investment property under construction is not depreciated.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

#### 6.11 INTANGIBLE ASSETS

##### (a) Computer Software

Computer software is initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is recognised as capital improvement and added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense as incurred.

Capitalised computer software is subsequently carried at cost less accumulated amortisation and impairment losses, if any. These costs are amortised on a straight-line basis over their estimated useful lives of 3 to 5 years.

Gains or losses arising from derecognition of computer software are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss when the assets are derecognised.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.11 INTANGIBLE ASSETS (CONT'D)

##### (b) Club Memberships

Club memberships recognised by the Group have an indefinite useful life and are not amortised. At the end of each reporting period, the useful lives of the club memberships are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the assets. Such assets are tested for impairment annually and whenever there is an indication of that they may be impaired.

##### (c) Construction Contracts

Construction contracts are subsisting contracts acquired as part of a business combination, which are identified and recognised separately from goodwill. The cost of construction contracts is at their fair value at the acquisition date and subsequently carried at cost less accumulated amortisation and impairment losses, if any. These costs are amortised based on the profit recognised from the contracts for the reporting period over the projected earnings of these contracts at acquisition, on a contract-by-contract basis.

#### 6.12 LEASES

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets that do not meet the definition of investment property and the associated lease liabilities are presented in the statement of financial position within property, plant and equipment, and the associated lease liabilities are presented within borrowings.

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.12 LEASES (CONT'D)

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

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

#### 6.13 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises the purchase price, and incidentals incurred in bringing the inventories to their present location and condition.

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

#### 6.14 CONTRACT ASSET AND CONTRACT LIABILITY

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

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

#### 6.15 CASH AND CASH EQUIVALENTS

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.16 IMPAIRMENT

##### (a) Impairment of Financial Assets

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.16 IMPAIRMENT (CONT'D)

##### (b) Impairment of Non-financial Assets

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

An impairment loss is recognised in profit or loss immediately. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

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

#### 6.17 PROVISIONS

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.18 EMPLOYEE BENEFITS

##### (a) Short-term Benefits

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

##### (b) Defined Contribution Plans

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

#### 6.19 INCOME TAXES

##### (a) Current Tax

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

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

##### (b) Deferred Tax

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.19 INCOME TAXES (CONT'D)

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

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

#### 6.20 CONTINGENT LIABILITIES

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

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

#### 6.21 OPERATING SEGMENTS

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

#### 6.22 EARNINGS PER ORDINARY SHARE

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.23 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

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

#### 6.24 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.25 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

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

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

##### (a) Sale of Goods

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

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

##### (b) Rendering of Services

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

Customers are invoiced when the services are performed and consideration is payable when invoiced.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 6.25 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

##### (c) Contract Projects

Revenue from contract projects is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of contract costs incurred for work performed to date over the estimated total contract costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the services are rendered for contract projects as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the services rendered for contract projects exceed the payment received, a contract asset is recognised. If the payments exceed the services rendered for contract projects, a contract liability is recognised.

#### 6.26 OTHER INCOME

##### (a) Dividend Income

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

##### (b) Interest Income

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

##### (c) Rental Income

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

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**7. INVESTMENTS IN SUBSIDIARIES**

	<b>The Company</b>	
	<b>2022</b> RM	<b>2021</b> RM
Unquoted shares, at cost	271,075,003	120,075,003

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022 %	2021 %	
<i>Subsidiaries of the Company:-</i>				
Pansar Company Sdn. Bhd.	Malaysia	100.00	100.00	Sale and distribution of building materials, marine and industrial products, agro-engineering equipment and supplies, electrical products and office automation supplies, and installation of air-conditioning and ventilation, plumbing and fire protection systems
Pansar Engineering Services Sdn. Bhd.	Malaysia	100.00	100.00	General trading and installation of air-conditioning and ventilation, plumbing and fire protection systems
Pansar Heavy Equipment Sdn. Bhd.	Malaysia	100.00	100.00	Sale and distribution of construction equipment

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022 %	2021 %	
<i>Subsidiaries of the Company (Cont'd):-</i>				
Pansar Singapore Pte. Ltd. <sup>^</sup>	Singapore	100.00	100.00	Sale and distribution of building materials, marine and industrial products, agro-engineering equipment and supplies, electrical products and office automation supplies
Perbena Emas Sdn. Bhd.	Malaysia	100.00	-	Construction and property development
Terminal Aman Sdn. Bhd.	Malaysia	51.22	51.22	Service contract works
<i>Subsidiaries of Terminal Aman Sdn. Bhd.</i>				
Setegap Makmur Sdn. Bhd.	Malaysia	100.00	100.00	Dormant
Terminal Aman (Sabah) Sdn. Bhd. <sup>^</sup>	Malaysia	-	100.00	Struck off

<sup>^</sup> *These subsidiaries were audited by other firms of chartered accountants.*

- (a) During the current financial year, the Company has acquired 100% equity interests in Perbena Emas Sdn. Bhd. for a cash consideration of RM151,000,000. The details of the acquisition are disclosed in Note 45 to the financial statements.
- (b) In the previous financial year, the Group had acquired 51.22% equity interests in Terminal Aman Sdn. Bhd. for a cash consideration of RM1,250,000. The details of the acquisition are disclosed in Note 45 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2022 %	2021 %	2022 RM	2021 RM
Terminal Aman Sdn. Bhd.	48.78	48.78	456,923	688,565

(d) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests is as follows:-

	Terminal Aman Sdn. Bhd.	
	2022 RM	2021 RM
<u>At 31 March</u>		
Non-current assets	392,049	449,376
Current assets	7,112,715	4,774,066
Non-current liabilities	(316,906)	(562,303)
Current liabilities	(6,251,166)	(3,249,681)
Net assets	936,692	1,411,458
<u>Financial Year Ended 31 March</u>		
Revenue	7,155,324	10,815,012
(Loss)/profit for the financial year	(474,866)	328,167
Total comprehensive income	(474,866)	328,167
Total comprehensive income attributable to non-controlling interests	(231,642)	64,002
Dividends paid to non-controlling interests	-	-
Net cash flows for operating activities	(1,551,377)	(240,951)
Net cash flows for investing activities	(28,452)	(245,994)
Net cash flows from financing activities	1,559,275	965,919

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 8. INVESTMENT IN AN ASSOCIATE

	The Group	
	2022 RM	2021 RM
Unquoted shares, at cost	8,803,477	-
Share of post-acquisition profits, net of dividend received	(303,678)	-
	8,499,799	-

The details of the associate are as follows:-

Name of Associate	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022	2021	
		%	%	
<i>Associate of Perbena Emas Sdn. Bhd.</i>				
Konsortium KPE Sdn. Bhd. <sup>^</sup>	Malaysia	30.00	-	Construction contracts

<sup>^</sup> *The associate was audited by other firm of chartered accountants.*

- (a) Konsortium KPE Sdn. Bhd. has a different financial year-end from the Group. In applying the equity method of accounting, the financial statements of the associate for the financial year ended 31 December 2021 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 January 2022 and 31 March 2022.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

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**8. INVESTMENT IN AN ASSOCIATE (CONT'D)**

- (b) The summarised financial information (after any fair value adjustment at acquisition date and the alignment for the Group's accounting policies) for the associate is as follows:-

	<b>Konsortium KPE Sdn. Bhd.</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
<u>At 31 March</u>		
Non-current assets	3,282,060	-
Current assets	50,880,929	-
Non-current liabilities	(129,385)	-
Current liabilities	(36,872,492)	-
	17,161,112	-
<u>12-month Period Ended 31 March</u>		
Revenue	145,620,637	-
Profit for the year	1,987,740	-
Total comprehensive income	1,987,740	-
	596,322	-
Group's share of profit for the year	596,322	-
Dividend received	(900,000)	-
	8,499,799	-
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets, representing carrying amount of the Group's interests in the associate	8,499,799	-

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**9. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES**

	<b>The Group</b>	
	<b>2022</b> RM	<b>2021</b> RM
Unquoted shares, at cost	3,046,067	-
Share of post-acquisition profits, net of dividend received	(1,407,869)	-
	1,638,198	-

The details of the jointly-controlled entities are as follows:-

Name of Jointly- Controlled Entity	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022	2021	
		%	%	
<i>Jointly-controlled Entities of Perbena Emas Sdn. Bhd.</i>				
PE WET J.V Company	Malaysia	50.00	-	Construction contracts
JEC Perbena Emas JV Sdn. Bhd.	Malaysia	50.00	-	Construction contracts

- (a) The Group's involvement in joint arrangements is structured through separate vehicles which provide the Group rights to the net assets of the entities. Accordingly, the Group has classified these investments as joint ventures.
- (b) PE WET J.V Company has a different financial year-end from the Group. In applying the equity method of accounting, the financial statements of the jointly-controlled entity for the financial year ended 31 December 2021 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 January 2022 and 31 March 2022.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**9. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES (CONT'D)**

- (c) The summarised financial information (after any fair value adjustment at acquisition date) for the jointly-controlled entities is as follows:-

	<b>PE WET J.V Company</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
<u>At 31 March</u>		
Non-current assets	116,718	-
Current assets	2,810,703	-
Non-current liabilities	-	-
Current liabilities	(427,474)	-
	2,499,947	-
Net assets		
<u>12-month Period Ended 31 March</u>		
Revenue	1,887,431	-
Profit for the year	237,801	-
Total comprehensive income	237,801	-
	118,901	-
Group's share of profit for the year		
Dividend received	(1,500,000)	-
	-	-
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets, representing carrying amount of the Group's interests in the jointly-controlled entity	1,349,975	-
	1,349,975	-

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**9. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES (CONT'D)**

- (c) The summarised financial information (after any fair value adjustment at acquisition date) for the jointly-controlled entities is as follows (cont'd):-

	<b>JEC Perbena Emas JV Sdn. Bhd.</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
<u>At 31 March</u>		
Non-current assets	-	-
Current assets	7,927,436	-
Non-current liabilities	-	-
Current liabilities	(7,486,692)	-
	<hr/>	<hr/>
Net assets	440,744	-
	<hr/>	<hr/>
<u>Financial Year Ended 31 March</u>		
Revenue	21,908,630	-
Profit for the financial year	146,460	-
Total comprehensive income	146,460	-
	<hr/>	<hr/>
Group's share of profit for the financial year	73,230	-
Dividend received	(100,000)	-
	<hr/>	<hr/>
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets, representing carrying amount of the Group's interests in the jointly-controlled entity	288,223	-
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**10. PROPERTY, PLANT AND EQUIPMENT**

<b>The Group</b>	At 1.4.2021 RM	Exchange Differences RM	Acquisition of a Subsidiary (Note 45) RM	Additions RM	Disposals RM	Depreciation Charge RM	Modification of Lease Liabilities RM	Derecognition Due to Lease Modification RM	At 31.3.2022 RM
<i>Carrying Amount</i>									
<u>Owned assets</u>									
Buildings	1,378,778	-	589,187	-	-	(116,420)	-	-	1,851,545
Computer hardware	160,256	14	-	159,957	(4,257)	(57,008)	-	-	258,962
Furniture, fittings and equipment	2,635,306	190	627,388	1,179,783	(31,617)	(722,769)	-	-	3,688,281
Boats	-	-	90,000	1,436,000	-	(60,017)	-	-	1,465,983
Motor vehicles	2,847,550	1,002	3,026,550	3,318,601	(36,253)	(2,241,843)	-	-	6,915,607
Plant and machinery	140,293	-	8,460,829	4,526,626	(3,468)	(2,892,518)	-	-	10,231,762
	7,162,183	1,206	12,793,954	10,620,967	(75,595)	(6,090,575)	-	-	24,412,140
<u>Right-of-use assets</u>									
Leasehold land	4,568,522	-	4,272,758	131,128	-	(615,789)	-	-	8,356,619
Office premises	7,504,546	1,664	873,052	1,665,467	-	(3,128,303)	325,422	(318,205)	6,923,643
	12,073,068	1,664	5,145,810	1,796,595	-	(3,744,092)	325,422	(318,205)	15,280,262
	19,235,251	2,870	17,939,764	12,417,562	(75,595)	(9,834,667)	325,422	(318,205)	39,692,402

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

<b>The Group</b>	At 1.4.2020 RM	Exchange Differences RM	Acquisition of a Subsidiary (Note 45) RM	Additions RM	Disposals RM	Depreciation Charge RM	Derecognition Due to Lease Modification RM	At 31.3.2021 RM
<b>2021</b>								
<i>Carrying Amount</i>								
<u>Owned assets</u>								
Buildings	1,446,586	-	-	-	-	(67,808)	-	1,378,778
Computer hardware	75,127	6	25,881	83,162	-	(23,920)	-	160,256
Furniture, fittings and equipment	2,724,805	175	72,862	292,264	(10,432)	(444,368)	-	2,635,306
Motor vehicles	2,088,868	1,198	276,453	1,513,691	(149,924)	(882,736)	-	2,847,550
Plant and machinery	19,220	-	-	130,000	-	(8,927)	-	140,293
	6,354,606	1,379	375,196	2,019,117	(160,356)	(1,427,759)	-	7,162,183
<u>Right-of-use assets</u>								
Leasehold land	4,754,934	-	-	195,268	-	(232,890)	(148,790)	4,568,522
Office premises	10,830,496	3,418	16,164	179,831	-	(2,710,745)	(814,618)	7,504,546
	15,585,430	3,418	16,164	375,099	-	(2,943,635)	(963,408)	12,073,068
	21,940,036	4,797	391,360	2,394,216	(160,356)	(4,371,394)	(963,408)	19,235,251

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

<b>The Group</b>	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>2022</b>			
<u>Owned assets</u>			
Buildings	2,452,059	(600,514)	1,851,545
Computer hardware	736,931	(477,969)	258,962
Furniture, fittings and equipment	10,840,728	(7,152,447)	3,688,281
Boats	1,536,000	(70,017)	1,465,983
Motor vehicles	26,890,617	(19,975,010)	6,915,607
Plant and machinery	33,112,834	(22,881,072)	10,231,762
Warehouse	98,569	(98,569)	-
	75,667,738	(51,255,598)	24,412,140
<u>Right-of-use assets</u>			
Leasehold land	9,630,216	(1,273,597)	8,356,619
Office premises	15,451,617	(8,527,974)	6,923,643
	25,081,833	(9,801,571)	15,280,262
	100,749,571	(61,057,169)	39,692,402
<b>2021</b>			
<u>Owned assets</u>			
Buildings	1,491,792	(113,014)	1,378,778
Computer hardware	627,528	(467,272)	160,256
Furniture, fittings and equipment	7,416,022	(4,780,716)	2,635,306
Motor vehicles	13,931,567	(11,084,017)	2,847,550
Plant and machinery	1,969,542	(1,829,249)	140,293
Warehouse	98,569	(98,569)	-
	25,535,020	(18,372,837)	7,162,183
<u>Right-of-use assets</u>			
Leasehold land	4,943,238	(374,716)	4,568,522
Office premises	12,806,927	(5,302,381)	7,504,546
	17,750,165	(5,677,097)	12,073,068
	43,285,185	(24,049,934)	19,235,251

- (a) Included in the property, plant and equipment of the Group is an amount of RM9,611,046 (2021: RM11,715,260) which is subject to a floating charge as security for banking facilities granted to a subsidiary as disclosed in Note 30 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

- (b) The carrying amount of property, plant and equipment acquired under hire purchase terms is as follows:-

	<b>The Group</b>	
	<b>2022</b> RM	<b>2021</b> RM
Motor vehicles	914,002	216,521
Plant and machinery	4,627,586	-
	5,541,588	216,521

These assets have been pledged as security for the hire purchase liabilities of the Group as disclosed in Note 31 to the financial statements.

- (c) The Group has lease contracts for land and office premises which are used in its business operations, the leasing activities of which are summarised below:-

**Leasehold land**      The Group has made upfront payments to secure the right-of-use of leasehold land with remaining lease periods at acquisition ranging from 22 to 33 years. There is no option to purchase the leasehold land at the expiry of the respective lease periods.

The Group has also entered into operating lease agreements for the use of land. The leases are for the remaining periods ranging from 1 to 4 (2021: 2) years with no purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

**Office premises**      The Group has leased office spaces with the remaining lease terms ranging from 1 to 10 (2021: 1 to 8) years. The Group has an option to renew the leases after the expiry of the respective leases. The Group is not allowed to sublease the office spaces.

