Registration No: 198901008551 (185853-K)

BETAMEK ELECTRONICS (M) SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2022

Registration No: 198901008551 (185853-K)

BETAMEK ELECTRONICS (M) SDN. BHD.
(Incorporated in Malaysia)

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BETAMEK ELECTRONICS (M) SDN. BHD.
(Incorporated in Malaysia)

CORPORATE INFORMATION

DIRECTORS	Mirzan Bin Mahathir Muhammad Fauzi Bin Abd Ghani
SECRETARIES	Tai Yit Chan Chan Yoke Peng
AUDITORS	Grant Thornton Malaysia PLT (Member Firm of Grant Thornton International Ltd.) Chartered Accountants Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur
REGISTERED OFFICE	12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Sekysen 13 46200 Petaling Jaya Selangor Darul Ehsan
PRINCIPAL PLACE OF BUSINESS	Lot 137, Lingkaran Taman Industri Integrasi Rawang 2 Taman Industri Integrasi Rawang 48000 Rawang Selangor Darul Ehsan

BETAMEK ELECTRONICS (M) SDN. BHD.

(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in providing full-service electronics manufacturing services starting from design, development, and manufacturing to marketing of electronic products and components for the automotive and consumer markets.

The principal activity of the subsidiary is disclosed in Note 7 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	13,481,195	13,481,095

DIVIDENDS

Dividends paid since the end of the previous financial year are as follows:-

	RM
In respect of the financial year ended 31 March 2021:-	
Third interim single tier dividend of 50 sen per ordinary share, paid on 4 June 2021	3,000,000
In respect of the financial year ended 31 March 2022:-	
First interim single tier dividend of 67 sen per ordinary share, paid on 28 March 2022	4,000,000
	7,000,000

The Directors do not recommend any final dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

INDEMNITY AND INSURANCE

There was no indemnity coverage and insurance premium paid for Directors and Officers of the Group and of the Company during the financial year.

HOLDING COMPANY

The Company is a subsidiary of Iskandar Holdings Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia. The Directors regard Iskandar Holdings Sdn. Bhd. as the holding company.

DIRECTORS

The name of the Directors of the Company in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-

Mirzan Bin Mahathir
Muhammad Fauzi Bin Abd Ghani

DIRECTORS' INTERESTS IN SHARES

The Director holding office at the end of the financial year and their beneficial interests in the ordinary shares and of the Company and its related corporations during the financial year as recorded in the Register of Directors' Shareholdings kept by the Company pursuant to Section 59 of the Companies Act 2016 were as follows:-

	Number of ordinary shares			
	At 1.4.2021	Bought	Sold	At 31.3.2022
Held in trust by Iskandar Holdings Sdn. Bhd.				
Muhammad Fauzi Bin Abd Ghani	-	75,818	-	75,818
Deemed interest				
Mirzan Bin Mahathir*#	3,900,000	2,100,000	-	6,000,000

* Deemed interest by virtue of his interests in Iskandar Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

\# Included held in trust by Iskandar Holdings Sdn. Bhd. for third parties with 210,000 ordinary shares.

DIRECTORS' REMUNERATION AND BENEFITS

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

	Group and Company RM
Directors' fee	315,000
Directors' salaries and other emoluments	321,650
Defined contribution plans	10,800
	647,450
Benefits-in-kind	15,000
	662,450

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

ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital and no issuance of debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and no provision for doubtful debts was required; and

OTHER STATUTORY INFORMATION (CONT'D)

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps (cont'd):-

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values 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:-

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

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

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

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

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

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

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

In the opinion of the Directors:-

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

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transactions or event of a material and unusual nature; and

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

The significant events during the financial year and subsequent to the reporting period are disclosed in Note 30 to the financial statements.

AUDITORS

The Auditors' remuneration of the Group and of the Company are disclosed in Note 22 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT as permitted under Section 289 of the Companies Act 2016 in Malaysia. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 March 2022.

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

Signed by the Directors in accordance with a resolution of the Board of Directors.

....)
MIRZAN BIN MAHATHIR)

DIRECTORS

....)
MUHAMMAD FAUZI BIN ABD GHANI

Kuala Lumpur
16 June 2022

BETAMEK ELECTRONICS (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 13 to 73 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 at 31 March 2022 and of their financial performance and their cash flows for the financial year then ended.

Signed by the Directors in accordance with a resolution of the Board of Directors.

....	....
MIRZAN BIN MAHATHIR	MUHAMMAD FAUZI BIN ABD GHANI

Kuala Lumpur
16 June 2022

STATUTORY DECLARATION

I, Mirzan Bin Mahathir, being the Director primarily responsible for the financial management of Betamek Electronics (M) Sdn. Bhd., do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 13 to 73 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
16 June 2022) ....

MIRZAN BIN MAHATHIR

Before me:

PESURUHJAYA SUMPAH
W737
MUHAMMAD FAIZ DHARMENDRA
BIN ABDULLAH
01 JAN 2021 - 31 DEC 2023
MALAYSIA

Commissioner for Oaths

No. 30, Tingkat Bawah, Blok B,
Flat PKNS, Jalan Raja Muda Musa,
50300 Kg. Baru, Kuala Lumpur.

Grant Thornton Malaysia PLT
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

BETAMEK ELECTRONICS (M) SDN. BHD.
(Incorporated in Malaysia)
Registration No: 198901008551 (185853-K)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Betamek Electronics (M) Sdn. Bhd., 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 13 to 73.

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

Basis for Opinion

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

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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 Directors' 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 Directors' Report 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 Directors' Report and, in doing so, consider whether the Directors' Report 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 the Directors' Report, 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 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.

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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 of the Company's internal control.

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 communicated 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 identified during our audit.