- (d) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the “short-term lease” and “lease of low-value asset” recognition exemptions for these leases.
- (e) The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group’s business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**11. INVESTMENT PROPERTIES**

<b>The Group</b>	At 1.4.2021 RM	Additions RM	Disposals RM	Depreciation Charge RM	At 31.3.2022 RM
<b>2022</b>					
<i>Carrying Amount</i>					
<u>Owned assets</u>					
Buildings	7,396,071	550,000	(122,902)	(150,798)	7,672,371
Capital work-in-progress	752,888	42,080	-	-	794,968
	8,148,959	592,080	(122,902)	(150,798)	8,467,339
<u>Right-of-use assets</u>					
Leasehold land	67,692	320,000	-	(6,451)	381,241
	8,216,651	912,080	(122,902)	(157,249)	8,848,580
<b>2021</b>					
<i>Carrying Amount</i>					
<u>Owned assets</u>					
Buildings		8,087,516	(534,489)	(156,956)	7,396,071
Capital work-in-progress		752,888	-	-	752,888
		8,840,404	(534,489)	(156,956)	8,148,959
<u>Right-of-use assets</u>					
Leasehold land		69,744	-	(2,052)	67,692
		8,910,148	(534,489)	(159,008)	8,216,651

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**11. INVESTMENT PROPERTIES (CONT'D)**

<b>The Group</b>	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Carrying Amount RM
<b>2022</b>				
<u>Owned assets</u>				
Buildings	8,773,175	(915,422)	(185,382)	7,672,371
Capital work-in-progress	794,968	-	-	794,968
	9,568,143	(915,422)	(185,382)	8,467,339
<u>Right-of-use assets</u>				
Leasehold land	400,000	(18,759)	-	381,241
	9,968,143	(934,181)	(185,382)	8,848,580
<b>2021</b>				
<u>Owned assets</u>				
Buildings	8,359,875	(778,422)	(185,382)	7,396,071
Capital work-in-progress	752,888	-	-	752,888
	9,112,763	(778,422)	(185,382)	8,148,959
<u>Right-of-use assets</u>				
Leasehold land	80,000	(12,308)	-	67,692
	9,192,763	(790,730)	(185,382)	8,216,651
<b>The Company</b>				
<b>2022</b>				
<i>Carrying Amount</i>				
<u>Owned assets</u>				
Buildings	1,378,778	-	(67,810)	1,310,968
<u>Right-of-use assets</u>				
Leasehold land	4,388,275	320,000	(220,216)	4,488,059
	5,767,053	320,000	(288,026)	5,799,027

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**11. INVESTMENT PROPERTIES (CONT'D)**

	At 1.4.2020 RM	Depreciation Charge RM	At 31.3.2021 RM
<b>The Company</b>			
<b>2021</b>			
<i>Carrying Amount</i>			
<u>Owned assets</u>			
Buildings	1,446,586	(67,808)	1,378,778
<u>Right-of-use assets</u>			
Leasehold land	4,604,092	(215,817)	4,388,275
	6,050,678	(283,625)	5,767,053
<b>The Company</b>	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>2022</b>			
<u>Owned assets</u>			
Buildings	1,491,792	(180,824)	1,310,968
<u>Right-of-use assets</u>			
Leasehold land	5,067,970	(579,911)	4,488,059
	6,559,762	(760,735)	5,799,027
<b>2021</b>			
<u>Owned assets</u>			
Buildings	1,491,792	(113,014)	1,378,778
<u>Right-of-use assets</u>			
Leasehold land	4,747,970	(359,695)	4,388,275
	6,239,762	(472,709)	5,767,053

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**11. INVESTMENT PROPERTIES (CONT'D)**

	Fair Value			
	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Land and buildings	10,708,000	10,016,000	6,580,000	5,770,000
Capital work-in-progress	795,000	753,000	-	-
	11,503,000	10,769,000	6,580,000	5,770,000

- (a) Included in the investment properties of the Group is an amount of RM867,823 (2021: RM452,743) which is subject to a floating charge as security for banking facilities granted to a subsidiary as disclosed in Note 30 to the financial statements.
- (b) The fair values of the investment properties are within level 3 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.
- (c) The Group leases leasehold land of which the leasing activities are summarised below:-

Leasehold land	The Group and the Company have made upfront payments to secure the right-of-use of leasehold land with remaining lease periods at acquisition of 67 years and ranging from 22 to 67 years, respectively. There is no option to purchase the leasehold land at the expiry of the respective lease periods.
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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**12. INTANGIBLE ASSETS**

<b>The Group</b>	At 1.4.2021 RM	Exchange Differences RM	Acquisition of a Subsidiary (Note 45) RM	Additions RM	Amortisation Charge RM	Impairment Losses RM	At 31.3.2022 RM
<i>Carrying Amount</i>							
Computer software	744,486	-	-	25,750	(156,827)	-	613,409
Club memberships:-							
- in Malaysia	84,060	-	-	-	-	-	84,060
- outside Malaysia	187,868	2,232	-	-	-	-	190,100
Construction contracts	-	-	36,733,245	-	(3,369,380)	(1,684,386)	31,679,479
	1,016,414	2,232	36,733,245	25,750	(3,526,207)	(1,684,386)	32,567,048

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**12. INTANGIBLE ASSETS (CONT'D)**

<b>The Group</b>	At 1.4.2020 RM	Exchange Differences RM	Additions RM	Amortisation Charge RM	At 31.3.2021 RM
<b>2021</b>					
<i>Carrying Amount</i>					
Computer software	23,592	-	739,093	(18,199)	744,486
Club memberships:-					
- in Malaysia	84,060	-	-		84,060
- outside Malaysia	186,178	1,690	-		187,868
	293,830	1,690	739,093	(18,199)	1,016,414
<b>The Group</b>					
<b>2022</b>					
Computer software		1,224,555	(611,146)	-	613,409
Club memberships:-					
- in Malaysia		84,060	-	-	84,060
- outside Malaysia		190,100	-	-	190,100
Construction contracts		36,733,245	(3,369,380)	(1,684,386)	31,679,479
		38,231,960	(3,980,526)	(1,684,386)	32,567,048
<b>2021</b>					
Computer software		1,214,167	(469,681)	-	744,486
Club memberships:-					
- in Malaysia		84,060	-	-	84,060
- outside Malaysia		187,868	-	-	187,868
		1,486,095	(469,681)	-	1,016,414

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 12. INTANGIBLE ASSETS (CONT'D)

- (a) Included in the intangible assets of the Group is an amount of RM858,557 (2021: RM995,589) which is subject to a floating charge as security for banking facilities granted to a subsidiary as disclosed in Note 30 to the financial statements.
- (b) The club memberships in Malaysia are registered in the name of a director of the Company.
- (c) The Group has assessed the recoverable amount of club memberships and determined that no impairment is required.
- (d) During the financial year, the Group has carried out a review of the recoverable amount of its construction contracts. An impairment loss of RM1,684,386 (2021: Nil), representing the write-down of the construction contracts to the recoverable amount, was recognised in "Other Operating Expenses" line item of the consolidated statement of profit or loss and other comprehensive income as disclosed in Note 40 to the financial statements.

### 13. OTHER INVESTMENTS

	<b>The Group/The Company</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
Quoted investments, at fair value	13,672,083	19,939,982

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**14. TRADE RECEIVABLES**

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
<u>Non-current</u>		
Trade receivables:-		
- third parties	6,415,411	-
- related parties	5,358,515	-
	11,773,926	-
<u>Current</u>		
Trade receivables:-		
- third parties	127,939,865	101,966,930
- related parties	13,731,367	5,769,101
	141,671,232	107,736,031
Less: Allowance for impairment losses	(14,511,104)	(20,242,622)
	127,160,128	87,493,409
<b>Total</b>	<b>138,934,054</b>	<b>87,493,409</b>
Allowance for impairment losses:-		
At 1 April	20,242,622	23,084,441
Exchange differences	1,908	4,503
Acquisitions of subsidiaries (Note 45)	1,289,190	-
Addition during the financial year	3,094,745	5,935,441
Reversal during the financial year	(7,320,205)	(4,599,861)
Write-off during the financial year	(2,797,156)	(4,181,902)
At 31 March	14,511,104	20,242,622

- (a) The Group's normal trade credit terms range from 30 to 90 (2021: 30 to 90) days.
- (b) Included in the trade receivables is an amount of RM6,360,807 (2021: Nil) which earns interest at rate of 3.5% (2021: Nil). The amount at the end of the reporting period is repayable over 78 months in cash.
- (c) Included in the trade receivables are retention sums totalling RM16,572,903 (2021: RM8,015,131).

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**15. GOODWILL**

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
At cost:-		
At 1 April	453,040	53,580
Acquisitions of subsidiaries (Note 45)	52,689,443	399,460
Write-off during the financial year	(4,479)	-
	53,138,004	453,040
At 31 March	53,138,004	453,040

- (a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
Mechanical & electrical	394,981	399,460
Construction & infrastructure	52,689,443	-
Other cash-generating units without significant goodwill	53,580	53,580
	53,138,004	453,040

- (b) The Group has assessed the recoverable amount of goodwill allocated to the construction & infrastructure cash-generating unit and determined that no impairment is required. The recoverable amount of the cash-generating unit is determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 3 years.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

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**15. GOODWILL (CONT'D)**

- (b) The key assumptions used in the determination of the recoverable amount is as follows:-

	Gross Margins		Discount Rates	
	2022 %	2021 %	2022 %	2021 %
Construction & infrastructure	6.5 to 7.9	-	11.5	-

- (i) Revenue Revenue is estimated based on existing contract book and anticipated future projects. In estimating the revenue, the Group considers the probability of securing future revenue contracts as well as possible variations in amounts and timing of the cash flows.
- (ii) Budgeted gross margins Gross margins are estimated based on forecast margins for contract book, management's expectations and past experience.
- (iii) Discount rates (pre-tax) The discount rate reflects specific risks relating to the cash-generating unit.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating unit and are based on both external sources and internal historical data.

No impairment testing is done on other cash-generating units which are considered immaterial to the Group.

- (c) Management believes that there is no reasonably possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to exceed its recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 16. DEFERRED TAX ASSETS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 April	(5,001,425)	(4,537,039)	(47,271)	(18,908)
Exchange differences	(2,829)	(1,812)	-	-
Acquisitions of subsidiaries (Note 45)	9,569,415	-	-	-
Recognised in profit or loss (Note 41)	(46,653)	(464,487)	(29,418)	(28,363)
Recognised in other comprehensive income	(155,396)	1,913	-	-
At 31 March	4,363,112	(5,001,425)	(76,689)	(47,271)

The deferred tax is attributable to the following:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Property, plant and equipment	(1,841,618)	(951,588)	-	-
Investment properties	(112,573)	(96,381)	(76,689)	(47,271)
Intangible assets	7,679,616	72,758	-	-
Investment in an associate	804,352	-	-	-
Investments in jointly-controlled entities	40,284	-	-	-
Inventories	(543,978)	(970,906)	-	-
Receivables	(3,182,438)	(3,726,372)	-	-
Contract assets	(269,028)	-	-	-
Derivatives	(30,915)	3,970	-	-
Payables	16,303	-	-	-
Lease liabilities	3,459,249	1,219,906	-	-
Provision for employee benefits	(828,318)	(372,832)	-	-
Cash flow hedge	(120,390)	35,006	-	-
Foreign exchange	23,503	(27,131)	-	-
Unused tax losses	(239,010)	(158,836)	-	-
Unabsorbed capital allowance	(491,927)	(29,019)	-	-
At 31 March	4,363,112	(5,001,425)	(76,689)	(47,271)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 16. DEFERRED TAX ASSETS (CONT'D)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relates to the same taxable entity and the same taxation authority. The amounts determined after appropriate offsetting are included in the statements of financial position as follows:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deferred tax assets	(4,841,586)	(5,001,425)	(76,689)	(47,271)
Deferred tax liabilities	9,204,698	-	-	-
At 31 March	4,363,112	(5,001,425)	(76,689)	(47,271)

No deferred tax assets are recognised in respect of the following items as it is not probable that taxable profits of a subsidiary will be available against which the carryforward tax losses and tax credits can be utilised:-

	The Group	
	2022 RM	2021 RM
Unused tax losses	54,318	-
Unabsorbed capital allowance	10,864	-
	65,182	-

### 17. INVENTORIES

	The Group	
	2022 RM	2021 RM
At cost:-		
Trading goods	53,210,838	48,597,879
Consumable stores	1,517,033	1,998,501
	54,727,871	50,596,380
Less: Allowance for slow-moving inventories	(2,266,577)	(4,045,443)
	52,461,294	46,550,937

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**17. INVENTORIES (CONT'D)**

	The Group	
	2022 RM	2021 RM
Allowance for slow-moving inventories:-		
At 1 April	4,045,443	3,539,234
Addition during the financial year	87,141	571,393
Reversal during the financial year	(1,866,007)	(65,184)
At 31 March	2,266,577	4,045,443

Included in the inventories of the Group is an amount of RM46,502,357 (2021: RM 41,172,604) which is subject to a floating charge as security for banking facilities granted to a subsidiary as disclosed in Note 30 to the financial statements.

**18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables:-				
- third parties	1,741,006	1,292,159	-	406,033
- related parties	3,189	-	-	-
- goods and services tax recoverable	367,543	174,059	-	-
	2,111,738	1,466,218	-	406,033
Less: Allowance for impairment losses	(1,106,056)	(500,000)	-	-
	1,005,682	966,218	-	406,033
Deposits	1,394,179	706,355	-	-
Prepayments	89,345,435	8,667,880	50,369	30,954
	91,745,296	10,340,453	50,369	436,987
Allowance for impairment losses:-				
At 1 April / 31 March	1,106,056	500,000	-	-

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)**

- (a) Included in the prepayments of the Group are RM8,164,426 (2021: RM7,838,620) and RM70,000,000 (2021: Nil), respectively, which represent the advance payments made to suppliers for the purchase of inventories and sub-contractors for contract projects.
- (b) The amount owing by related parties is unsecured, interest-free and repayable on demand. The amount is to be settled in cash.

**19. CONTRACT ASSETS/(LIABILITIES)**

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
At 1 April	4,039,433	(3,283,765)
Acquisitions of subsidiaries (Note 45)	24,993,218	3,196,430
Performance obligations performed	320,924,359	67,221,769
Transferred to trade receivables	(253,411,781)	(63,095,001)
	96,545,229	4,039,433
Less: Allowance for impairment losses	(1,120,953)	-
At 31 March	95,424,276	4,039,433
Represented by:-		
Contract assets	99,581,873	10,351,790
Contract liabilities	(4,157,597)	(6,312,357)
	95,424,276	4,039,433
Allowance for impairment losses:-		
At 1 April	-	-
Acquisitions of subsidiaries (Note 45)	399,356	-
Addition during the financial year	956,436	-
Reversal during the financial year	(234,839)	-
At 31 March	1,120,953	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 19. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (a) The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.
- (b) Included in the contract assets are retention sum receivables totalling RM813,656 (2021: RM125,008).
- (c) The contract liabilities primarily relate to advances received from customers to render installation and construction works. The amount will be recognised as revenue when the performance obligations are satisfied.

### 20. AMOUNT OWING BY/(TO) SUBSIDIARIES

The amounts owing represent unsecured interest-free advances and payments made on behalf which are repayable on demand. The amounts owing are to be settled in cash.

### 21. AMOUNT OWING BY/(TO) RELATED COMPANIES

Included in the amount owing to related companies is an amount of RM505,311 (2021: RM505,270) which represents unsecured advances that bear interest at rate of 6.50% (2021: 6.50%) per annum. The remaining balances represent unsecured interest-free advances and payments made on behalf which are repayable on demand. The amounts owing are to be settled in cash.

### 22. AMOUNT OWING BY AN ASSOCIATE

The amount owing represents unsecured interest-free advances which are repayable on demand. The amount owing is to be settled in cash.

### 23. AMOUNT OWING BY JOINTLY-CONTROLLED ENTITES

The amount owing is trade in nature and is subject to the normal trade credit terms ranging from 30 to 90 (2021: Nil) days.

### 24. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Money market funds, at fair value	19,912,686	20,889,077	10,404,793	15,146,355

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 25. DERIVATIVE ASSETS/(LIABILITIES)

	Contract/ Notional Amount RM	The Group	
		Assets RM	Liabilities RM
<b>2022</b>			
Derivatives not designated as hedging instruments:-			
- forward foreign currency contracts	7,844,515	67,148	(195,963)
Derivatives designated as hedging instruments:-			
- forward foreign currency contracts	12,962,730	9,914	(511,538)
		77,062	(707,501)
<b>2021</b>			
Derivatives not designated as hedging instruments:-			
- forward foreign currency contracts	2,338,180	16,543	-
Derivatives designated as hedging instruments:-			
- forward foreign currency contracts	9,026,367	145,857	-
		162,400	-

- (a) Forward foreign currency contracts are used to hedge the Group's purchases denominated in Japanese Yen ("JPY") for which firm commitments existed at the end of the reporting period. The settlement dates on forward foreign currency contracts range between 1 and 11 (2021: 1 and 3) months after the end of the reporting period.
- (b) At 31 March 2022, the Group held certain forward foreign currency contracts designated as hedges of expected future purchases denominated in JPY for which the Group has firm commitments. The terms of the forward foreign currency contracts have been negotiated to match the terms of the commitments.

The cash flow hedges of the expected future purchases between April 2022 and February 2023 were assessed to be highly effective and as of 31 March 2022, a net unrealised loss of RM501,624 (2021: gain of RM145,857), with related deferred tax income of RM155,396 (2021: deferred tax expense of RM1,913), was included in other comprehensive income in respect of these contracts.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 26. DEPOSITS WITH LICENSED BANKS

- (a) The deposits with licensed banks of the Group at the end of the reporting period bore effective interest at rate of 1.60% (2021: 1.60%) per annum. The deposits have maturity period of 3 (2021: 3) months for the Group.
- (b) Included in the deposits with licensed banks of the Group at the end of the reporting period was an amount of RM268,525 (2021: RM264,676) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 30 to the financial statements.

### 27. SHARE CAPITAL

	The Group/The Company		2022 RM	2021 RM
	2022 Number of Shares	2021 Number of Shares		
<b>Issued and Fully Paid-up</b>				
(i) <i>Ordinary Shares</i>				
At 1 April	463,972,350	462,000,000	153,120,746	151,956,000
Exercise of warrants	107,500	1,972,350	61,275	1,164,746
At 31 March	464,079,850	463,972,350	153,182,021	153,120,746
(ii) <i>RCPS</i>				
At 1 April	229,325,975	-	121,542,767	-
Issuance of new shares	-	229,325,975	-	121,542,767
At 31 March	229,325,975	229,325,975	121,542,767	121,542,767
Total	693,405,825	693,298,325	274,724,788	274,663,513

- (a) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) During the financial year, the Company increased its issued and paid-up share capital from RM153,120,746 to RM153,182,021 by the issuance of 107,500 new ordinary shares from the exercise of warrants at the exercise price of RM0.57 per warrant. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.
- (c) In the previous financial year, the Company increased its issued and paid-up share capital from RM151,956,000 to RM153,120,746 by the issuance of 1,972,350 new ordinary shares from the exercise of warrants at an average exercise price of RM0.59 per warrant. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 27. SHARE CAPITAL (CONT'D)

- (e) On 7 June 2018 ("Issue Date"), the Company issued 154,000,000 (which was subsequently increased to 231,000,000 upon the implementation of the bonus issue on 7 May 2019) free detachable warrants on the basis of one (1) warrant for every two (2) existing ordinary shares in the Company. The warrants are constituted by the Deed Poll dated 21 May 2018.

The salient features of the warrants are as follows:-

- (i) **Maturity Date**            The 5<sup>th</sup> anniversary date from the Issue Date (i.e. 6 June 2023).
- (ii) **Exercise Price**            RM0.95 per warrant at the Issue Date, subject to adjustments in accordance with the provisions of the Deed Poll constituting the warrants.

On 7 May 2019, adjustments were made in accordance with the provisions of the Deed Poll to reflect the consequential revision in the increase in the number of warrants and the revision in the Exercise Price upon the implementation of the bonus issue.

Further adjustments were made, on 8 March 2021, in accordance with the provisions of the Deed Poll to reflect the consequential revision in the Exercise Price upon the implementation of the renounceable rights issue of new RCPS.

The Exercise Price as of 31 March 2022 is RM0.57 per warrant.

- (iii) **Conversion**                Each warrant shall entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the Exercise Price.

The tenure of warrants is for a period of three (3) years and may be exercised at any time on or after the Issue Date. Warrants not exercised during the exercise period shall thereafter lapse and cease to be valid for any purpose.

- (iv) **Ranking**                    All new ordinary shares issued arising from the exercise of warrants shall rank pari passu with all existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is before the date of the allotment of such new ordinary shares.

During the financial year, 107,500 (2021: 1,972,350) warrants were exercised by the registered warrant holders at an average exercise price of RM0.57 (2021: RM0.59) per warrant. The number of warrants unexercised at the end of the reporting period was 228,920,150 (2021: 229,027,650).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 28. TREASURY SHARES

Of the total 464,079,850 (2021: 463,972,350) issued and fully paid-up ordinary shares at the end of the reporting period, 4,023,150 (2021: 4,023,150) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

### 29. RESERVES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-distributable reserves:-				
- reverse acquisition reserve	(116,731,744)	(116,731,744)	-	-
- foreign currency translation reserve	4,863,880	4,659,484	-	-
- cash flow hedge reserve	(421,171)	(97,958)	-	-
	(112,289,035)	(112,170,218)	-	-
Distributable reserves:-				
- retained profits	141,297,612	143,827,442	11,160,693	14,292,292
	29,008,577	31,657,224	11,160,693	14,292,292

- (a) In accordance with the principles of reverse acquisition accounting in MFRS 3, the amount recognised as issued equity instruments in the consolidated financial statements is determined by adding the cost of business combination to the issued equity instruments of the subsidiary being acquired immediately before the business combination. However, the equity structure appearing in the consolidated financial statements is that of the Company.

The reverse acquisition reserve represents the difference between the required Group's equity structure and the reported equity structure of the Company.

- (b) The foreign exchange translation reserve arose from the translation of the financial statements of a foreign operation and a subsidiary whose functional currencies are different from the Group's presentation currency.
- (c) The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**30. BORROWINGS**

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Long-term borrowings:-				
- hire purchase liabilities (Note 30)	3,928,173	358,558	-	-
- lease liabilities (Note 31)	4,917,688	5,441,774	-	-
- term loans	19,000,000	203,645	19,000,000	-
	<u>27,845,861</u>	<u>6,003,977</u>	<u>19,000,000</u>	<u>-</u>
Short-term borrowings:-				
- bank overdrafts	2,161,499	2,776,197	-	-
- bankers' acceptance	36,087,000	3,000,000	-	-
- invoice financing	34,842,069	-	-	-
- hire purchase liabilities (Note 30)	1,769,964	52,503	-	-
- lease liabilities (Note 31)	3,052,197	2,737,100	-	-
- revolving credit	84,050,000	-	-	-
- term loans	6,000,000	53,698	6,000,000	-
	<u>167,962,729</u>	<u>8,619,498</u>	<u>6,000,000</u>	<u>-</u>
Total borrowings	<u>195,808,590</u>	<u>14,623,475</u>	<u>25,000,000</u>	<u>-</u>

The borrowings of the Group are secured by the following:-

- debentures incorporating floating charges over all the undertakings and assets of a subsidiary;
- legal charges over certain land and buildings belonging to the holding company;
- deposits of a subsidiary;
- proceeds from contract projects of a subsidiary; and
- corporate guarantees provided by the Company and the holding company.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 30. BORROWINGS (CONT'D)

The bank overdrafts of the Group at the end of the reporting period bore effective interest at rate of 6.45% (2021: 6.15%) per annum.

The bankers' acceptance of the Group at the end of the reporting period bore effective interest at rate of 2.55% (2021: 2.20%) per annum.

The invoice financing of the Group at the end of the reporting period bore effective interest at rate of 3.32% (2021: Nil) per annum.

The revolving credit of the Group at the end of the reporting period bore effective interest at rate of 3.42% (2021: Nil) per annum.

The term loans of the Group and of the Company at the end of the reporting period bore effective interest at rate of 4.47% (2021: 13.45%) and 4.47% (2021: Nil) per annum respectively.

### 31. HIRE PURCHASE LIABILITIES

	The Group	
	2022	2021
	RM	RM
Minimum hire purchase payments:-		
- not later than 1 year	2,046,096	74,394
- later than 1 year and not later than 5 years	1,798,433	287,561
- later than 5 years	2,480,519	134,057
	6,325,048	496,012
Less: Future finance charges	(626,911)	(84,951)
Present value of hire purchase liabilities	5,698,137	411,061
Analysed by:-		
Current liabilities	1,769,964	52,503
Non-current liabilities	3,928,173	358,558
	5,698,137	411,061

(a) The hire purchase liabilities of the Group are secured by the motor vehicles, plant and machinery under hire purchase as disclosed in Note 10(b) to the financial statements.

(b) The hire purchase liabilities of the Group at the end of the reporting period bore effective interest at rate of 5.50% (2021: 4.35%) per annum. The interest rates are fixed at the inception of the hire purchase arrangements.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**32. LEASE LIABILITIES**

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
At 1 April	8,178,874	11,334,122
Exchange differences	1,740	3,498
Acquisitions of subsidiaries (Note 45)	1,364,847	-
Additions (Notes 10 and 46(b))	1,796,595	375,099
Interest expense recognised in profit or loss (Note 40)	563,781	624,271
Changes due to lease modifications (Notes 10 and 46(b))	325,422	-
Derecognition due to lease modifications (Note 46(b))	(338,806)	(993,410)
Repayment of principal	(3,358,787)	(2,540,435)
Repayment of interest expense	(563,781)	(624,271)
	<hr/>	<hr/>
At 31 March	7,969,885	8,178,874
	<hr/>	<hr/>
Analysed by:-		
Current liabilities	3,052,197	2,737,100
Non-current liabilities	4,917,688	5,441,774
	<hr/>	<hr/>
	7,969,885	8,178,874
	<hr/>	<hr/>

**33. TRADE PAYABLES**

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
Trade payables:-		
- third parties	68,946,799	36,864,105
- related parties	2,188,663	1,159,184
	<hr/>	<hr/>
	71,135,462	38,023,289
	<hr/>	<hr/>

- (a) The normal trade credit terms granted to the Group range from 60 to 90 (2021: 60 to 90) days.
- (b) Included in the trade payables are retention sum payables totalling RM10,468,078 (2021: RM3,479,016).

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**34. OTHER PAYABLES, DEPOSITS AND ACCRUALS**

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables:-				
- third parties	316,539	1,110,487	27,523	830,673
- related parties	11,839	1,059	-	-
- goods and services tax payable	3,966	6,342	-	-
	332,344	1,117,888	27,523	830,673
Deposits	8,349,605	2,694,928	-	-
Accruals	3,571,146	2,719,093	343,450	1,481,329
	<u>12,253,095</u>	<u>6,531,909</u>	<u>370,973</u>	<u>2,312,002</u>

The amount owing to related parties is unsecured, interest-free and repayable on demand. The amount is to be settled in cash.

**35. AMOUNT OWING TO HOLDING COMPANY**

The amount owing represented unsecured interest-free payments made on behalf which were repayable on demand. The amount owing was to be settled in cash.

**36. PROVISION FOR EMPLOYEE BENEFITS**

	The Group	
	2022 RM	2021 RM
At 1 April	1,568,451	2,303,510
Exchange differences	839	601
Addition during the financial year	3,477,261	1,568,220
Utilisation during the financial year	(1,372,043)	(1,118,917)
Reversal during the financial year	(196,713)	(1,184,963)
At 31 March	<u>3,477,795</u>	<u>1,568,451</u>

The provision for employee benefits is the expected cost of bonus payments, which are payable within one year.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**37. REVENUE**

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Dividend income	-	-	8,646,618	6,469,921
Sales and service income	280,626,651	236,773,285	-	-
Contract income	320,924,359	67,221,769	-	-
	<u>601,551,010</u>	<u>303,995,054</u>	<u>8,646,618</u>	<u>6,469,921</u>

**38. COST OF SALES**

	The Group	
	2022 RM	2021 RM
Cost of inventories sold	248,625,273	205,483,999
Contract costs	288,671,539	56,672,859
	<u>537,296,812</u>	<u>262,156,858</u>

**39. NET IMPAIRMENT (GAINS)/LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS**

	The Group	
	2022 RM	2021 RM
Impairment losses:-		
- trade receivables (Note 14)	3,094,745	5,935,441
- contract assets (Note 19)	956,436	-
Reversal of impairment losses:-		
- trade receivables (Note 14)	(7,320,205)	(4,599,861)
- contract assets (Note 19)	(234,839)	-
	<u>(3,503,863)</u>	<u>1,335,580</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 40. PROFIT BEFORE TAXATION

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for slow-moving inventories	87,141	571,393	-	-
Allowance for slow-moving inventories no longer required	(1,866,007)	(65,184)	-	-
Amortisation of intangible assets	3,526,207	18,199	-	-
Auditors' remuneration:-				
- current financial year	252,970	199,880	50,000	35,000
- (over)/under provision in the previous financial year	(17,000)	200	-	-
- non-audit fees	99,150	114,200	55,450	95,600
Bad debts written off	407,979	3,541	-	-
Depreciation of investment properties	157,249	159,008	288,026	283,625
Depreciation of property, plant and equipment	9,834,667	4,371,394	-	-
Directors' remuneration (Note 47(a))	5,338,028	2,813,769	319,500	319,500
Dividend income:-				
- subsidiaries	-	-	(8,500,000)	(6,250,000)
- associate	(900,000)	-	-	-
- jointly-controlled entities	(1,600,000)	-	-	-
- other investments	(146,618)	(219,921)	(146,618)	(219,921)
Fair value loss/(gain) on:-				
- derivatives	128,815	1,632	-	-
- short-term investments	(218,986)	(58,507)	(105,897)	(58,755)
- other investments	6,267,899	(7,893,330)	6,267,899	(7,893,330)
Finance costs:-				
- bank overdrafts	65,532	26,088	-	-
- bankers' acceptance	196,325	69,931	-	-
- hire purchase liabilities	297,891	22,639	-	-
- invoice financing	660,848	-	-	-
- lease liabilities	563,781	624,271	-	-
- revolving credit	3,020,493	84,833	-	-
- term loans	1,151,119	28,345	1,119,175	-
- others	182,151	27,264	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 40. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation is arrived at after charging/(crediting) (cont'd):-				
Gain on derecognition of leases	(20,601)	(30,002)	-	-
Gain on disposal of investment in an associate	-	(1,969,427)	-	(5,856,368)
Gain on disposal of investment properties	(37,098)	(145,511)	-	-
Gain on disposal of other investments	-	(74,767)	-	(74,767)
Gain on disposal of property, plant and equipment	(164,655)	(252,524)	-	-
(Gain)/loss on foreign exchange:-				
- realised	(549,973)	(1,052,834)	-	-
- unrealised	(130,273)	105,624	-	-
Goodwill written off	4,479	-	-	-
Impairment losses on intangible assets	1,684,386	-	-	-
Interest income:-				
- deposits with licensed banks	(770,358)	(4,749)	-	-
- others	(165,476)	(1,020,067)	(153,588)	(252,771)
Lease expenses:-				
- short-term leases	3,196,232	195,589	-	-
- leases of low-value assets	114,970	120,066	-	-
Lease income	(281,140)	(498,947)	(240,000)	(240,000)
Loss on forward foreign exchange contracts	391,611	20,453	-	-
Provision for employee benefits no longer required	(196,713)	(1,184,963)	-	-
Share of profit of equity-accounted associates	(596,322)	(116,280)	-	-
Share of profit of equity-accounted jointly-controlled entities	(192,131)	-	-	-
Staff costs (including other key management personnel as disclosed in Note 47(b)):-				
- short-term benefits	41,514,151	23,296,523	-	-
- defined contribution plans	4,703,162	2,689,566	-	-