Registration No: 198901008551 (185853-K)

Report on the Audit of the Financial Statements (cont'd)

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 the responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

FOO LEE MENG
(NO: 03069/07/2023(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
16 June 2022

BETAMEK ELECTRONICS (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	38,360,840	37,808,231	38,360,840	37,808,231
Right-of-use asset	5	-	185,504	-	185,504
Intangible assets	6	5,694,964	5,455,997	5,694,964	5,455,997
Investment in a subsidiary	7	-	-	-	100
Cash and bank balances, deposits and placements	8	-	266,493	-	266,493
Total non-current assets		44,055,804	43,716,225	44,055,804	43,716,325
Current assets					
Inventories	9	55,867,772	38,920,390	55,867,772	38,920,390
Trade receivables	10	16,532,863	17,059,164	16,532,863	17,059,164
Other receivables	11	7,003,380	11,365,783	7,003,380	11,365,783
Other investments	12	136,462	161,604	136,462	161,604
Tax recoverable		1,741,808	266,327	1,741,808	266,327
Cash and bank balances, deposits and placements	8	15,881,348	14,195,990	15,881,348	14,195,990
Total current assets		97,163,633	81,969,258	97,163,633	81,969,258
TOTAL ASSETS		141,219,437	125,685,483	141,219,437	125,685,583
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company:-					
Share capital	13	8,000,000	8,000,000	8,000,000	8,000,000
Retained earnings		85,441,867	78,960,672	85,441,867	78,960,772
Total equity		93,441,867	86,960,672	93,441,867	86,960,772
LIABILITIES					
Non-current liabilities					
Borrowings	14	19,030,228	22,137,330	19,030,228	22,137,330
Lease liability	15	-	86,588	-	86,588
Deferred tax liabilities	16	3,513,000	2,360,000	3,513,000	2,360,000
Total non-current liabilities		22,543,228	24,583,918	22,543,228	24,583,918

BETAMEK ELECTRONICS (M) SDN. BHD.
(Incorporated in Malaysia)

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

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
LIABILITIES (CONT'D)					
Current liabilities					
Trade payables	17	8,944,732	8,696,266	8,944,732	8,696,266
Other payables	18	4,008,235	4,259,061	4,008,235	4,259,061
Borrowings	14	12,281,375	1,156,553	12,281,375	1,156,553
Lease liability	15	-	29,013	-	29,013
Total current liabilities		25,234,342	14,140,893	25,234,342	14,140,893
TOTAL LIABILITIES		47,777,570	38,724,811	47,777,570	38,724,811
TOTAL EQUITY AND LIABILITIES		141,219,437	125,685,483	141,219,437	125,685,583

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

BETAMEK ELECTRONICS (M) SDN. BHD.

(Incorporated in Malaysia)

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

		Group		Company	
	Note	2022	2021	2022	2021
		RM	RM	RM	RM
Revenue	19	133,051,434	129,869,218	133,051,434	129,869,218
Cost of sales		(108,520,664)	(99,586,936)	(108,520,664)	(99,586,936)
Gross profit		24,530,770	30,282,282	24,530,770	30,282,282
Other income		1,086,412	1,708,257	1,086,412	1,708,257
Distribution expenses		(356,511)	(679,951)	(356,511)	(679,951)
Administration expenses		(6,046,177)	(5,533,569)	(6,046,277)	(5,533,569)
Property, plant and equipment written off		-	(3,830,398)	-	(3,830,398)
Other expenses		(976,772)	(2,646,209)	(976,772)	(2,646,209)
Operating profit		18,237,722	19,300,412	18,237,622	19,300,412
Finance income	20	24,680	160,073	24,680	160,073
Finance costs	21	(937,021)	(408,453)	(937,021)	(408,453)
Profit before tax	22	17,325,381	19,052,032	17,325,281	19,052,032
Tax expense	23	(3,844,186)	(6,843,798)	(3,844,186)	(6,843,798)
Profit/Total comprehensive income for the financial year		13,481,195	12,208,234	13,481,095	12,208,234

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

BETAMEK ELECTRONICS (M) SDN. BHD.
(Incorporated in Malaysia)

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

	Note	Non-distributable Share capital RM	Distributable Retained earnings RM	Total RM
Group				
At 1 April 2020		8,000,000	72,752,438	80,752,438
Transaction with owners:-				
Dividends	24	-	(6,000,000)	(6,000,000)
Total comprehensive income for the financial year		-	12,208,234	12,208,234
At 31 March 2021		8,000,000	78,960,672	86,960,672
Transaction with owners:-				
Dividends	24	-	(7,000,000)	(7,000,000)
Total comprehensive income for the financial year		-	13,481,195	13,481,195
At 31 March 2022		8,000,000	85,441,867	93,441,867
Company				
At 1 April 2020		8,000,000	72,752,538	80,752,538
Transaction with owners:-				
Dividends	24	-	(6,000,000)	(6,000,000)
Total comprehensive income for the financial year		-	12,208,234	12,208,234
At 31 March 2021		8,000,000	78,960,772	86,960,772
Transaction with owners:-				
Dividends	24	-	(7,000,000)	(7,000,000)
Total comprehensive income for the financial year		-	13,481,095	13,481,095
At 31 March 2022		8,000,000	85,441,867	93,441,867

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

BETAMEK ELECTRONICS (M) SDN. BHD.
(Incorporated in Malaysia)