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**41. INCOME TAX EXPENSE**

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax:-				
- Malaysian tax	2,959,788	1,673,000	51,200	72,000
- foreign tax	8,834	8,060	-	-
	<u>2,968,622</u>	<u>1,681,060</u>	<u>51,200</u>	<u>72,000</u>
(Over)/under provision in the previous financial year:-				
- Malaysian tax	(99,763)	13,691	68	3,134
- foreign tax	23	(197)	-	-
	<u>2,868,882</u>	<u>1,694,554</u>	<u>51,268</u>	<u>75,134</u>
Deferred tax (Note 16):-				
- origination and reversal of temporary differences	(132,016)	(493,747)	(29,418)	(28,363)
- under provision in the previous financial year	85,363	29,260	-	-
	<u>(46,653)</u>	<u>(464,487)</u>	<u>(29,418)</u>	<u>(28,363)</u>
	<u>2,822,229</u>	<u>1,230,067</u>	<u>21,850</u>	<u>46,771</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 41. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation	3,511,181	12,000,408	340,675	17,449,891
Tax at the statutory tax rate of 24% (2021: 24%)	842,683	2,880,098	81,762	4,187,974
Tax effects of:-				
Differential in tax rate of foreign operations	10,580	(11,267)	-	-
Non-taxable income	(509,138)	(2,648,163)	(2,137,214)	(4,929,662)
Non-deductible expenses	2,465,047	1,137,004	2,077,242	785,219
Control transfers	(21,810)	-	-	-
Deferred tax assets not recognised during the financial year	65,182	-	-	-
(Over)/under provision in the previous financial year:-				
- current tax	(99,740)	13,494	68	3,134
- deferred tax	85,363	29,260	-	-
Others	(15,938)	(170,359)	(8)	106
Income tax expense for the financial year	2,822,229	1,230,067	21,850	46,771

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 42. OTHER COMPREHENSIVE INCOME

	The Group	
	2022 RM	2021 RM
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>		
Foreign currency translation:-		
- changes during the financial year	204,396	154,092
- transfer to profit or loss on disposal of an associate	-	(180,778)
	204,396	(26,686)
Share of an associate's foreign currency translation reserve	-	(51)
Cash flow hedge:-		
- gain/(loss) during the financial year	(421,171)	(97,958)
- reclassification adjustment to profit or loss on sale	97,958	(161,916)
	(323,213)	(259,874)
	(118,817)	(286,611)

### 43. EARNINGS PER SHARE

	The Group	
	2022	2021
Profit attributable to owners of the Company (RM)	920,594	10,706,339
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1 April	463,972,350	462,000,000
Effect of treasury shares held	(4,023,150)	(4,023,150)
Effect of new ordinary shares issued	105,418	467,914
Weighted average number of ordinary shares at 31 March (Basic)	460,054,618	458,444,764
Effect of conversion of redeemable convertible preference shares	229,325,975	1,884,871
Effect of exercise of warrants	228,920,150	229,027,650
Weighted average number of ordinary shares at 31 March (Diluted)	918,300,743	689,357,285
Earnings per share (sen):-		
- Basic	0.20	2.34
- Diluted	0.10	1.55

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 44. DIVIDENDS

	2022		2021	
	Dividend per Share Sen	Amount of Dividend RM	Dividend per Share Sen	Amount of Dividend RM
Dividend paid in respect of the financial year ended 31 March 2021:-				
- interim single-tier dividend, on ordinary shares	0.75	3,450,424	-	-
Dividend paid in respect of the financial year ended 31 March 2020:-				
- final single-tier dividend, on ordinary shares	-	-	1.50	6,879,779
	0.75	3,450,424	1.50	6,879,779

On 19 July 2022, the Company declared an interim dividend of 2.12 sen per redeemable convertible preference share (“RCPS”) amounting to RM4,861,711 in respect of the current financial year, payable on 5 September 2022, to RCPS holders whose names appeared in the record of depositors on 15 August 2022. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2023.

### 45. ACQUISITIONS OF SUBSIDIARIES

On 13 April 2021, the Company acquired 100% equity interests in Perbena Emas Sdn. Bhd. for a cash consideration of RM151,000,000.

On 15 August 2020, the Company acquired 51.22% equity interests in Terminal Aman Sdn. Bhd. for a cash consideration of RM1,050,000.

The following summarises the consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the dates of acquisition.

#### (a) Fair Value of Purchase Consideration

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash, representing purchase consideration	151,000,000	1,250,000	151,000,000	1,050,000

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**45. ACQUISITIONS OF SUBSIDIARIES (CONT'D)**

**(b) Identifiable Assets Acquired and Liabilities Assumed**

	<b>The Group</b>	
	<b>2022</b> RM	<b>2021</b> RM
Investment in an associate	8,803,477	-
Investments in jointly-controlled entities	3,046,067	-
Property, plant and equipment	17,939,764	391,360
Intangible assets, representing subsisting construction contracts	36,733,245	-
Deferred tax assets	845,093	-
Trade and other receivables	90,780,325	3,519,884
Contract assets	27,099,323	3,196,430
Current tax assets	3,350,033	47,500
Cash and bank balances	3,733,749	917,537
Borrowings	(42,707,760)	(697,493)
Deferred tax liabilities	(10,414,508)	-
Trade and other payables	(38,392,790)	(5,900,115)
Contract liabilities	(2,505,461)	-
	98,310,557	1,475,103

**(c) Cash Flows Arising from Acquisitions**

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b> RM	<b>2021</b> RM	<b>2022</b> RM	<b>2021</b> RM
Purchase consideration settled in cash (item (a) above)	151,000,000	1,250,000	151,000,000	1,050,000
Less: Cash and cash equivalents of subsidiaries acquired (item (b) above)	(3,733,749)	(917,537)	-	-
	147,266,251	332,463	151,000,000	1,050,000

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 45. ACQUISITIONS OF SUBSIDIARIES (CONT'D)

#### (d) Goodwill Arising from Acquisitions

	The Group	
	2022 RM	2021 RM
Total consideration transferred (item (a) above)	151,000,000	1,250,000
Less: Fair value of identifiable net assets acquired (item (b) above)	(98,310,557)	(1,475,103)
Add: Non-controlling interests (item (d)(i) below)	-	624,563
Goodwill from the acquisitions of subsidiaries (Note 15)	52,689,443	399,460

- (i) The non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the dates of acquisition.
- (ii) The Group has incurred acquisition-related costs of RM2,365,501 (2021: 52,745) related to external legal fees and due diligence costs. These expenses were recognised in "Administrative Expenses" line item of the consolidated statement of profit or loss and other comprehensive income.
- (iii) The goodwill is attributable mainly to the control premium paid. In addition, the purchase consideration also included benefits derived from the expected growth of the subsidiaries, its future market development as well the synergies expected to be achieved from integrating the subsidiaries into the Group's existing businesses. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not deductible for tax purposes.

#### (e) Impact of Acquisitions on the Group's Results

	The Group	
	2022 RM	2021 RM
Revenue	229,671,093	3,533,370
(Loss)/profit after taxation	(2,108,890)	131,976

If the acquisition had taken place at the beginning of the current financial year, the Group's revenue and loss after taxation would have been RM229,671,093 (2021: RM10,815,012) and RM2,108,890 (2021: profit after taxation of RM328,167) respectively.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 46. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	The Group	
	2022	2021
	RM	RM
Cost of property, plant and equipment purchased	12,417,562	2,394,216
Less: Acquired through hire purchase arrangements (Note 46(b))	(1,521,900)	-
Less: Additions of new lease liabilities (Note 46(b))	(1,796,595)	(375,099)
Cash disbursed for the purchase of property, plant and equipment	9,099,067	2,019,117

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**46. CASH FLOW INFORMATION (CONT'D)**

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

<b>The Group</b>	<b>Bankers' Acceptance RM</b>	<b>Hire Purchase Liabilities RM</b>	<b>Invoice Financing RM</b>	<b>Lease Liabilities RM</b>	<b>Revolving Credit RM</b>	<b>Term Loans RM</b>	<b>Total RM</b>
<b>2022</b>							
At 1 April	3,000,000	411,061	-	8,178,874	-	257,343	11,847,278
<u>Changes in Financing Activities</u>							
Net of drawdown/(repayment) of principal	30,178,000	-	31,629,273	-	54,550,000	-	116,357,273
Proceeds from drawdown of principal	-	-	-	-	-	30,000,000	30,000,000
Repayment of principal	-	(1,955,941)	-	(3,358,787)	-	(5,257,343)	(10,572,071)
Repayment of interests	-	(297,891)	-	(563,781)	-	(1,151,119)	(2,012,791)
	30,178,000	(2,253,832)	31,629,273	(3,922,568)	54,550,000	23,591,538	133,772,411
<u>Non-cash Changes</u>							
Exchange differences	-	-	-	1,740	-	-	1,740
Acquisition of a subsidiary (Note 45)	2,909,000	5,721,117	3,212,796	1,364,847	29,500,000	-	42,707,760
New hire purchase	-	1,521,900	-	-	-	-	1,521,900
Acquisition of new leases	-	-	-	1,796,595	-	-	1,796,595
Modifications of leases	-	-	-	325,422	-	-	325,422
Derecognition of leases	-	-	-	(338,806)	-	-	(338,806)
Interest expense recognised in profit or loss	196,325	297,891	660,848	563,781	3,020,493	1,151,119	5,890,457
Repayment of interests (presented as operating cash flows)	(196,325)	-	(660,848)	-	(3,020,493)	-	(3,877,666)
	2,909,000	7,540,908	3,212,796	3,713,579	29,500,000	1,151,119	48,027,402
At 31 March	36,087,000	5,698,137	34,842,069	7,969,885	84,050,000	25,000,000	193,647,091

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**46. CASH FLOW INFORMATION (CONT'D)**

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

<b>The Group</b>	<b>Bankers' Acceptance RM</b>	<b>Hire Purchase Liabilities RM</b>	<b>Lease Liabilities RM</b>	<b>Revolving Credit RM</b>	<b>Term Loans RM</b>	<b>Total RM</b>
<b>2021</b>						
At 1 April	4,700,000	-	11,334,122	3,000,000	-	19,034,122
<u>Changes in Financing Activities</u>						
Net of drawdown/(repayment) of principal	(1,700,000)	-	-	(3,000,000)	-	(4,700,000)
Proceeds from drawdown of principal	-	-	-	-	1,769	1,769
Repayment of principal	-	(30,858)	(2,540,435)	-	-	(2,571,293)
Repayment of interests	-	(22,639)	(624,271)	-	(28,345)	(675,255)
	(1,700,000)	(53,497)	(3,164,706)	(3,000,000)	(26,576)	(7,944,779)
<u>Non-cash Changes</u>						
Exchange differences	-	-	3,498	-	-	3,498
Acquisition of a subsidiary (Note 45)	-	441,919	-	-	255,574	697,493
Acquisition of new leases	-	-	375,099	-	-	375,099
Derecognition of leases	-	-	(993,410)	-	-	(993,410)
Interest expense recognised in profit or loss	69,931	22,639	624,271	84,833	28,345	830,019
Repayment of interests (presented as operating cash flows)	(69,931)	-	-	(84,833)	-	(154,764)
	-	464,558	9,458	-	283,919	757,935
At 31 March	3,000,000	411,061	8,178,874	-	257,343	11,847,278

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 46. CASH FLOW INFORMATION (CONT'D)

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

<b>The Company</b>	Term Loan RM
<b>2022</b>	
At 1 April	-
<u>Changes in Financing Activities</u>	
Proceeds from drawdown of principal	30,000,000
Repayment of principal	(5,000,000)
Repayment of interests	(1,119,175)
	23,880,825
<u>Non-cash changes</u>	
Interest expense recognised in profit or loss	1,119,175
At 31 March	<u>25,000,000</u>

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

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
Payment of short-term leases	3,196,232	195,589
Payment of leases of low-value assets	114,970	120,066
Interest paid on lease liabilities	563,781	624,271
Payment of lease liabilities	3,358,787	2,540,435
	<u>7,233,770</u>	<u>3,480,361</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

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**46. CASH FLOW INFORMATION (CONT'D)**

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deposits with licensed banks	268,525	264,676	-	-
Cash and bank balances	21,297,654	141,577,556	1,919,171	124,735,274
Bank overdrafts	(2,161,499)	(2,776,197)	-	-
	<u>19,404,680</u>	<u>139,066,035</u>	<u>1,919,171</u>	<u>124,735,274</u>
Less: Deposits pledged to licensed banks (Note 26)	(268,525)	(264,676)	-	-
	<u>19,136,155</u>	<u>138,801,359</u>	<u>1,919,171</u>	<u>124,735,274</u>

**47. KEY MANAGEMENT PERSONNEL COMPENSATION**

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

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**47. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)**

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

**(a) Directors**

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Directors of the Company</u>				
Short-term benefits:-				
- fees	355,500	318,000	288,000	288,000
- salaries, bonuses and other benefits	2,419,804	1,469,967	31,500	31,500
	2,775,304	1,787,967	319,500	319,500
Defined contribution plans	248,372	160,806	-	-
	3,023,676	1,948,773	319,500	319,500
<u>Directors of the Subsidiaries</u>				
Short-term benefits:-				
- fees	48,000	36,000	-	-
- salaries, bonuses and other benefits	2,039,164	740,556	-	-
	2,087,164	776,556	-	-
Defined contribution plans	227,188	88,440	-	-
	2,314,352	864,996	-	-
Total directors' remuneration (Note 40)	5,338,028	2,813,769	319,500	319,500

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM31,500 (2021: RM24,875).

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**47. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)**

**(b) Other Key Management Personnel**

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Short-term benefits	2,672,372	1,765,344	-	-
Defined contribution plans	267,179	201,134	-	-
Total compensation for other key management personnel (Note 40)	2,939,551	1,966,478	-	-

**48. RELATED PARTY DISCLOSURES**

**(a) Identities of Related Parties**

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

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

**(b) Significant Related Party Transactions and Balances**

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

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Holding company:-				
- lease of office premises	2,110,200	2,067,000	-	-
- sale of products and services	64,741	37,382	-	-
Subsidiaries:-				
- dividend income	-	-	8,500,000	6,250,000
- lease income	-	-	240,000	240,000

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**48. RELATED PARTY DISCLOSURES (CONT'D)**

**(b) Significant Related Party Transactions and Balances (Cont'd)**

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

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Related companies:-				
- administrative charges	188,400	168,000	31,200	31,200
- sale of products and services	4,120,362	3,025,340	-	-
- sale of property, plant and equipment	-	66,000	-	-
- purchase of products and services	9,717,565	8,319,216	-	-
- purchase of property, plant and equipment	227,528	261,722	-	-
- interest expenses	34,498	-	-	-
- lease income	2,860	35,520	-	-
- lease of equipment	32,475	29,495	-	-
- lease of land	96,000	16,000	-	-
- repairs and maintenance	73,365	56,478	-	-
- service charges	90,668	-	-	-
- stationery and printing	49,348	57,116	2,438	-
	<hr/>	<hr/>	<hr/>	<hr/>
Associate:-				
- contract income	373,831	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Jointly-controlled entities:-				
- contract income	20,407,464	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 48. RELATED PARTY DISCLOSURES (CONT'D)

#### (b) Significant Related Party Transactions and Balances (Cont'd)

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

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other related parties:-				
- sale of products and services	10,919,612	14,992,134	-	-
- contract income	515,314	-	-	-
- purchase of products and services	33,540	458,327	-	-
- purchase of property, plant and equipment	32,000	10,839	-	-
- sub-contractors' fee	5,064,600	-	-	-
- interest income	115,506	-	-	-
- lease income	2,400	2,400	-	-
- lease of office premises	72,000	72,000	-	-
- stationery and printing	3,615	3,745	-	-
- travelling and training	5,053	13,776	-	-

The significant outstanding balances of the related parties (including the allowance for impairment losses made, where applicable) together with their terms and conditions are disclosed in the respective notes to the financial statements.

### 49. OPERATING SEGMENTS

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 49. OPERATING SEGMENTS (CONT'D)

The Group is organised into 7 main reportable segments as follows:-

- Building and Construction Materials Segment – involved in the sale and distribution of steel bars, cement, roofing materials, construction chemicals and industrial materials.
- Marine and Industrial Segment – involved in the supply and distribution of power generating and water pressure systems, welding and pump sets, and air compressor for industrial sector; road compactors and mini excavators for construction sector; tractors, combine harvesters and brush cutters for agriculture sector; and marine propulsion diesel engines, outboard motors and marinised generators for marine sector.
- Agro Engineering Segment – involved in the supply of steel wire ropes, packaging systems, precision measuring instruments and wood treatment chemicals for timber industry, as well as saw doctoring equipment, electric motors, grinders, cutters and other upstream equipment and machinery.
- Electrical and Air-conditioning Segment – involved in the sale and distribution of lighting and air-conditioning systems, and the provision of office automation solutions for workplace, from photocopier, fax machines and key phones, computers to networking, software and work flow solutions.
- Heavy Equipment Segment – involved in the sale and distribution of construction equipment which includes backhoe loaders, heavy excavators, compact excavators, telehandlers and the associated spare parts.
- Mechanical and Electrical Segment – involved in the design, supply and installation of air-conditioning and ventilation, plumbing and fire protection systems.
- Construction and Infrastructure Segment – involved in the building and infrastructure construction, consisting primarily of commercial and public service buildings under building works, and predominantly roads, highways and bridges for infrastructure works.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 49. OPERATING SEGMENTS (CONT'D)

- (a) The Group Managing Director assesses the performance of the reportable segments based on their operating income before unallocated income and expenses, finance costs and share of results from associate and jointly-controlled entities. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment asset is measured based on all assets of the segment other than investments in associate and jointly-controlled entities, and tax-related assets.
- (c) Segment liabilities information is not provided to the Group Managing Director. Hence, no disclosure is made on segment liabilities.
- (d) Assets and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items.
- (e) Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**49. OPERATING SEGMENTS (CONT'D)**

BUSINESS SEGMENTS

<b>2022</b>	<b>Building &amp; Construction Materials</b> RM	<b>Marine &amp; Industrial</b> RM	<b>Agro Engineering</b> RM	<b>Electrical &amp; Air- conditioning</b> RM	<b>Heavy Equipment</b> RM	<b>Mechanical &amp; Electrical</b> RM	<b>Construction &amp; Infra- structure</b> RM	<b>Consolidation Adjustments</b> RM	<b>The Group</b> RM
<b>Revenue</b>									
External revenue	90,843,690	96,524,485	34,243,699	27,622,994	27,929,219	94,715,830	229,671,093	-	601,551,010
Inter-segment revenue	8,996,991	287,183	290	1,614,580	24,539,235	1,349,465	-	(36,787,744)	-
<b>Total revenue</b>	<b>99,840,681</b>	<b>96,811,668</b>	<b>34,243,989</b>	<b>29,237,574</b>	<b>52,468,454</b>	<b>96,065,295</b>	<b>229,671,093</b>	<b>(36,787,744)</b>	<b>601,551,010</b>
<b>Results</b>									
Segment profit	6,897,286	17,070,454	2,577,953	1,708,388	1,680,310	6,478,949	5,630,213	2,145,517	44,189,070
Finance costs									(6,138,140)
Unallocated income									1,197,867
Unallocated expenses									(36,526,069)
Share of profit of an equity- accounted associate									596,322
Share of profit of equity- accounted jointly-controlled entities									192,131
<b>Profit before taxation</b>									<b>3,511,181</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**49. OPERATING SEGMENTS (CONT'D)**

BUSINESS SEGMENTS (CONT'D)

<b>2022</b>	<b>Building &amp; Construction Materials</b> RM	<b>Marine &amp; Industrial</b> RM	<b>Agro Engineering</b> RM	<b>Electrical &amp; Air- conditioning</b> RM	<b>Heavy Equipment</b> RM	<b>Mechanical &amp; Electrical</b> RM	<b>Construction &amp; Infra- structure</b> RM	<b>Consolidation Adjustments</b> RM	<b>The Group</b> RM
<b>Results (Cont'd)</b>									
<u>Other Information</u>									
Allowance for impairment losses on contract assets	-	-	-	-	-	(738,751)	(217,685)	-	(956,436)
Allowance for impairment losses on contract assets no longer required	-	-	-	-	-	-	234,839	-	234,839
Allowance for impairment losses on receivables	(1,590,136)	(600,415)	(421,356)	(162,284)	(53,335)	(267,219)	-	-	(3,094,745)
Allowance for impairment losses on receivables no longer required	2,772,905	1,188,844	96,282	356,296	30,066	1,986,622	889,190	-	7,320,205
Allowance for slow-moving inventories	(3,462)	(72,040)	(7,168)	(4,471)	-	-	-	-	(87,141)
Allowance for slow-moving inventories no longer required	13,394	53,610	39,323	59,680	-	1,700,000	-	-	1,866,007
Bad debts written off	(364,664)	-	(39,878)	(1,442)	-	(1,995)	-	-	(407,979)
Fair value loss on derivatives	-	(128,815)	-	-	-	-	-	-	(128,815)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**49. OPERATING SEGMENTS (CONT'D)**

BUSINESS SEGMENTS (CONT'D)

	<b>Building &amp; Construction Materials</b>	<b>Marine &amp; Industrial</b>	<b>Agro Engineering</b>	<b>Electrical &amp; Air- conditioning</b>	<b>Heavy Equipment</b>	<b>Mechanical &amp; Electrical</b>	<b>Construction &amp; Infra- structure</b>	<b>Consolidation Adjustments</b>	<b>The Group</b>
<b>2022</b>	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Assets</b>									
Segment assets	40,334,595	35,884,889	18,820,973	12,023,663	10,631,225	65,168,027	284,105,433	-	466,968,805
Investment in an associate									8,499,799
Investments in jointly-controlled entities									1,638,198
Deferred tax assets									4,841,586
Goodwill									53,138,004
Unallocated assets									65,434,626
Consolidated total assets									<u>600,521,018</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**49. OPERATING SEGMENTS (CONT'D)**

BUSINESS SEGMENTS (CONT'D)

<b>2021</b>	<b>Building &amp; Construction Materials RM</b>	<b>Marine &amp; Industrial RM</b>	<b>Agro Engineering RM</b>	<b>Electrical &amp; Air- conditioning RM</b>	<b>Heavy Equipment RM</b>	<b>Mechanical &amp; Electrical RM</b>	<b>Consolidation Adjustments RM</b>	<b>The Group RM</b>
<b>Revenue</b>								
External revenue	82,027,990	88,212,982	25,691,560	22,166,342	16,654,295	69,241,885	-	303,995,054
Inter-segment revenue	670,269	517,400	435	816,552	10,772,870	19,956	(12,797,482)	-
Total revenue	82,698,259	88,730,382	25,691,995	22,982,894	27,427,165	69,261,841	(12,797,482)	303,995,054
<b>Results</b>								
Segment profit	5,640,010	13,848,717	2,084,240	488,833	831,577	1,601,219	2,455,083	26,949,679
Finance costs								(883,371)
Unallocated income								12,770,183
Unallocated expenses								(26,952,363)
Share of profit of an equity-accounted associate								116,280
Profit before taxation								12,000,408

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**49. OPERATING SEGMENTS (CONT'D)**

BUSINESS SEGMENTS (CONT'D)

	<b>Building &amp; Construction Materials</b> RM	<b>Marine &amp; Industrial</b> RM	<b>Agro Engineering</b> RM	<b>Electrical &amp; Air- conditioning</b> RM	<b>Heavy Equipment</b> RM	<b>Mechanical &amp; Electrical</b> RM	<b>Consolidation Adjustments</b> RM	<b>The Group</b> RM
<b>2021</b>								
<b>Results (Cont'd)</b>								
<u>Other Information</u>								
Allowance for impairment losses on receivables	(2,317,556)	(627,532)	(95,810)	(901,471)	(42,064)	(1,951,008)	-	(5,935,441)
Allowance for impairment losses on receivables no longer required	2,058,707	1,832,822	285,334	210,162	210,688	2,148	-	4,599,861
Allowance for slow-moving inventories	(1,573)	(535,472)	(5,150)	(29,198)	-	-	-	(571,393)
Allowance for slow-moving inventories no longer required	12,447	50,294	64	2,379	-	-	-	65,184
Bad debts written off	-	-	-	-	-	(3,541)	-	(3,541)
Fair value gain/(loss) on derivatives	-	3,519	-	-	3,969	(9,120)	-	(1,632)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**49. OPERATING SEGMENTS (CONT'D)**

BUSINESS SEGMENTS (CONT'D)

	<b>Building &amp; Construction Materials</b> RM	<b>Marine &amp; Industrial</b> RM	<b>Agro Engineering</b> RM	<b>Electrical &amp; Air- conditioning</b> RM	<b>Heavy Equipment</b> RM	<b>Mechanical &amp; Electrical</b> RM	<b>Consolidation Adjustments</b> RM	<b>The Group</b> RM
<b>2021</b>								
<b>Assets</b>								
Segment assets	34,031,274	50,664,101	13,889,331	12,011,087	10,163,811	49,537,286	-	170,296,890
Deferred tax assets								5,001,425
Goodwill								453,040
Unallocated assets								196,661,602
Consolidated total assets								<u>372,412,957</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 49. OPERATING SEGMENTS (CONT'D)

#### GEOGRAPHICAL INFORMATION

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

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

The Group	Revenue		Non-current Assets	
	2022 RM	2021 RM	2022 RM	2021 RM
Singapore	11,697,005	8,013,655	288,003	574,215
Malaysia	589,854,005	295,981,399	144,096,028	28,347,141
	<u>601,551,010</u>	<u>303,995,054</u>	<u>144,384,031</u>	<u>28,921,356</u>

#### MAJOR CUSTOMERS

For the financial year, there was a customer that contributed RM85,338,698 revenue to the Group, which accounted for more than 10% of the Group's total revenue. The customer belongs to the construction and infrastructure segment.

### 50. CAPITAL COMMITMENTS

	The Group	
	2022 RM	2021 RM
Purchase of property, plant and equipment	1,422,000	-
Purchase of investment properties	387,960	430,040
	<u>1,809,960</u>	<u>430,040</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 51. CONTINGENT LIABILITIES

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

	The Group	
	2022	2021
	RM	RM
Secured:-		
Performance and other guarantees extended to third parties	13,892,123	12,948,207

The performance and other guarantees are secured by debentures incorporating floating charges over all undertakings and assets of a subsidiary, and a corporate guarantee from the holding company.

### 52. FINANCIAL INSTRUMENTS

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

#### 52.1 FINANCIAL RISK MANAGEMENT POLICIES

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

##### (a) Market Risk

###### (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily Japanese Yen ("JPY"), United States Dollar ("USD"), Euro ("EUR"), Singapore Dollar ("SGD"), Brunei Dollar ("BND") and Sterling Pound ("GBP"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure*

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

<b>The Group</b>	Japanese Yen RM	United States Dollar RM	Euro RM	Singapore Dollar RM	Brunei Dollar RM	Sterling Pound RM	Ringgit Malaysia RM	<b>Total</b> RM
<b>2022</b>								
<u>Financial Assets</u>								
Other investments	-	-	-	-	-	-	13,672,083	13,672,083
Trade receivables	1,102,213	692,144	3,197	925,057	-	150,982	136,060,461	138,934,054
Other receivables	-	-	-	-	-	-	638,139	638,139
Amount owing by related companies	-	-	-	312	-	-	528,148	528,460
Amount owing by an associate	-	-	-	-	-	-	36,272	36,272
Amount owing by jointly-controlled entities	-	-	-	-	-	-	7,072,921	7,072,921
Short-term investments	-	-	-	-	-	-	19,912,686	19,912,686
Derivative assets	-	-	-	-	-	-	77,062	77,062
Deposits with licensed banks	-	-	-	-	-	-	268,525	268,525
Cash and bank balances	845,775	6,132	-	3,872,168	-	-	16,573,579	21,297,654
	1,947,988	698,276	3,197	4,797,537	-	150,982	194,839,876	202,437,856

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

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

<b>The Group</b>	Japanese Yen RM	United States Dollar RM	Euro RM	Singapore Dollar RM	Brunei Dollar RM	Sterling Pound RM	Ringgit Malaysia RM	<b>Total</b> RM
<b>2022</b>								
<u>Financial Liabilities</u>								
Trade payables	4,342,348	139,150	769,663	69,070	-	102	65,815,129	71,135,462
Other payables and accruals	-	-	-	11,029	-	-	3,888,495	3,899,524
Amount owing to related companies	-	-	-	-	246,445	-	1,643,996	1,890,441
Derivative liabilities	-	-	-	-	-	-	707,501	707,501
Borrowings:-								
- bank overdrafts	-	-	-	-	-	-	2,161,499	2,161,499
- other borrowings	-	-	-	21,871	-	-	193,625,220	193,647,091
	4,342,348	139,150	769,663	101,970	246,445	102	267,841,840	273,441,518

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

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

<b>The Group</b>	Japanese Yen RM	United States Dollar RM	Euro RM	Singapore Dollar RM	Brunei Dollar RM	Sterling Pound RM	Ringgit Malaysia RM	<b>Total</b> RM
<b>2022</b>								
Net financial assets/(liabilities)	(2,394,360)	559,126	(766,466)	4,695,567	(246,445)	150,880	(73,001,964)	(71,003,662)
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	-	-	-	(4,695,567)	-	-	73,001,964	68,306,397
Currency Exposure	(2,394,360)	559,126	(766,466)	-	(246,445)	150,880	-	(2,697,265)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

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

<b>The Group</b>	Japanese Yen RM	United States Dollar RM	Euro RM	Singapore Dollar RM	Brunei Dollar RM	Sterling Pound RM	Ringgit Malaysia RM	<b>Total</b> RM
<b>2021</b>								
<u>Financial Assets</u>								
Other investments	-	-	-	-	-	-	19,939,982	19,939,982
Trade receivables	249,800	61,164	-	756,697	-	11,159	86,414,589	87,493,409
Other receivables	-	-	-	-	-	-	792,159	792,159
Amount owing by related companies	-	-	-	180,301	-	-	-	180,301
Short-term investments	-	-	-	-	-	-	20,889,077	20,889,077
Derivative assets	-	-	-	-	-	-	162,400	162,400
Deposits with licensed banks	-	-	-	-	-	-	264,676	264,676
Cash and bank balances	539,116	11,806	-	5,476,213	-	-	135,550,421	141,577,556
	788,916	72,970	-	6,413,211	-	11,159	264,013,304	271,299,560

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) **Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

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

<b>The Group</b>	Japanese Yen RM	United States Dollar RM	Euro RM	Singapore Dollar RM	Brunei Dollar RM	Sterling Pound RM	Ringgit Malaysia RM	<b>Total</b> RM
<b>2021</b>								
<u>Financial Liabilities</u>								
Trade payables	1,819,730	4,110,851	683,029	112,018	1,492	15,814	31,280,355	38,023,289
Other payables and accruals	-	-	-	15,383	-	-	3,815,256	3,830,639
Amount owing to holding company	-	-	-	-	-	-	64,024	64,024
Amount owing to related companies	-	-	-	-	-	-	505,270	505,270
Borrowings:-								
- bank overdrafts	-	-	-	-	-	-	2,776,197	2,776,197
- other borrowings	-	-	-	271,542	-	-	11,575,736	11,847,278
	1,819,730	4,110,851	683,029	398,943	1,492	15,814	50,016,838	57,046,697

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

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

<b>The Group</b>	Japanese Yen RM	United States Dollar RM	Euro RM	Singapore Dollar RM	Brunei Dollar RM	Sterling Pound RM	Ringgit Malaysia RM	<b>Total</b> RM
<b>2021</b>								
Net financial assets/(liabilities)	(1,030,814)	(4,037,881)	(683,029)	6,014,268	(1,492)	(4,655)	213,996,466	214,252,863
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	-	-	-	(5,881,783)	-	-	(213,996,466)	(219,878,249)
Currency Exposure	(1,030,814)	(4,037,881)	(683,029)	132,485	(1,492)	(4,655)	-	(5,625,386)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### *Foreign Currency Sensitivity Analysis*

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

	The Group	
	2022 RM	2021 RM
<b>Effects on Profit after Taxation</b>		
JPY/RM - strengthened by 10%	+ 403,000	+ 64,000
- weakened by 10%	- 403,000	- 68,000
USD/RM - strengthened by 10%	+ 43,000	- 275,000
- weakened by 10%	- 43,000	+ 275,000
EUR/RM - strengthened by 10%	- 58,000	- 52,000
- weakened by 10%	+ 58,000	+ 52,000
SGD/RM - strengthened by 10%	- 1,000	+ 42,000
- weakened by 10%	+ 1,000	- 42,000
BND/RM - strengthened by 10%	- 19,000	- 100
- weakened by 10%	+ 19,000	+ 100
GBP/RM - strengthened by 10%	+ 11,000	- 400
- weakened by 10%	- 11,000	+ 400

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### *Foreign Currency Sensitivity Analysis (Cont'd)*

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

	The Group	
	2022 RM	2021 RM
<b>Effects on Equity</b>		
JPY/RM - strengthened by 10%	+ 1,336,000	+ 750,000
- weakened by 10%	- 1,336,000	- 770,000
USD/RM - strengthened by 10%	+ 43,000	- 275,000
- weakened by 10%	- 43,000	+ 275,000
EUR/RM - strengthened by 10%	- 58,000	- 52,000
- weakened by 10%	+ 58,000	+ 52,000
SGD/RM - strengthened by 10%	+ 1,739,000	+ 2,760,000
- weakened by 10%	- 1,739,000	- 2,690,000
BND/RM - strengthened by 10%	- 19,000	- 100
- weakened by 10%	+ 19,000	+ 100
GBP/RM - strengthened by 10%	+ 11,000	- 400
- weakened by 10%	- 11,000	+ 400

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (ii) Interest Rate Risk

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

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

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 30 to the financial statements.