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

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
OPERATING ACTIVITIES					
Profit before tax		17,325,381	19,052,032	17,325,281	19,052,032
Adjustments for:-					
Amortisation of intangible assets		951,630	-	951,630	-
Bad debts written off		8,424	-	8,424	-
Depreciation of property, plant, and equipment		2,934,078	2,597,899	2,934,078	2,597,899
Depreciation of right-of-use assets		29,512	50,592	29,512	50,592
Dividend income		(2,282)	(14,248)	(2,282)	(14,248)
Fair value loss on other investments		25,142	2,382,981	25,142	2,382,981
Gain on disposal of property, plant and equipment		(7,610)	(805,880)	(7,610)	(805,880)
Interest expenses		937,021	408,453	937,021	408,453
Interest income		(24,680)	(160,073)	(24,680)	(160,073)
Inventories written off		-	89,757	-	89,757
Property, plant and equipment written off		-	3,830,398	-	3,830,398
Loss on strike off of a subsidiary		-	-	100	-
Operating profit before working capital changes		22,176,616	27,431,911	22,176,616	27,431,911
Changes in working capital:-					
Inventories		(16,947,382)	(5,553,892)	(16,947,382)	(5,553,892)
Receivables		4,880,280	(10,657,859)	4,880,280	(10,657,859)
Payables		(2,360)	5,441,944	(2,360)	5,441,944
Trust receipts		8,151,321	-	8,151,321	-
Cash generated from operations		18,258,475	16,662,104	18,258,475	16,662,104
Income tax paid, net of refund		(4,166,667)	(5,919,549)	(4,166,667)	(5,919,549)
Interest received		19,589	150,044	19,589	150,044
Interest paid		(59,659)	(20,010)	(59,659)	(20,010)
Net cash flows from operating activities		14,051,738	10,872,589	14,051,738	10,872,589
INVESTING ACTIVITIES					
Dividend received		2,282	14,248	2,282	14,248
Purchase of intangible assets		(1,190,597)	(4,595,109)	(1,190,597)	(4,595,109)
Purchase of property, plant and equipment		(3,410,738)	(26,887,784)	(3,410,738)	(26,887,784)
Proceeds from disposal of property, plant and equipment		87,653	2,332,363	87,653	2,332,363
Net cash flows used in investing activities		(4,511,400)	(29,136,282)	(4,511,400)	(29,136,282)

BETAMEK ELECTRONICS (M) SDN. BHD.
(Incorporated in Malaysia)

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

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
FINANCING ACTIVITIES					
Deposits with a financial institution unpledged		146,493	-	146,493	-
Dividend paid		(7,000,000)	(6,000,000)	(7,000,000)	(6,000,000)
Drawdown of revolving credit		8,040,956	-	8,040,956	-
Drawdown of term loans		15,408,669	12,327,481	15,408,669	12,327,481
Interest arising from deposits pledged with a financial institution		-	(10,029)	-	(10,029)
Interest received		5,091	10,029	5,091	10,029
Interest paid		(877,362)	(388,443)	(877,362)	(388,443)
Repayment of lease liability		(115,601)	(27,685)	(115,601)	(27,685)
Repayment of term loans		(23,583,226)	(885,882)	(23,583,226)	(885,882)
Net cash flows (used in)/from financing activities		(7,974,980)	5,025,471	(7,974,980)	5,025,471
CASH AND CASH EQUIVALENTS					
Net changes		1,565,358	(13,238,222)	1,565,358	(13,238,222)
Brought forward		14,111,160	27,349,382	14,111,160	27,349,382
Carried forward	A	15,676,518	14,111,160	15,676,518	14,111,160

NOTE TO THE STATEMENTS OF CASH FLOWS

A. CASH AND CASH EQUIVALENTS

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Deposits with financial institutions	476,414	11,351,323	476,414	11,351,323
Cash and bank balances	15,404,934	3,111,160	15,404,934	3,111,160
	15,881,348	14,462,483	15,881,348	14,462,483
Less: Deposits pledged with a financial institution	(204,830)	(351,323)	(204,830)	(351,323)
	15,676,518	14,111,160	15,676,518	14,111,160

BETAMEK ELECTRONICS (M) SDN. BHD.
(Incorporated in Malaysia)

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

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group and Company	1 April 2021 RM	Cash flows RM	Drawdown RM	31 March 2022 RM
Lease liability	115,601	(115,601)	-	-
Term loans	23,293,883	(23,583,226)	15,408,669	15,119,326
Revolving credit	-	-	8,040,956	8,040,956
	23,409,484	(23,698,827)	23,449,625	23,160,282

	1 April 2020 RM	Cash flows RM	Drawdown RM	31 March 2021 RM
Lease liability	143,286	(27,685)	-	115,601
Term loans	11,852,284	(885,882)	12,327,481	23,293,883
	11,995,570	(913,567)	12,327,481	23,409,484

BETAMEK ELECTRONICS (M) SDN. BHD.

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at Lot 137, Lingkaran Taman Industri Integrasi Rawang 2, Taman Industri Integrasi Rawang, 48000 Rawang, Selangor Darul Ehsan.

The Company is principally engaged in providing full-service electronics manufacturing services starting from design, development, and manufacturing to marketing of electronic products and components for the automotive and consumer markets.

The principal activity of the subsidiary is disclosed in Note 7 to the financial statements.

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

The Company is a subsidiary of Iskandar Holdings Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia. The Directors regard Iskandar Holdings Sdn. Bhd. as the holding company.

The financial statements were authorised for issue by the Directors in accordance with a resolution of the Board of Directors on 16 June 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under historical cost convention, except for the equity financial assets that have been measured at fair value.

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (cont'd)

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

(b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

(c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

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

2. BASIS OF PREPARATION (CONT'D)

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 MFRS

2.4.1 Adoption of Amendments/Improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial period, the Group and the Company adopted amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2021.

Initial application of the amendments/improvements to MFRSs did not have material impact to the financial statements.

2.4.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Effective for the financial period beginning on or after 1 January 2022:-

Amendments to MFRS 3#	Business Combinations: Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment: Proceeds Before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020 (MFRS 1, MFRS 9 and MFRS 141*)

2. BASIS OF PREPARATION (CONT'D)

2.4 MFRS (cont'd)

2.4.2 Standards issued but not yet effective (cont'd)

Effective for the financial period beginning on or after 1 January 2023:-

MFRS 17*	Insurance Contracts
Amendments to MFRS 4*	Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRSs – effective date deferred indefinitely:-

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

* Not applicable to the Group's and Company's operation.
\# Not applicable to Company's operation.

The initial application of the above applicable standards and amendments are not expected to have material financial impact to the financial statements of the Group and of the Company upon its first adoption.

2.5 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2. BASIS OF PREPARATION (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Key sources of estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment and right-of-use asset to be within 5 to 50 years and reviews the useful lives of depreciable assets at end each of the reporting period. At 31 March 2022, management assesses that the useful lives represent the expected usage of the assets of the Group and of the Company. Actual result, however, may vary due to change in the expected level of usage and technology developments, which resulting in adjustment to the assets of the Group and of the Company.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's and the Company's core business is subject to economic and social preference which may cause selling prices to change rapidly, and the Group's and the Company's profit to change.