##### *Interest Rate Risk Sensitivity Analysis*

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

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
<b>Effects on Profit after Taxation</b>		
Increase of 25 basis points	- 4,000	- 6,000
Decrease of 25 basis points	+ 4,000	+ 6,000
<b>Effects on Equity</b>		
Increase of 25 basis points	- 4,000	- 6,000
Decrease of 25 basis points	+ 4,000	+ 6,000

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices.

##### *Equity Price Risk Sensitivity Analysis*

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

	<b>The Group/The Company</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
<b>Effects on Profit after Taxation</b>		
Increase of 10%	+ 1,367,000	+ 1,994,000
Decrease of 10%	- 1,367,000	- 1,994,000
<b>Effects on Equity</b>		
Increase of 10%	+ 1,367,000	+ 1,994,000
Decrease of 10%	- 1,367,000	- 1,994,000

##### (b) Credit Risk

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

##### (i) Credit Risk Concentration Profile

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

###### (ii) Maximum Exposure to Credit Risk

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

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM157,140,568 (2021: RM5,776,197), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

###### (iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

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

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

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

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

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 270 days past due.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

###### Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

*Allowance for Impairment Losses*

<b>The Group</b>	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
<b>2022</b>				
Current (not past due)	116,257,653	-	(658,623)	115,599,030
1 to 90 days past due	16,181,564	-	(390,118)	15,791,446
91 to 180 days past due	5,396,564	-	(446,244)	4,950,320
181 to 270 days past due	2,242,357	-	(442,146)	1,800,211
Credit impaired	20,439,941	(9,921,617)	(2,652,356)	7,865,968
Trade receivables	160,518,079	(9,921,617)	(4,589,487)	146,006,975
Contract assets	100,702,826	(1,120,953)	-	99,581,873
	261,220,905	(11,042,570)	(4,589,487)	245,588,848
<b>2021</b>				
Current (not past due)	51,393,773	-	(171,166)	51,222,607
1 to 90 days past due	17,922,673	-	(114,722)	17,807,951
91 to 180 days past due	5,199,360	-	(56,498)	5,142,862
181 to 270 days past due	1,878,674	-	(9,359)	1,869,315
Credit impaired	31,341,551	(17,758,671)	(2,132,206)	11,450,674
Trade receivables	107,736,031	(17,758,671)	(2,483,951)	87,493,409
Contract assets	10,351,790	-	-	10,351,790
	118,087,821	(17,758,671)	(2,483,951)	97,845,199

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 14 and 19 to the financial statements respectively.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Other Receivables and Amount Owing by Related Parties

The Group applies the 3-stage general approach to measure expected credit losses for its non-trade receivables and amount owing by related parties.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 90 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 270 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on an individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Other Receivables and Amount Owing by Related Parties (Cont'd)

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

##### *Allowance for Impairment Losses*

	Gross Amount RM	12-month Loss Allowance RM	Lifetime Loss Allowance RM	Carrying Amount RM
<b>The Group</b>				
<b>2022</b>				
Low credit risk	638,139	-	-	638,139
Credit impaired	1,106,056	-	(1,106,056)	-
	1,744,195	-	(1,106,056)	638,139

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

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**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables and Amount Owing by Related Parties (Cont'd)

*Allowance for Impairment Losses (Cont'd)*

<b>The Group</b>	Gross Amount RM	12-month Loss Allowance RM	Lifetime Loss Allowance RM	Carrying Amount RM
<b>2021</b>				
Low credit risk	792,159	-	-	792,159
Credit impaired	500,000	-	(500,000)	-
	1,292,159	-	(500,000)	792,159

The movements in the loss allowances in respect of non-trade receivables are disclosed in Note 18 to the financial statements.

Deposits with Licensed Banks, and Cash and Bank Balances

The Group considers the licensed banks to have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries to have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through "repayable over time" or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

##### *Allowance for Impairment Losses*

At the end of the reporting period, there was no indication that the amount owing is not recoverable.

##### Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

<b>The Group</b>	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>2022</b>						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	71,135,462	71,135,462	71,135,462	-	-
Other payables and accruals	-	3,899,524	3,899,524	3,899,524	-	-
Amount owing to related companies:-						
- interest bearing	6.50	505,311	505,311	505,311	-	-
- non-interest bearing	-	1,385,130	1,385,130	1,385,130	-	-
Bank overdrafts	6.45	2,161,499	2,161,499	2,161,499	-	-
Bankers' acceptance	2.55	36,087,000	36,087,000	36,087,000	-	-
Hire purchase liabilities	5.50	5,698,137	6,325,048	2,046,096	1,798,433	2,480,519
Invoice financing	3.32	34,842,069	34,842,069	34,842,069	-	-
Lease liabilities	6.22	7,969,885	8,742,000	3,435,000	4,955,000	352,000
Revolving credit	3.42	84,050,000	84,050,000	84,050,000	-	-
Term loans	4.47	25,000,000	26,795,000	6,849,000	19,946,000	-
		272,734,017	275,928,043	246,396,091	26,699,433	2,832,519

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

<b>The Group</b>	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>2022</b>						
<u>Derivative Financial Liabilities</u>						
Forward foreign currency contracts (gross settled):-						
- gross payments	-	630,439	20,807,245	20,807,245	-	-
- gross receipts	-	-	(20,176,806)	(20,176,806)	-	-
		630,439	630,439	630,439	-	-
		273,364,456	276,558,482	247,026,530	26,699,433	2,832,519

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

<b>The Group</b>	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>2021</b>						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	38,023,289	38,023,289	38,023,289	-	-
Other payables and accruals	-	3,830,639	3,830,639	3,830,639	-	-
Amount owing to holding company	-	64,024	64,024	64,024	-	-
Amount owing to related companies:-						
- interest bearing	6.50	505,270	505,270	505,270	-	-
Bank overdrafts	6.15	2,776,197	2,776,197	2,776,197	-	-
Bankers' acceptance	2.20	3,000,000	3,000,000	3,000,000	-	-
Hire purchase liabilities	4.35	411,061	496,012	74,394	287,561	134,057
Lease liabilities	6.83	8,178,874	9,109,000	3,193,000	5,804,000	112,000
Term loans	13.45	257,343	347,000	85,000	262,000	-
		57,046,697	58,151,431	51,551,813	6,353,561	246,057

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

<b>The Group</b>	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>2021</b>						
<u>Derivative Financial Liabilities</u>						
Forward foreign currency contracts (gross settled):-						
- gross payments	-	-	11,364,547	11,364,547	-	-
- gross receipts	-	(162,400)	(11,526,947)	(11,526,947)	-	-
		(162,400)	(162,400)	(162,400)	-	-
		56,884,297	57,989,031	51,389,413	6,353,561	246,057

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

##### *Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (cont'd):-

<b>The Company</b>	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM
<b>2022</b>					
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Other payables and accruals	-	370,973	370,973	370,973	-
Amount owing to subsidiaries	-	239	239	239	-
Term loan	4.47	25,000,000	26,795,000	6,849,000	19,946,000
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries*	-	-	157,140,568	157,140,568	-
		25,371,212	184,306,780	164,360,780	19,946,000
<b>2021</b>					
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Other payables and accruals	-	2,312,002	2,312,002	2,312,002	-
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	-	5,776,197	5,776,197	-
		2,312,002	8,088,199	8,088,199	-

\* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	<b>The Group</b>	
	<b>2022</b>	<b>2021</b>
	RM	RM
Borrowings	195,808,590	14,623,475
Less: Deposits with licensed banks	(268,525)	(264,676)
Less: Cash and bank balances	(21,297,654)	(141,577,556)
Net debt	174,242,411	(127,218,757)
Total equity	301,876,953	304,695,967
Debt-to-equity ratio	0.58	N/A

There was no change in the Group's approach to capital management during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<b>Financial Assets</b>				
<u>Fair Value through Profit or Loss</u>				
Other investments	13,672,083	19,939,982	13,672,083	19,939,982
Short-term investments	19,912,686	20,889,077	10,404,793	15,146,355
Derivative assets	67,148	16,543	-	-
	<u>33,651,917</u>	<u>40,845,602</u>	<u>24,076,876</u>	<u>35,086,337</u>
<u>Designated as Hedging Instruments, at Fair Value through Other Comprehensive Income</u>				
Derivative assets	9,914	145,857	-	-
<u>Amortised Cost</u>				
Trade receivables	138,934,054	87,493,409	-	-
Other receivables	638,139	792,159	-	406,033
Amount owing by subsidiaries	-	-	5,942,104	2,818,166
Amount owing by related companies	528,460	180,301	-	-
Amount owing by an associate	36,272	-	-	-
Amount owing by jointly-controlled entities	7,072,921	-	-	-
Deposits with licensed banks	268,525	264,676	-	-
Cash and bank balances	21,297,654	141,577,556	1,919,171	124,735,274
	<u>168,776,025</u>	<u>230,308,101</u>	<u>7,861,275</u>	<u>127,959,473</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

52.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<b>Financial Liabilities</b>				
<u>Fair Value through Profit or Loss</u>				
Derivative liabilities	195,963	-	-	-
<u>Designated as Hedging Instruments, at Fair Value through Other Comprehensive Income</u>				
Derivative liabilities	511,538	-	-	-
<u>Amortised Cost</u>				
Trade payables	71,135,462	38,023,289	-	-
Other payables and accruals	3,899,524	3,830,639	370,973	2,312,002
Amount owing to holding company	-	64,024	-	-
Amount owing to subsidiaries	-	-	239	-
Amount owing to related companies	1,890,441	505,270	-	-
Borrowings:-				
- bank overdrafts	2,161,499	2,776,197	-	-
- other borrowings	193,647,091	11,847,278	25,000,000	-
	<u>272,734,017</u>	<u>57,046,697</u>	<u>25,371,212</u>	<u>2,312,002</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**52. FINANCIAL INSTRUMENTS (CONT'D)**

**52.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2022</b> RM	<b>2021</b> RM	<b>2022</b> RM	<b>2021</b> RM
<b>Financial Assets</b>				
<u>Fair Value through Profit or Loss</u>				
Net (losses)/gains recognised in profit or loss by:-				
- mandatorily required by MFRS 9	5,981,765	(7,950,205)	(6,162,002)	7,952,085
<u>Designated as Hedging Instruments, at Fair Value through Other Comprehensive Income</u>				
Net losses recognised in other comprehensive income				
	-	(97,958)	-	-
Net losses reclassified to profit or loss upon disposal				
	-	(161,916)	-	-
	-	(259,874)	-	-
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss				
	4,225,460	(1,335,580)	-	-
<b>Financial Liabilities</b>				
<u>Fair Value through Profit or Loss</u>				
Net losses recognised in profit or loss by:-				
- mandatorily required by MFRS 9	195,963	-	-	-
<u>Designated as Hedging Instruments, at Fair Value through Other Comprehensive Income</u>				
Net losses recognised in other comprehensive income				
	(421,171)	-	-	-
Net gains reclassified to profit or loss upon disposal				
	97,958	-	-	-
	(323,213)	-	-	-
<u>Amortised Cost</u>				
Net losses recognised in profit or loss				
	(5,574,359)	(259,100)	(1,119,175)	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
<b>The Group</b>					
<b>2022</b>					
<u>Financial Assets</u>					
Other investments:-					
- quoted	13,672,083	-	-	13,672,083	13,672,083
Short-term investments:-					
- money market funds	19,912,686	-	-	19,912,686	19,912,686
Derivative assets:-					
- forward foreign currency contracts	-	77,062	-	77,062	77,062
<u>Financial Liabilities</u>					
Derivative liabilities:-					
- forward foreign currency contracts	-	707,501	-	707,501	707,501
<b>2021</b>					
<u>Financial Assets</u>					
Other investments:-					
- quoted	19,939,982	-	-	19,939,982	19,939,982
Short-term investments:-					
- money market funds	20,889,077	-	-	20,889,077	20,889,077
Derivative assets:-					
- forward foreign currency contracts	-	162,400	-	162,400	162,400

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

### 52. FINANCIAL INSTRUMENTS (CONT'D)

#### 52.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value at the end of the reporting period (cont'd):-

The Company	Fair Value of Financial Instruments Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2022</b>					
<u>Financial Assets</u>					
Other investments:-					
- quoted	13,672,083	-	-	13,672,083	13,672,083
Short-term investments:-					
- money market funds	10,404,793	-	-	10,404,793	10,404,793
<b>2021</b>					
<u>Financial Assets</u>					
Other investments:-					
- quoted	19,939,982	-	-	19,939,982	19,939,982
Short-term investments:-					
- money market funds	15,146,355	-	-	15,146,355	15,146,355

The fair values above have been determined using the following basis:-

- The fair value of quoted equity investments is determined at their quoted closing bid prices at the end of the reporting period.
- The fair value of money market funds is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into, at the end of the reporting period.
- The fair values of forward foreign currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts using a risk-free interest rate (government bonds).

The fair value of hire purchase liabilities and term loans that carry fixed interest rates approximated their carrying amounts as the impact of discounting is not material. The fair value is determined by discounting the relevant cash flows using current market interest rates for similar instruments and the fair value is within level 2 of the fair value hierarchy.

## ANALYSIS OF SHAREHOLDINGS AS AT 30 JUNE 2022

<b>Issued share capital</b>	: 464,079,850 ordinary shares
<b>Class of shares</b>	: Ordinary shares
<b>Voting rights</b>	: One (1) vote per ordinary share
<b>Number of treasury shares held</b>	: 4,023,150 ordinary shares

### Distribution of Shareholdings

Holdings	No. of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100 shares	85	5,435	0.00 *
100 – 1,000 shares	176	89,480	0.02
1,001 – 10,000 shares	1,580	5,677,832	1.22
10,001 – 100,000 shares	442	12,518,900	2.70
100,001 and above	101	445,788,203	96.06
<b>Total</b>	<b>2,384</b>	<b>464,079,850</b>	<b>100.00</b>

\* less than 0.01%

### List of Thirty (30) Largest Shareholders (Based on Record of Shareholders)

No.	Account Holder	No. of Shares Held	Percentage (%)
1.	Pan Sarawak Holdings Sdn Bhd	301,500,003	64.97
2.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Billion Power Sdn Bhd	13,795,450	2.97
3.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ling Li Kuang	10,549,400	2.27
4.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ling Li Kuang (7000306)	9,921,750	2.14
5.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Royston Ling Ing Ding	9,184,100	1.98
6.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Royston Ling Ing Ding (7000334)	9,117,500	1.96
7.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Royston Ling Ing Ding	8,138,000	1.75
8.	HSBC Nominees (ASING) Sdn Bhd - Exempt An For Credit Suisse (SG BR-TST-ASING)	7,622,100	1.64
9.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kong Leh Ping	6,885,000	1.48
10.	Gao Kun	5,681,900	1.22

## List of Thirty (30) Largest Shareholders (Based on Record of Shareholders) (cont'd)

No.	Account Holder	No. of Shares Held	Percentage (%)
11.	Lim Hong Thong	4,740,000	1.02
12.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Focus Return Sdn Bhd (M05)	4,588,150	0.99
13.	SJ Sec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Pau Chiong Ching	4,065,250	0.88
14.	Abd Rahim Bin Jaafar	4,000,000	0.86
15.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Bernard Ling Ing Tah	3,785,000	0.82
16.	CIMB Group Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Sri Dato' Paduka (Dr) Ting Pek Khiing	2,520,000	0.54
17.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kong Leh Ping (6000461)	2,040,000	0.44
18.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Billion Power Sdn Bhd (M05)	2,024,900	0.44
19.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Sincere Success Sdn Bhd (PB)	1,753,600	0.38
20.	Maybank Nominees (Tempatan) Sdn Bhd - Solid Oil Palm Plantation Sdn Bhd	1,640,000	0.35
21.	TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tham Quek Ngok	1,153,900	0.25
22.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	1,047,500	0.23
23.	Tan Ah Booy	1,000,000	0.22
24.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tham Quek Ngok (E- TMR/MLK)	960,000	0.21
25.	Tan Kee Choon	865,700	0.19
26.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ting Lick Fuat (E-JCL)	856,800	0.18
27.	TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Annie Wong Chiew Siong	769,000	0.17
28.	Talhah @ Talha Bin Affendi	750,000	0.16
29.	Tommy Bin Bugo @ Hamid Bin Bugo	750,000	0.16
30.	Tan Ah Tai @ Tan Ka Cheng	726,900	0.16
	<b>Total</b>	<b>422,431,903</b>	<b>91.03</b>

## List of Substantial Shareholders (Based on Register of Substantial Shareholders)

		Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Pan Sarawak Holdings Sdn Bhd	301,500,003	64.97	-	-
2.	Tai Sing Chii & Sons Sdn Bhd	-	-	301,500,003 <sup>(a)</sup>	64.97
3.	Inplaced Capital Sdn Bhd	-	-	301,500,003 <sup>(a)</sup>	64.97
4.	Puan Sri Datin Sri Ling Lah Kiong	-	-	301,500,003 <sup>(b)</sup>	64.97
5.	Dato' James Tai Cheong @ Tai Chiong	-	-	302,261,053 <sup>(c)</sup>	65.13
6.	Datuk Tai Hee	-	-	301,768,303 <sup>(d)</sup>	65.03
7.	David Tai Wei	-	-	301,500,003 <sup>(e)</sup>	64.97

Notes:

- (a) Deemed interested by virtue of its substantial interests in Pan Sarawak Holdings Sdn Bhd pursuant to Section 8 of the Act.
- (b) Deemed interested by virtue of her substantial interests in Tai Sing Chii & Sons Sdn Bhd pursuant to Section 8 of the Act.
- (c) Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse and children's shareholdings in the Company.
- (d) Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholding in the Company.
- (e) Deemed interested by virtue of his substantial shareholdings in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act.