2. BASIS OF PREPARATION (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Key sources of estimation uncertainty (cont'd)

Development costs

The Group and the Company capitalise costs for product development. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The carrying amount of the Group's and of the Company's development costs at the end of the reporting period is disclosed in Note 6 to the financial statements.

This amount includes significant investment in the development of an innovative automotive electronics system. Prior to being marketed, it will need to obtain a quality certification issued by the relevant regulatory authorities. The innovative nature of the product gives rise to some uncertainty as to whether the certificate will be obtained.

The development costs of technology systems are amortised on a straight-line basis over their useful lives of 5 years. The Group and the Company assess annually the useful lives of the intangible assets and if the expectation differs from the original estimate, such difference will impact the amortisation expenses in the period in which such estimate had been charged.

Provision for expected credit losses ("ECLs") of trade receivables

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on the repayment pattern of the customers, customers type and coverage by letters of credit.

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

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

2. BASIS OF PREPARATION (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Key sources of estimation uncertainty (cont'd)

Income taxes

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognised tax liabilities based on estimates of whether additional tax will be due. Where the final tax outcome is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

2.5.2 Significant management judgement

There is no significant management judgement in applying the accounting policies of the Group and of the Company that have the most significant effect on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

3.1 Consolidation

3.1.1 Subsidiary

Subsidiary is entity, including structured entity, controlled by the Group and the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group and the Company consider it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiary is stated at cost less any impairment losses in the Company's financial position unless the investment is held for sale or distribution. The cost of investments includes transaction costs. Where an indication of impairment exists, the carrying amount of the subsidiary is assessed and written down immediately to its recoverable amount.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.2 Basis of consolidation

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements.

Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in the notes to the financial statements.

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

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

3.1.3 Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administration expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.3 Business combination (cont'd)

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree, if any, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

3.1.4 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of the equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

3.1.5 Non-controlling interests

Non-controlling interests at the end of the reporting year, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statements of financial position and statements of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statements of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interests even if that results in a deficit balance.

3.2 Foreign currency transactions and balances

Transactions in foreign currencies are recorded in RM at rates of exchange ruling at the date of the transactions. Foreign currencies monetary assets and liabilities are translated at reporting date.

Gains and losses resulting from settlement of such transactions and conversion of monetary assets and liabilities, whether realised or unrealised, are included in the income statement as they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency transactions and balances (cont'd)

All other foreign exchange differences are taken to the statements of comprehensive income in the financial year in which they arise.

3.3 Property, plant and equipment

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

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated.

Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Freehold building and renovation	2%
Plant and machinery	10%
Motor vehicles	20%
Tools, equipment and moulds	10%
Furniture and office equipment	10%

The residual values, useful life and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and expected pattern of consumption of future economic benefits embodied in the items of property, plant and equipment.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases

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

As a lessee

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

Right-of-use asset

The Group and the Company recognise right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Motor vehicle	20%

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

The right-of-use asset is also subject to impairment. Refer to the accounting policies in Note 3.6 to the financial statements.

Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases (cont'd)

As a lessee (cont'd)

Lease liabilities (cont'd)

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

Short-term leases and leases of low-value assets

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

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the profit or loss in the period in which it incurred.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by charging the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Intangible assets (cont'd)

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

3.5.1 Research and development costs

All research costs are immediately recognised in profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised as development costs and deferred only when the Group and the Company can demonstrate the technical feasibility of completing the asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria are recognised in profit or loss as incurred.

Capitalised development costs comprise direct attributable costs incurred for development. Capitalised development costs, considered to have finite useful lives, are stated at cost less accumulated amortisation and any accumulated impairment losses. Development costs are amortised using the straight-line basis over the commercial lives of the underlying products from the date the products are commercialised.

The amortisation period and method are reviewed at the end of each reporting year to ensure that the expected useful lives of the assets are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of intangible assets. Development costs have a finite useful life and are amortised over the period of 5 years on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly trade subsidiaries or other available fair value indicators.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Inventories

Inventories, comprising raw materials, accessories and consumables, work-in-progress and finished goods are stated at the lower of cost and net realisable value ("NRV") after adequate specific write down has been made by the Directors for deteriorated, obsolete and slow-moving inventories.

Cost of raw materials is determined using weighted average method and finished goods include direct materials, direct labour and an appropriate proportion of manufacturing overheads. Cost includes the original purchase price plus direct cost of bringing these inventories to their present condition and location.

Net realisable value represents estimated selling price in the ordinary course of business less estimated selling and distribution costs and all other estimated costs to completion.

When inventories are sold and revenue is recognised, the carrying amount of those inventories is recognised as cost of goods sold. Write-down to NRV and inventory losses are recognised as expenses when it occurred and any reversal is recognised in the profit or loss in the period in which the reversal occurs.

3.8 Financial instruments

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

3.8.1 Financial assets

Initial recognition and measurement

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

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

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.8 **Financial instruments (cont'd)**

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

Initial recognition and measurement (cont'd)

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

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

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

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments);
- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at FVTPL.

Financial assets at amortised cost

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

3.8.1 Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

This category includes listed equity investments which the Group and the Company had not irrevocably elected to classify at FVTOCI. Dividends on listed equity investments are recognised as other income in the profit or loss when the right of payment has been established.

The Group's and the Company's equity instruments at FVTPL includes other investments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

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

When the Group and Company have transferred their rights to receive cash flows from an asset or have entered into a passthrough arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

3.8.1 Financial assets (cont'd)

Impairment

The Group and the Company recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Impairment for trade receivables

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment for financial assets other than trade receivables

The Group and the Company consider the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

3.8.1 Financial assets (cont'd)

Impairment (cont'd)

Credit impaired

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

An impairment loss in respect of debt investments measured at FVTOCI is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flows have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due.

3.8.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

3.8.2 Financial liabilities (cont'd)

Subsequent measurement

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

- Financial liabilities at FVTPL; or
- Financial liabilities at amortised cost.

The Group's and the Company's financial liabilities include trade and most of other payables and borrowings.

Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss. This category generally applies to interest-bearing borrowings.

Derecognition

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

3.8.3 Offsetting of financial instruments

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with licensed banks and highly liquid investments that are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value.

For the purpose of statements of financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting period are classified as non-current asset.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

3.10 Equity, reserves and distribution to owners

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

Retained earnings include all current and prior periods' accumulated profits.

Dividends are accounted for in shareholders' equity as an appropriation of retained earnings and recognised as a liability in the period in which they are declared.

All transactions with owners of the Company are recorded separately within equity.

3.11 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and the Company expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

If the effect of the time of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Employee benefits

3.12.1 Short-term employee benefits

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

3.12.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as expenses in the profit or loss incurred. As required by law, the Company and its subsidiary, all of which were incorporated in Malaysia, make such contributions to the Employees Provident Fund.

3.13 Revenue

Revenue from contracts with customers is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise in a contract with a customer to transfer to the customer either:-

(a) good or service (or a bundle of goods or services) that is distinct; or
(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue (cont'd)

Revenue from contracts with customers is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome.

If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative standalone selling prices of the goods or services promised in the contract.

The amount of variable consideration is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainly associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:-

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

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

For performance obligations where any one of the above conditions not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or service, it creates a contract based on asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue (cont'd)

3.13.1 Sales of goods

Revenue relating to sales of goods is recognised net of sales returns and discount upon the transfer of control of the goods to the customers. Revenue is not recognised to extent were there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

3.13.2 Other revenue recognition

Interest income

Interest income is recognised in the profit or loss on time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group and the Company.

Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which is in the case of quoted securities is the ex-dividend date.

3.14 Tax expense

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

3.14.1 Current tax

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

Current tax for current and prior periods is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Tax expense (cont'd)

3.14.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

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

3.15 Sales and service tax ("SST")

Expenses and assets are recognised net of the amount of SST, except:-

(i) When the SST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
(ii) When payables are stated with the amount of SST included.

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

3.16 Borrowing costs

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Borrowing costs (cont'd)

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

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

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.17 Contingencies

3.17.1 Contingent liabilities

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

3.17.2 Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

3.18 Related parties

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Related parties (cont'd)

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

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

Group and Company	Freehold land RM	Freehold building and renovation RM	Plant and machinery RM	Motor vehicles RM	Tools, equipment and moulds RM	Furniture and office equipment RM	Total RM
Cost							
At 1 April 2020	3,056,107	8,079,302	8,703,281	1,147,382	13,299,140	2,319,425	36,604,637
Additions	-	16,129,566	7,010,847	103,871	2,762,764	880,736	26,887,784
Disposal	-	-	(3,712,643)	-	(1,275,695)	(352,900)	(5,341,238)
Written off	-	(3,977,063)	(462,919)	-	-	(77,335)	(4,517,317)
At 31 March 2021	3,056,107	20,231,805	11,538,566	1,251,253	14,786,209	2,769,926	53,633,866
Additions	-	1,483,388	-	71,020	1,643,188	213,142	3,410,738
Disposal	-	-	-	(489,207)	(262,766)	-	(751,973)
Transfer from right-of-use asset	-	-	-	252,960	-	-	252,960
At 31 March 2022	3,056,107	21,715,193	11,538,566	1,086,026	16,166,631	2,983,068	56,545,591
Accumulated depreciation							
At 1 April 2020	-	550,439	6,666,074	960,270	8,254,412	1,298,215	17,729,410
Charge for the financial year	-	310,805	944,992	65,552	1,091,823	184,727	2,597,899
Disposal	-	-	(3,700,172)	-	(53,483)	(61,100)	(3,814,755)
Written off	-	(521,266)	(114,870)	-	-	(50,783)	(686,919)
At 31 March 2021	-	339,978	3,796,024	1,025,822	9,292,752	1,371,059	15,825,635
Charge for the financial year	-	425,605	1,072,192	116,224	1,119,534	200,523	2,934,078
Disposal	-	-	-	(489,207)	(182,723)	-	(671,930)
Transfer from right-of-use asset	-	-	-	96,968	-	-	96,968
At 31 March 2022	-	765,583	4,868,216	749,807	10,229,563	1,571,582	18,184,751
Net carrying amount							
At 31 March 2022	3,056,107	20,949,610	6,670,350	336,219	5,937,068	1,411,486	38,360,840
At 31 March 2021	3,056,107	19,891,827	7,742,542	225,431	5,493,457	1,398,867	37,808,231

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

The freehold land and freehold building with net carrying amount amounted to RM19,960,436 (2021: RM19,040,616) are pledged as securities for bank borrowings as disclosed in Note 14 to the financial statements.

5. RIGHT-OF-USE ASSET

As a lessee

The Group and the Company have lease for motor vehicle that run for 5 years.

The Group and the Company also have lease of premises and machine and equipment with lease terms of 12 months or less. The Group and the Company apply the 'short-term lease' recognition exemption for these leases.

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

Group and Company	Motor vehicle RM
Cost	
At 1 April 2020/At 31 March 2021	252,960
Transfer to property, plant and equipment	(252,960)
At 31 March 2022	-
Accumulated depreciation	
At 1 April 2020	16,864
Charge for the financial year	50,592
At 31 March 2021	67,456
Charge for the financial year	29,512
Transfer to property, plant and equipment	(96,968)
At 31 March 2022	-
Net carrying amount	
At 31 March 2022	-
At 31 March 2021	185,504

5. RIGHT-OF-USE ASSET (CONT'D)

As a lessee (cont'd)

In the prior financial year, the motor vehicle above was held under finance lease arrangements and pledged as security for the related finance lease. The motor vehicle above was registered under the name of a Director of the Group and of the Company and was held in trust by the said Director.