## List of Directors' Shareholdings (Based on Register of Directors' Shareholdings)

		DIRECT		INDIRECT	
		No. of Shares	%	No. of Shares	%
1.	Dato' James Tai Cheong @ Tai Chiong	-	-	302,261,053 <sup>(i)</sup>	65.13
2.	Datuk Tai Hee	-	-	301,768,303 <sup>(ii)</sup>	65.03
3.	Clarence Ting Ing Horh @ Ting Ing Ho	-	-	-	-
4.	Ling Lee Chuon @ James Ling Chung	-	-	1,904,550 <sup>(iii)</sup>	0.41
5.	Fong Yoo Kaw @ Fong Yee Kow	-	-	-	-
6.	Azman Bin Bujang	-	-	-	-

Notes:

- (i) Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse and children's shareholdings in the Company.
- (ii) Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholding in the Company.
- (iii) Deemed interested by virtue of his spouse and children's shareholdings in the Company.

## ANALYSIS OF REDEEMABLE CONVERTIBLE PREFERENCE SHARES (“RCPS”) HOLDINGS AS AT 30 JUNE 2022

<b>Total number of RCPS issued</b>	: 229,325,975
<b>Total number of outstanding RCPS</b>	: 229,325,975

The RCPS holders shall be entitled to the same rights as the Company’s ordinary shareholders as regards to the receipt of notices, reports and audited financial statements, to attend meetings and to receive shareholders’ resolutions in writing, but shall not be entitled to vote or approve any shareholders’ resolution or vote at any general meeting, save and except in respect of the following:

- (i) when the declared Preferential Dividends or part of the declared Preferential Dividends on the RCPS is in arrears for more than 1 year;
- (ii) resolution on a proposal to reduce the Company’s share capital;
- (iii) resolution on a proposal for the disposal of substantially the whole of the Company’s property, business and undertaking;
- (iv) resolution on a proposal to wind up the Company;
- (v) during the winding up of the Company; or
- (vi) resolution on a proposal that affects the rights and privileges attached to the RCPS, including the amendments to the Constitution.

In any of the aforementioned circumstances, each RCPS holder shall be entitled to vote at all general meetings or the members of its class, and, where required, on a poll at any such general meetings to one (1) vote for each RCPS held.

### Distribution of RCPS Holdings

Holdings	No. of RCPS Holders	No. of RCPS Held	% of RCPS Holders
Less than 100 shares	9	409	0.00*
100 – 1,000 shares	53	36,441	0.02
1,001 – 10,000 shares	258	1,122,899	0.49
10,001 – 100,000 shares	169	6,837,200	2.98
100,001 – less than 5% of issue shares	74	70,578,750	30.78
5% and above of issued shares	3	150,750,276	65.73
<b>Total</b>	<b>566</b>	<b>229,325,975</b>	<b>100.00</b>

\* less than 0.01 %

### List of Thirty (30) Largest RCPS Holders (Based on Register of RCPS Holders)

No.	Account Holder	No. of RCPS Held	Percentage (%)
1.	JBL Holding Sdn Bhd	68,402,870	29.83
2.	Pan Sarawak Holdings Sdn Bhd	46,591,360	20.32
3.	Ling Lee Chuon @ James Ling Chung	35,756,046	15.59

### List of Thirty (30) Largest RCPS Holders (Based on Register of RCPS Holders)

No.	Account Holder	No. of RCPS Held	Percentage (%)
4.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teo Siew Lai	9,250,000	4.03
5.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teo Kwee Hock	6,550,700	2.86
6.	Ton Ean Hai	3,997,000	1.75
7.	HSBC Nominees (Asing) Sdn Bhd - Exempt An for Credit Suisse (SG BR-TST-Asing)	3,811,050	1.66
8.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Ching Neoh	3,200,000	1.40
9.	PE Holdings Sdn Bhd	3,000,000	1.31
10.	Lim Hong Thong	2,990,000	1.30
11.	Teo Kwee Hock	2,738,300	1.19
12.	Tye Sok Cin	2,555,000	1.11
13.	Kenanga Nominees (Tempatan) Sdn Bhd - Rakuten Trade Sdn Bhd for Koh Heng Fai	2,212,200	0.96
14.	Ong Keng Seng	2,150,000	0.94
15.	Ho Chu Chai	2,003,200	0.87
16.	Ding Lian Cheon	2,000,000	0.87
17.	Tye Yong Pou	1,911,000	0.83
18.	Tye Yien Yin	1,500,000	0.65
19.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Chin Hooi	1,365,000	0.60
20.	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Mary Tan @ Tan Hui Nghoh (STF)	1,246,900	0.54
21.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account - Ambank (M) Berhad for Ting Lian Siew @ Ting Lian Bo (SMART)	1,120,200	0.50
22.	Chua Chung Ban	1,000,500	0.44
23.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chartwell Rise Sdn Bhd (MP0564)	1,000,000	0.44
24.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Helen Teng Lung Wong (PB)	943,000	0.41
25.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Billion Power Sdn Bhd	830,000	0.37
26.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kong Leh Ping (6000461)	745,000	0.32
27.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Wai Yuan (MY0867)	629,300	0.27
28.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ting Lian Siew @ Ting Lian Bo (7003511)	576,000	0.25
29.	See Lay Hong	510,000	0.22
30.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tham Quek Ngok (E-TMR/MLK)	500,000	0.22
	<b>Total</b>	<b>211,084,626</b>	<b>92.05</b>

### List of Substantial RCPS Holders (Based on Register of Substantial RCPS Holders)

	Direct		Indirect	
	No. of RCPS	%	No. of RCPS	%
1. Pan Sarawak Holdings Sdn Bhd	46,591,360	20.32	3,000,000 <sup>(*)</sup>	1.31
2. Tai Sing Chii & Sons Sdn Bhd	-	-	49,591,360 <sup>(a)</sup>	21.62
3. Inplaced Capital Sdn Bhd	-	-	49,591,360 <sup>(a)</sup>	21.62
4. Puan Sri Datin Sri Ling Lah Kiong	-	-	49,591,360 <sup>(b)</sup>	21.62
5. Dato' James Tai Cheong @ Tai Chiong	-	-	49,966,885 <sup>(c)</sup>	21.79
6. Datuk Tai Hee	-	-	49,725,510 <sup>(d)</sup>	21.68
7. David Tai Wei	-	-	49,591,360 <sup>(e)</sup>	21.62

Notes:

- (\*) Deemed interested by virtue of its substantial interests in Pan Sarawak Agencies Sdn Bhd and Pansar Services Sdn Bhd pursuant to Section 8 of the Act.
- (a) Deemed interested by virtue of its substantial interests in Pan Sarawak Holdings Sdn Bhd pursuant to Section 8 of the Act.
- (b) Deemed interested by virtue of her substantial interests in Tai Sing Chii & Sons Sdn Bhd pursuant to Section 8 of the Act.
- (c) Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse and children's shareholdings in the Company.
- (d) Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholding in the Company.
- (e) Deemed interested by virtue of his substantial shareholdings in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act.

### List of Directors' RCPS Holdings (Based on Register of Directors' RCPS Holdings)

	Direct		Indirect	
	No. of RCPS	%	No. of RCPS	%
1. Dato' James Tai Cheong @ Tai Chiong	-	-	49,966,885 <sup>(i)</sup>	21.79
2. Datuk Tai Hee	-	-	49,725,510 <sup>(ii)</sup>	21.68
3. Clarence Ting Ing Horh @ Ting Ing Ho	-	-	-	-
4. Ling Lee Chuon @ James Ling Chung	35,756,046	15.59	72,420,045 <sup>(iii)</sup>	31.58
5. Fong Yoo Kaw @ Fong Yee Kow	-	-	-	-
6. Azman Bin Bujang	-	-	-	-

Notes:

- (i) Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse and children's shareholdings in the Company.
- (ii) Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholding in the Company.
- (iii) Deemed interested by virtue of his substantial interests in JBL Holding Sdn Bhd pursuant to Section 8 of the Act and his spouse and children's shareholdings in the Company.

## ANALYSIS OF WARRANT HOLDINGS AS AT 30 JUNE 2022

Total number of warrants issued : 231,000,000

Total number of outstanding warrants : 228,920,150

### Distribution of Warrant Holdings

Holdings	No. of Warrant Holders	No. of Warrant Held	% of Issued Warrants
Less than 100 shares	207	11,659	0.00*
100 – 1,000 shares	701	504,077	0.22
1,001 – 10,000 shares	766	2,606,476	1.14
10,001 – 100,000 shares	209	6,676,475	2.92
100,001 – less than 5% of issue shares	86	53,365,250	23.31
5% and above of issued shares	2	165,756,213	72.41
<b>Total</b>	<b>1,971</b>	<b>228,920,150</b>	<b>100.00</b>

\* less than 0.01 %

### List of Thirty (30) Largest Warrant Holders (Based on Record of Warrant Holders)

No.	Account Holder	No. of Warrant Held	Percentage (%)
1.	Pan Sarawak Holdings Sdn Bhd	150,750,013	65.85
2.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Royston Ling Ing Ding	15,006,200	6.56
3.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ling Li Kuang	8,399,550	3.67
4.	HSBC Nominees (Asing) Sdn Bhd - Exempt An For Credit Suisse (SG BR-TST-ASING)	3,496,050	1.53
5.	Billion Power Sdn Bhd	2,861,900	1.25
6.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kong Leh Ping (6000461)	2,422,300	1.06
7.	Lim Hong Thong	2,325,000	1.02
8.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Billion Power Sdn Bhd	2,267,400	0.99
9.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Billion Power Sdn Bhd (M05)	2,030,000	0.89
10.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Focus Return Sdn Bhd (M05)	1,850,250	0.81

### List of Thirty (30) Largest Warrant Holders (Based on Record of Warrant Holders) (Cont'd)

No.	Account Holder	No. of Warrant Held	Percentage (%)
11.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ting Lian Siew @ Ting Lian Bo (7003511)	1,546,350	0.68
12.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Royston Ling Ing Ding	1,485,450	0.65
13.	CIMB Group Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Sri Dato' Paduka (Dr) Ting Pek Khiing	1,260,000	0.55
14.	Lyonel Tan Ooi Keong	1,151,900	0.50
15.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ting Lick Fuat (E-JCL)	937,500	0.41
16.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Bernard Ling Ing Tah	825,000	0.35
17.	Lye Loi Keng	770,800	0.34
18.	Nee Choong Sing	769,500	0.34
19.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Billion Power Sdn Bhd	710,000	0.31
20.	Tan Ah Booy	686,700	0.30
21.	Lee Chooi San	638,000	0.28
22.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lau Tiew Kung (MQ0128)	626,900	0.27
23.	Ong Chien Young	593,200	0.26
24.	Kuok Khoon Ping @ Kuek Koon Ping	549,000	0.24
25.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Law Yew Kiung (8117609)	500,000	0.22
26.	Maybank Nominees (Tempatan) Sdn Bhd - Wong Sap Moi	459,000	0.20
27.	Maybank Nominees (Tempatan) Sdn Bhd - Kong Sing Kwei	456,900	0.20
28.	Tiong Ing	411,250	0.18
29.	Yii Kong Veng	406,900	0.18
30.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ngu Ing Hong	400,000	0.16
	<b>Total</b>	<b>206,593,013</b>	<b>90.25</b>

**List of Directors' Warrant Holdings (Based on Record of Directors' Warrant Holdings)**

Name	Direct		Indirect	
	No. of Warrants	%	No. of Warrants	%
1. Dato' James Tai Cheong @ Tai Chiong	-	-	151,162,013 <sup>(i)</sup>	66.03
2. Datuk Tai Hee	-	-	150,870,013 <sup>(ii)</sup>	65.91
3. Clarence Ting Ing Horh @ Ting Ing Ho	-	-	-	-
4. Ling Lee Chuon @ James Ling Chung	-	-	-	-
5. Fong Yoo Kaw @ Fong Yee Kow	-	-	-	-
6. Azman Bin Bujang	-	-	-	-

Notes:

- (i) Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse and daughter's shareholdings in the Company.
- (ii) Deemed interested by virtue of his substantial interests in Tai Sing Chii & Sons Sdn Bhd and Inplaced Capital Sdn Bhd pursuant to Section 8 of the Act and his spouse's shareholding in the Company.

## LIST OF PROPERTIES as at 31 MARCH 2022

Location	Description	Existing Use	Tenure	Date of Acquisition Approx. Age of Building (Years)	Carrying Amount As at 31.03.2022 (RM)
Shoplot 199 (Type A) Sublot 7F (1 <sup>st</sup> Floor) of Parent Lot 9291 Blk 11 Muara Tebas Land District	Shoplot approx. 1,044.1 sq. ft	Vacant	Leasehold 60 years	30.08.2006 15 years	112,963
Lot 11, 1 <sup>st</sup> Floor, Blk A Taman Permata (Apartment) Sandakan, Sabah	Apartment approx. 850 sq. ft	Vacant	Leasehold 99 years	03.10.2013 7 years	141,052
Lot 1183, Block 10 Seduan Land District	Land approx. 3,914.8 sq. ft	Vacant	Leasehold 60 years	12.09.2002	65,641
Sublot 20 of Lot 4871 Blk 18 Salak Land District, Jalan Demak Petra Jaya, Kuching	Four-Storey Shophouse approx. 6,070.8 sq. ft	On rent to a third party	Leasehold 99 years	31.03.2015 6 years	1,350,182
B-76 Basement Level Suria Sabah	Retail lot approx. 2,336 sq. ft	On rent to a third party	Leasehold 99 years	07.01.2013 12 years	3,528,941
Unit 8 Level 11 Sublot 12 of Lot 1347 Blk 9 Miri Concession Land District (Parent Lot)	Commercial and Services Apartment approx. 1,531.9 sq ft	Vacant	Leasehold 99 years	26.02.2014 6 years	853,316
Unit 1-73 Ground Floor, 1 <sup>st</sup> Floor, and 2 <sup>nd</sup> Floor Phase 1 First Palm City Centre Kg. Bakau, Lahad Datu, Sabah	Shop Office approx. 5,592.6 sq. ft	On rent to a third party	Leasehold 99 years	06.03.2018 5 years	1,137,750
Lot 2501 Section 66 Kuching Town Land District	Land with building approx. 48,631.4 sq. ft	Warehouse	Leasehold 60 years	09.08.2019 3 years	5,483,426
Lot 1726 Block 5 Sentah-Segu Land District	Double storey corner terrace house 3,438 sq.ft	Vacant	Leasehold 99 years	25.02.2022 1 year	548,167
Lot No. 2 (Restaurant-Lot) Town Lease No. 117508684 in the District of Lahad Datu	Land approx. 3,413.2 sq. ft	Vacant	Leasehold 99 years	25.05.2021 1 year	315,600
Lot 928 Block 26 Kemena Land District, 97000 Bintulu	Land with building approx. 82,613 sq. ft	Warehouse	Leasehold 60 years	05.10.1995 1 year	4,106,332

48<sup>th</sup>

Notice Of  
Annual General Meeting

10.00 a.m.