6. INTANGIBLE ASSETS

Group and Company	Development costs RM
Cost	
At 1 April 2020	860,888
Additions	4,595,109
At 31 March 2021	5,455,997
Additions	1,190,597
At 31 March 2022	6,646,594
Accumulated amortisation	
At 1 April 2020/At 31 March 2021	-
Charge for the financial year	951,630
At 31 March 2022	951,630
Net carrying amount	
At 31 March 2022	5,694,964
At 31 March 2021	5,455,997

The development costs are incurred for developing new technology system. In the prior financial year, there was no amortisation charges recorded since the product was still under the development phase.

6. INTANGIBLE ASSETS (CONT'D)

Impairment loss review of development costs

The Group and the Company test annually for impairment or more frequently if there are indications that might be impaired.

For the purpose of impairment testing, development costs have been allocated to the Group's and the Company's cash generating units ("CGU"). The Group and the Company identified according to the industry of the Group's and of the Company's operations.

Key assumptions made in determining the value-in-use are as follows:

- Cash flows were projected based on actual operating results and the five years business plan;
- The discount rate applied to the cash flows projections are derived from the weighted average cost of capital of the Group and of the Company plus a reasonable risk premium; and
- The size of operation will remain at least or not lower than the current results.

The key assumptions used for determining the value in use, which are determined based on management's past experience and expectation of the future development, are as follows:-

	Group and Company	
	2022	2021
	%	%
Projected growth rate	2.00	-
Discount rate	8.26	8.20

The projected cash flows from use are derived from the most recent financial budgets approved by management.

With regards to the assessments, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these units to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable.

7. INVESTMENT IN A SUBSIDIARY

	Company	
	2022	2021
	RM	RM
Unquoted shares, at cost	-	100

7. **INVESTMENT IN A SUBSIDIARY (CONT'D)**

The particulars of the subsidiary are as follows:-

Name of company	Principal place of business	Principal activities	Effective equity interest 2022 %	Effective equity interest 2021 %
Betamek Sales & Service Sdn. Bhd.	Malaysia	Buying, selling, servicing of car radio with cassette and CD player and tracking of spoilers. However, the Company has ceased its operation.	-	100

Strike off of a subsidiary

During the financial year, the Company struck off a wholly-owned subsidiary, Betamek Sales & Service Sdn. Bhd. with a loss on strike off of a subsidiary of RM100 being recognised in profit or loss.

8. **CASH AND BANK BALANCES, DEPOSITS AND PLACEMENTS**

	Group and Company 2022 RM	Group and Company 2021 RM
Non-current:-		
Deposits with a financial institution	-	266,493
Current:-		
Cash and bank balances	15,404,934	3,111,160
Deposits with a financial institution	476,414	11,084,830
	15,881,348	14,195,990
	15,881,348	14,462,483

Deposits with financial institutions amounting to RM204,830 (2021: RM351,323) are pledged to a bank for banking facilities granted to the Group and the Company.

The deposits with financial institutions will mature within 2 days to 365 days (2021: 8 days to 365 days) with interest rates ranging from 0.85% to 1.85% (2021: 0.85% to 1.85%) per annum.

9. INVENTORIES

	Group and Company 2022 RM	2021 RM
At cost:-		
Raw materials	36,857,219	17,024,962
Work-in-progress	14,947,687	16,461,762
Finished goods	4,062,866	5,433,666
	55,867,772	38,920,390
Recognised in profit or loss:-		
Inventories written off	-	89,757
Inventories recognised in cost of sales	92,469,351	81,512,937

10. TRADE RECEIVABLES

The trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition. The normal credit terms granted to the customers ranging from 30 days to 60 days (2021: 30 days to 60 days). Other credit terms are assessed and approved by the management on case-by-case basis.

11. OTHER RECEIVABLES

	Group and Company 2022 RM	2021 RM
Non-trade receivables	8,419	8,094
Deposits	36,757	635,833
Advances to suppliers	6,076,543	10,721,856
Prepayments	881,661	-
	7,003,380	11,365,783

Included in non-trade receivables is an amount of RM5,749 (2021: RMNil) due from a related company. The said amount is unsecured, non-interest bearing and repayable on demand.

Related company refers to a member of Iskandar Holdings Sdn. Bhd.'s group of companies.

12. OTHER INVESTMENTS

	Group and Company	
	2022	2021
	RM	RM
Financial assets at fair value		
Quoted shares in Malaysia	136,461	161,603
Unquoted shares outside Malaysia	1	1
	136,462	161,604

13. SHARE CAPITAL

	Group and Company	
	2022	2021
	RM	RM
Issued and fully paid with no par value:-		
6,000,000 units of ordinary shares	8,000,000	8,000,000

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

14. BORROWINGS

	Group and Company	
	2022	2021
	RM	RM
Non-current		
Secured:-		
Term loans	13,858,879	22,137,330
Revolving credit	5,171,349	-
	19,030,228	22,137,330
Current		
Secured:-		
Term loans	1,260,447	1,156,553
Revolving credit	2,869,607	-
Unsecured:-		
Trust receipts	8,151,321	-
	12,281,375	1,156,553
	31,311,603	23,293,883

14. BORROWINGS (CONT'D)

The maturity of the borrowings as at the reporting date are as follows:-

	Group and Company	
	2022	2021
	RM	RM
Within 1 year	12,281,375	1,156,553
After 1 year but not later than 5 years	11,139,203	10,784,361
Later than 5 years	7,891,025	11,352,969
	19,030,228	22,137,330
	31,311,603	23,293,883

The borrowings are secured by:-

(i) Legal charge over the Group's and the Company's property;
(ii) Personal guarantee by a Director;
(iii) Corporate guarantee by the holding company.
(iv) Joint and several guarantee by a Director and ex-shareholders; and
(v) Fixed deposits as disclosed in Note 8 to the financial statements.

In the prior financial year, the borrowings were secured by:-

(i) Debentures covering fixed and floating charges over the present and future assets of the Group and of the Company;
(ii) First party second legal charge over the Group's and the Company's property;
(iii) Personal guarantee by a Director; and
(iv) Corporate guarantee by the holding company.

The effective interest rates of term loans of the Group and of the Company are charged at rates ranging from 3.20% to 3.56% (2021: 3.56% to 3.81%) per annum.

The effective interest rates of revolving credit of the Group and of the Company are charged at rate of 3.90% (2021: Nil) per annum.

The effective interest rates of trust receipts of the Group and of the Company are charged at rates ranging from 1.86% to 3.86% (2021: Nil) per annum.

15. LEASE LIABILITY

The Group and the Company have leased for motor vehicles. Future minimum lease payments as at reporting date is as follows:-

	Group and Company	
	2022	2021
	RM	RM
Brought forward	115,601	143,286
Accretion of interest	3,402	5,699
Payment	(119,003)	(33,384)
Carried forward	-	115,601
Represented by:-		
Non-current	-	86,588
Current	-	29,013
	-	115,601

The maturity analysis of lease liability is disclosed in Note 28.2.2 to the financial statements.

The following amounts are recognised in profit or loss:-

	Group and Company	
	2022	2021
	RM	RM
Depreciation of right-of-use asset	29,512	50,592
Interest expense on lease liability	3,402	5,699
Short-term leases	1,900	538,540
	34,814	594,831

The total cash outflows for leases of the Group and of the Company amounted to RM120,903 (2021: RM571,924).

The effective interest rate of lease liability of the Group and of the Company is charged at rate of 4.28% (2021: 4.28%) per annum.

16. DEFERRED TAX LIABILITIES

	Group and Company	
	2022	2021
	RM	RM
Brought forward	2,360,000	1,462,000
Recognised in profit or loss	1,153,000	898,000
Carried forward	3,513,000	2,360,000

The balance in the deferred tax liabilities is made up of temporary differences arising from:-

	Group and Company				
	Property, plant and equipment	Right-of-use asset	Intangible assets	Provisions	Total
	RM	RM	RM	RM	RM
At 1 April 2020	1,448,000	14,000	-	-	1,462,000
Recognised in profit or loss	1,309,000	(10,000)	-	(401,000)	898,000
At 31 March 2021	2,757,000	4,000	-	(401,000)	2,360,000
Recognised in profit or loss	671,000	(4,000)	637,000	(151,000)	1,153,000
At 31 March 2022	3,428,000	-	637,000	(552,000)	3,513,000

17. TRADE PAYABLES

The trade payables are non-interest bearing and the normal credit terms granted by the trade payables ranging from 30 days to 90 days (2021: 30 days to 90 days).

18. OTHER PAYABLES

	Group and Company	
	2022	2021
	RM	RM
Non-trade payables	338,595	468,069
Accruals	3,477,141	3,628,408
Sales and service tax payable	192,499	162,584
	4,008,235	4,259,061

19. REVENUE

	Group and Company 2022 RM	2021 RM
Revenue recognised at a point in time:		
- Sales of trading goods	133,051,434	129,869,218
Primary geographical market:		
- Malaysia	133,051,434	129,869,218

Performance obligation

The performance obligation of sales of goods is satisfied upon delivery of the goods.

There were no obligations for rebates, returns, warranty and other similar or related obligations.

There were no remaining performance obligations unsatisfied as at the reporting date.

20. FINANCE INCOME

	Group and Company 2022 RM	2021 RM
Interest income:		
- Deposits pledged with a financial institution	5,091	10,029
- Deposits with financial institutions	18,618	-
- Bank balances	971	150,044
	24,680	160,073

21. FINANCE COSTS

	Group and Company 2022 RM	2021 RM
Interest expenses:		
- Lease liability	3,402	5,699
- Term loans	873,960	382,744
- Bank overdraft	13,753	20,010
- Trust receipts	45,906	-
	937,021	408,453

22. PROFIT BEFORE TAX

Profit before tax has been determined after charging/(crediting), amongst others items, the following:-

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Charging:-				
Auditors' remuneration	50,000	50,000	50,000	50,000
Amortisation of intangible assets	951,630	-	951,630	-
Bad debts written off	8,424	-	8,424	-
Directors' fee	315,000	255,000	315,000	255,000
Depreciation of property, plant and equipment	2,934,078	2,597,899	2,934,078	2,597,899
Depreciation of right-of-use asset	29,512	50,592	29,512	50,592
Fair value loss on other investments	25,142	2,382,981	25,142	2,382,981
Loss on strike off of a subsidiary	-	-	100	-
Property, plant and equipment written off	-	3,830,398	-	3,830,398
Realised loss on foreign exchange	-	263,228	-	263,228
Crediting:-				
Dividend income:				
- Quoted shares	(2,282)	(14,248)	(2,282)	(14,248)
Gain on disposal of property, plant and equipment	(7,610)	(805,880)	(7,610)	(805,880)
Realised gain on foreign exchange	(533,749)	-	(533,749)	-

23. TAX EXPENSE

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Current tax:				
- Current financial year	3,615,500	4,317,000	3,615,500	4,317,000
- (Over)/Under provision in prior financial year	(924,314)	1,628,798	(924,314)	1,628,798
	2,691,186	5,945,798	2,691,186	5,945,798

23. TAX EXPENSE (CONT'D)

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Deferred tax:				
- Origination and reversed at temporary differences	612,000	1,100,000	612,000	1,100,000
- Under/(Over) recognised in prior financial year	541,000	(202,000)	541,000	(202,000)
	1,153,000	898,000	1,153,000	898,000
	3,844,186	6,843,798	3,844,186	6,843,798

Malaysian income tax is calculated at statutory tax rate of 24% (2021: 24%) of the estimated assessable profits for the financial year.