Thursday  
25 August 2022

Tanahmas Hotel

Jalan Kampung Nyabor  
Sibu, Sarawak

## NOTICE OF 48<sup>TH</sup> ANNUAL GENERAL MEETING



Registration No.  
197401002551 (18904-M)  
(Incorporated in Malaysia)

**NOTICE IS HEREBY GIVEN** that the Forty-Eighth (48<sup>th</sup>) Annual General Meeting (“AGM”) of Pansar Berhad (“Pansar” or “the Company”) shall be held at Tanahmas Hotel, Jalan Kampung Nyabor, Sibul, Sarawak, on Thursday, 25 August 2022 at 10.00 a.m. to transact the following business: -

### AGENDA

#### ORDINARY BUSINESS

- |    |   |  |
|----|---|--|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon.  | <b>Please refer to Explanatory Note (A)</b>                  |
| 2. | To approve the payment of Directors’ fees amounting to RM288,000 payable to the Directors of the Company for the financial year ended 31 March 2022.  | <b>Ordinary Resolution 1</b>                                 |
| 3. | To approve the payment of Directors’ meeting attendance allowance and any other benefits for an amount of up to RM40,000 from the date of the passing of this Ordinary Resolution until the next AGM.   | <b>Ordinary Resolution 2</b>                                 |
| 4. | To re-elect the following Directors who retire by rotation pursuant to Clause 91 of the Company’s Constitution, and being eligible offer themselves for re-election: -<br>a) Mr Clarence Ting Ing Horh @ Ting Ing Ho<br>b) Mr Fong Yoo Kaw @ Fong Yee Kow | <b>Ordinary Resolution 3</b><br><b>Ordinary Resolution 4</b> |
| 5. | To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorize the Board of Directors to fix their remuneration.   | <b>Ordinary Resolution 5</b>                                 |

#### SPECIAL BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

- |    |  |                              |
|----|--|------------------------------|
| 6. | <b>Continuation in Office as Independent Non-Executive Director</b><br>“THAT approval be and is hereby given to Mr Fong Yoo Kaw @ Fong Yee Kow who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM.” | <b>Ordinary Resolution 6</b> |
| 7. | <b>Continuation in Office as Independent Non-Executive Director</b><br>“THAT approval be and is hereby given to Encik Azman Bin Bujang who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until 31 May 2023.”                            | <b>Ordinary Resolution 7</b> |

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**8. Authority to Issue and Allot Shares****Ordinary Resolution 8**

“THAT pursuant to Section 76 of the Companies Act, 2016 and subject always to the Constitution of the Company and approvals of the relevant regulatory authorities, the Directors of the Company be hereby empowered to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company for the time being; AND THAT the Directors be hereby empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

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**9. Proposed Renewal of Authority to Purchase its Own Shares by the Company (“Proposed Share Buy-Back”)****Ordinary Resolution 9**

“THAT subject always to the Companies Act, 2016, the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and any other relevant regulatory authorities, the Directors of the Company be and are hereby authorized to make purchases of ordinary shares through Bursa Malaysia and to do all acts and to take all such steps as they may deem necessary, to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time, subject further to the following: -

- (i) the aggregate number of shares to be purchased shall not exceed ten percent (10%) of the issued share capital of the Company provided that the Company continues to maintain a shareholding spread that complies with the requirements of the listing requirements after the share purchase;
- (ii) the maximum funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the retained profits of the Company for the time being;
- (iii) the Directors of the Company may decide in their discretion to retain the shares purchased as treasury shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends; and
- (iv) the authority conferred by this resolution shall commence immediately and shall continue to be in force until the conclusion of the next AGM of the Company following the passing of this Ordinary Resolution unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting.”

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**10. Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions (“RRPT”) of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”)****Ordinary Resolution 10**

“THAT approval be and is hereby given to the Company and its subsidiaries (“Pansar Group”) to enter into any of the categories of RRPT of a revenue or trading nature as set out in the Circular to Shareholders dated 27 July 2022 (“the Circular”), with the specific related parties mentioned therein which are necessary for Pansar Group’s day to day operations subject further to the following: -

- (a) the RRPT are in the ordinary course of business and are entered on normal commercial terms which are not more favourable to the related parties than those available to the public and not to the detriment of the minority shareholders; and
- (b) disclosure of the aggregate value of RRPT conducted pursuant to the Shareholders’ Mandate shall be made in the Annual Report, including a

breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:

- i. the type of recurrent transactions made; and
- ii. the names of the related parties involved in each type of the RRPT made and their relationship with the Company

AND THAT, such approval shall continue to be in force until: -

- (a) the conclusion of the next AGM of the Company; at which time it shall lapse unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Directors of the Company be hereby authorized to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate and that the estimated values are given for the RRPT as specified in the Circular being provisional in nature, the Directors of the Company be hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review procedures set out in the Circular."

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**11. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016 and the Constitution of the Company**

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By order of the Board

**PAULINE KON SUK KHIM**  
**(CCM Practicing Certificate No. 202008001607)**  
**(MAICSA 7014905)**  
Company Secretary  
Date: 27 July 2022

**Notes: -**

1. *To determine a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 65 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a General Meeting Record of Depositors as of 17 August 2022. Only a depositor whose name appears on the General Meeting Record of Depositors as of 17 August 2022 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*
2. *A member entitled to attend and vote at this AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy.*
3. *Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.*
4. *Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*

5. *The Form of Proxy, in the case of an individual, shall be signed by the appointer or his/her attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorized.*
6. *The Form of Proxy must be deposited at the registered office of the Company at 4<sup>th</sup> Floor, Wisma Pansar, 23-27, Jalan Bengkel, 96000 Sibul, Sarawak, not less than forty-eight (48) hours before the time appointed for this Forty-Eighth (48<sup>th</sup>) AGM or any adjournment thereof.*

#### **EXPLANATORY NOTES:**

##### **(A) AUDITED FINANCIAL STATEMENTS**

The Audited Financial Statements are laid before the shareholders for discussion only as they do not require shareholders' approval pursuant to Section 340(1) of the Companies Act, 2016. Hence, this matter will not be put for voting.

##### **(B) ORDINARY RESOLUTION 2**

###### **Payment of Meeting Allowance and any other benefits to Directors**

Section 230(1) of the Companies Act, 2016 requires that the benefits payable to Directors of the Company must be approved at a general meeting. Accordingly, shareholders' approval is sought for the payment of the meeting attendance allowance and any other benefits which shall take effect from the date of passing of this ordinary resolution until the next AGM.

##### **(C) ORDINARY RESOLUTION 3 & 4 - RE-ELECTION OF DIRECTORS**

The profiles of the Directors who are standing for re-election are set out in the Board of Directors' Profiles of the 2022 Annual Report of the Company.

For the purpose of determining the eligibility of the Directors to stand for re-election at the Forty-Eighth (48<sup>th</sup>) AGM. The Nomination Committee ("NC") assessed the performance of Mr Clarence Ting Ing Horh @ Ting Ing Ho and Mr Fong Yoo Kaw @ Fong Yee Kow (collectively "the retiring Directors"). Their active participation at the Board and Board Committee meetings showed that they were prepared and were effective in the discharge of their responsibilities. Based on the recommendation of the NC, the Board was satisfied with the performance and contributions of the retiring Directors and supports their re-election.

##### **(D) ORDINARY RESOLUTION 6 & 7**

###### **Continuation in Office as Independent Non-Executive Directors**

The proposed resolution is to seek the shareholders' approval to retain Mr Fong Yoo Kaw @ Fong Yee Kow and Encik Azman Bin Bujang who have served on the Board as Independent Non-Executive Director for a cumulative term of more than nine (9) years. Encik Azman Bin Bujang and Mr Fong Yoo Kaw @ Fong Yee Kow have served as Independent Directors of the Company since 2010 and 2011 respectively.

The Board through its NC had assessed the independence of Mr Fong Yoo Kaw @ Fong Yee Kow and Encik Azman Bin Bujang recommended that they continue to act as Independent Directors of the Company based on the following justifications: -

- (i) With their years of experience in the Company, they are familiar with the Company's business operations, thus enabling them to contribute actively and effectively during deliberations or discussions at Board meetings.
- (ii) Their length of services on the Board do not in any way interfere with their exercise of independent judgement and capability to act in the best interests of the Company.
- (iii) Both of them have satisfied all the criteria of an independent Director set out in Paragraph 1.01 of the Main Market Listing Requirements.

The proposed resolutions, if passed, will enable Mr Fong Yoo Kaw @ Fong Yee Kow to continue to act as Independent Director of the Company until the conclusion of the next AGM of the Company. Encik Azman Bin Bujang will continue to act as Independent Director until 31 May 2023.

##### **(E) ORDINARY RESOLUTION 8**

###### **Authority to Issue and Allot Shares**

This Ordinary Resolution, if passed, is a renewal of the general mandate to empower the Directors of the Company from the date of this AGM, authority to issue and allot ordinary shares in the Company up to an aggregate of ten

percent (10%) of the issued share capital of the Company for the time being, for such purposes as the Directors consider in their absolute discretion to be in the best interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next AGM. With this authority, the Company will be able to raise capital from the equity market in a shorter period and the cost to be incurred will also be lower as the need to convene an extraordinary general meeting will be dispensed with.

As of the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the Forty-Seventh (47<sup>th</sup>) AGM held on 1 September 2021 and which will lapse at the conclusion of the Forty-Eighth (48<sup>th</sup>) AGM to be held on 25 August 2022.

The general mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, to fund future investment project(s), working capital and/or acquisitions.

**(F) ORDINARY RESOLUTION 9**  
**Proposed Share Buy-Back**

This Ordinary Resolution, if passed, will empower the Directors of the Company from the date of this AGM, the authority to purchase up to ten percent (10%) of the total issued share capital of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the next AGM of the Company.

Please refer to the Statement to Shareholders dated 27 July 2022 for further details.

**(G) ORDINARY RESOLUTION 10**  
**Proposed Shareholders' Mandate**

This Ordinary Resolution, if passed, will authorize the Company and each of its subsidiaries to enter into recurrent transactions with the mandated related parties as identified in the Circular to Shareholders dated 27 July 2022, which are of a revenue or trading nature and necessary for its day-to-day operations and are in the ordinary course of business on normal commercial terms not more favourable to the related parties than those available to the public and are not detrimental to the minority shareholders of the Company. By obtaining the shareholders' approval for the Proposed Shareholders' Mandate, the need for the Company to convene separate general meetings each time the recurrent related party transactions occur will not arise, thereby substantially reducing administrative time and expenses associated with convening such meetings. This authority unless revoked or varied at a general meeting will expire at the next AGM.

**STATEMENT ACCOMPANYING THE NOTICE OF AGM**

There is no person seeking election as a Director of the Company at this Forty-Eighth (48<sup>th</sup>) AGM.

**Personal Data Privacy:**

*By submitting proxy form(s) appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

# FORM OF PROXY



Registration No.  
197401002551 (18904-M)  
(Incorporated in Malaysia)

No. of Shares held	
CDS Account No.	

I/We, ..... (FULL NAME IN BLOCK LETTERS)  
 NRIC/Co. No. .... of .....  
 ..... (FULL ADDRESS), being a member/members of  
**PANSAR BERHAD** hereby appoint ..... (FULL NAME IN BLOCK LETTERS AS PER NRIC)  
 NRIC No. .... of .....  
 ..... (FULL ADDRESS) or failing him/her, ..... (FULL NAME IN BLOCK LETTERS AS PER NRIC)  
 NRIC No. .... of ..... (FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the FORTY-EIGHTH (48<sup>th</sup>) Annual General Meeting of the Company to be held at Tanahmas Hotel, Jalan Kampung Nyabor, Sibul, Sarawak on Thursday, 25 August 2022 at 10.00 a.m. or any adjournment thereof, on the proposed resolutions as indicated with an 'X' in the appropriate spaces below. If there is no specific indication given as to the voting, the proxy will vote or abstain from voting at his/her discretion.

RESOLUTION NO	ORDINARY BUSINESS	FOR	AGAINST
Ordinary Resolution 1	To approve the payment of Directors' Fees	<input type="radio"/>	<input type="radio"/>
Ordinary Resolution 2	To approve the payment of Meeting attendance allowances and other benefits to the Directors	<input type="radio"/>	<input type="radio"/>
Ordinary Resolution 3	To re-elect Mr Clarence Ting Ing Horh @ Ting Ing Ho as Director	<input type="radio"/>	<input type="radio"/>
Ordinary Resolution 4	To re-elect Mr Fong Yoo Kaw @ Fong Yee Kow as Director	<input type="radio"/>	<input type="radio"/>
Ordinary Resolution 5	To re-appoint Messrs. Crowe Malaysia PLT as Auditors for the ensuing year	<input type="radio"/>	<input type="radio"/>
SPECIAL BUSINESS			
Ordinary Resolution 6	Continuation as Independent Non-Executive Director – Mr Fong Yoo Kaw @ Fong Yee Kow	<input type="radio"/>	<input type="radio"/>
Ordinary Resolution 7	Continuation as Independent Non-Executive Director – Encik Azman Bin Bujang	<input type="radio"/>	<input type="radio"/>
Ordinary Resolution 8	To approve the authority to issue and allot shares	<input type="radio"/>	<input type="radio"/>
Ordinary Resolution 9	To approve the proposed renewal of authority to purchase its own shares by the Company	<input type="radio"/>	<input type="radio"/>
Ordinary Resolution 10	To approve the proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature	<input type="radio"/>	<input type="radio"/>

Dated this   day of    2022

Where two (2) proxies are appointed, please indicate below the proportion of your shareholdings to be represented by each proxy.

	No. of shares	Percentage
First-Named Proxy	<input type="text"/>	<input type="text"/>
Second Named Proxy	<input type="text"/>	<input type="text"/>
TOTAL	<input type="text"/>	100%

Signature of Member(s)/Common Seal

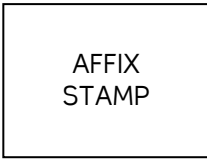
In case of a vote taken by a show of hands, the First-Named Proxy shall vote on my/our behalf.

Notes:

- To determine a member who shall be entitled to attend this Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 65 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a General Meeting Record of Depositors as at 17 August 2022. Only a depositor whose name appears on the General Meeting Record of Depositors as of 17 August 2022 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
- A member entitled to attend and vote at this Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any persons to be his/her proxy.
- Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
- 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") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The Form of Proxy, in the case of an individual, shall be signed by the appointer or his/her attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- The Form of Proxy must be deposited at the registered office of the Company at 4<sup>th</sup> Floor, Wisma Pansar, 23-27, Jalan Bengkel, 96000 Sibul, Sarawak, not less than forty-eight (48) hours before the time appointed for this Forty-Eighth (48<sup>th</sup>) Annual General Meeting or any adjournment thereof.

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THE COMPANY SECRETARY

**PANSAR BERHAD**

Registration No. 197401002551 (18904-M)

4<sup>th</sup> Floor, Wisma Pansar,  
23-27, Jalan Bengkel,  
96000 Sibu,  
Sarawak.

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**PANSAR BERHAD**

Registration No. 197401002551 (18904-M)  
(Incorporated in Malaysia)

Wisma Pansar  
23-27 Jalan Bengkel  
96000 Sibul  
Sarawak  
Malaysia

T +60 84 333 366  
F +60 84 331 212  
E [enquiries@pansar.com.my](mailto:enquiries@pansar.com.my)  
W [www.pansar.com.my](http://www.pansar.com.my)

**MALAYSIA**

Bintulu Ipoh Johor Bahru Kota Kinabalu Kuching Kuala Lumpur Lahad Datu Miri Muar Penang Sandakan  
Sibu Tawau

**SINGAPORE**