The numerical reconciliations between the effective tax rate and the statutory tax rate of the Group and of the Company are as follows:-

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Profit before tax	17,325,381	19,052,032	17,325,281	19,052,032
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	4,158,091	4,572,488	4,158,067	4,572,488
Tax effects in respect of:-				
Expenses not deductible for tax purposes	178,250	1,679,740	178,274	1,679,740
(Over)/Under provision of tax expense in prior financial year	(924,314)	1,628,798	(924,314)	1,628,798
Under/(Over) recognised of deferred tax liabilities in prior financial years	541,000	(202,000)	541,000	(202,000)
Reinvestment tax allowance granted during the financial year	-	(545,704)	-	(545,704)
Income not subject to tax	(108,841)	(289,524)	(108,841)	(289,524)
Total tax expense	3,844,186	6,843,798	3,844,186	6,843,798

24. DIVIDENDS

	Group and Company 2022 RM	2021 RM
In respect of the financial year ended 31 March 2022:-		
First interim single tier dividend of 67 sen per ordinary share, paid on 28 March 2022	4,000,000	-
In respect of the financial year ended 31 March 2021:-		
First interim single tier dividend of 25 sen per ordinary share, paid on 15 December 2020	-	1,500,000
Second interim single tier dividend of 25 sen per ordinary share, paid on 15 March 2021	-	1,500,000
Third interim single tier dividend of 50 sen per ordinary share, paid on 4 June 2021	3,000,000	-
In respect of the financial year ended 31 March 2020:-		
Fourth interim single tier dividend of 25 sen per ordinary share, paid on 15 June 2020	-	1,500,000
Fifth interim single tier dividend of 25 sen per ordinary share, paid on 15 September 2020	-	1,500,000
	7,000,000	6,000,000

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

25. EMPLOYEE BENEFITS EXPENSE

	Group and Company 2022 RM	2021 RM
Staffs' remuneration		
Salaries and other emoluments	12,309,729	13,644,165
Defined contribution plans	1,377,119	1,587,034
	13,686,848	15,231,199
Directors' remuneration		
Directors' salaries and other emoluments	321,650	717,514
Defined contribution plans	10,800	-
Benefits-in-kind	15,000	-
	347,450	717,514
	14,034,298	15,948,713

26. RELATED PARTY DISCLOSURES

Related party transactions

The significant related party transactions of the Group and of the Company are as follows:-

	Group and Company	
	2022	2021
	RM	RM
Dividend paid to holding company	5,810,000	3,900,000
Dividend paid to shareholders	140,000	2,100,000
Dividend paid to an ex-shareholder	1,050,000	-
Disposal of a motor vehicle to a Director	1	-

The outstanding balance arising from related party transactions as at the reporting date is disclosed in Note 11 to the financial statements.

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly and entity that provides key management personnel services to the Group and the Company.

Key management includes all the Directors of the Company and its subsidiary and certain members of senior management of the Group and of the Company.

	Group and Company	
	2022	2021
	RM	RM
Directors' remuneration	347,450	717,514
Key management personnel:-		
Salaries and other emoluments	1,139,119	988,517
Defined contribution plans	147,729	130,077
Benefits-in-kind	22,550	14,662
	1,309,398	1,133,256
	1,656,848	1,850,770

27. CAPITAL COMMITMENT

	Group and Company 2022 RM	Group and Company 2021 RM
Authorised and contracted for:		
- Property, plant and equipment	13,000	366,863

28. FINANCIAL INSTRUMENTS

28.1 Categories of financial instruments

The table below provides an analysis of financial instruments categories as follows:-

(i) Financial assets and financial liabilities measured at amortised cost ("AC"); and
(ii) Financial assets at fair value through profit or loss ("FVTPL")

Group and Company	Carrying amount RM	AC RM	FVTPL RM
2022			
Financial assets			
Trade receivables	16,532,863	16,532,863	-
Other receivables	6,121,719	6,121,719	-
Other investments	136,462	-	136,462
Cash and bank balances, deposits and placements	15,881,348	15,881,348	-
	38,672,392	38,535,930	136,462
Financial liabilities			
Trade payables	8,944,732	8,944,732	-
Other payables	3,815,736	3,815,736	-
Borrowings	31,311,603	31,311,603	-
	44,072,071	44,072,071	-

28. FINANCIAL INSTRUMENTS (CONT'D)

28.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categories as follows (cont'd):-

(i) Financial assets and financial liabilities measured at amortised cost ("AC"); and
(ii) Financial assets at fair value through profit or loss ("FVTPL")

Group and Company (cont'd)	Carrying amount RM	AC RM	FVTPL RM
2021			
Financial assets			
Trade receivables	17,059,164	17,059,164	-
Other receivables	11,365,783	11,365,783	-
Other investments	161,604	-	161,604
Cash and bank balances, deposits and placements	14,462,483	14,462,483	-
	43,049,034	42,887,430	161,604
Financial liabilities			
Trade payables	8,696,266	8,696,266	-
Other payables	4,096,477	4,096,477	-
Borrowings	23,293,883	23,293,883	-
	36,086,626	36,086,626	-

28.2 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. They have established policies and procedures to ensure effective management of credit risk, liquidity risk, interest rate risk and foreign currency risk.

The following sections explain key risks faced by the Group and the Company and their management. Financial assets and financial liabilities of the Group and of the Company are summarised in Notes 3.8 and 28.1 to the financial statements.

28.2.1 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet their contractual obligations. It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of their financial assets or other financial instruments.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

28.2.1 Credit risk (cont'd)

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group and the Company do not offer credit terms without the approval of the head of credit control.

Maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of financial assets recognised at reporting date summarised below:-

	Group and Company	
	2022	2021
	RM	RM
Financial assets		
Trade receivables	16,532,863	17,059,164
Other receivables	6,121,719	11,365,783
Cash and bank balances, deposits and placements	15,881,348	14,462,483
	38,535,930	42,887,430

Trade receivables and other receivables

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group and the Company manage its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group's and the Company's debt recovery process are as follows:-

(a) Above 90 days past due after credit term, the Group and the Company will start to initiate a structured debt recovery process which is monitored by the finance team; and
(b) The Group and the Company will commence a legal proceeding against the customers who having dispute or does not adhere to the restr ucture of the repayment scheme.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

28.2.1 Credit risk (cont'd)

Trade receivables and other receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

The Group and the Company use a provision matrix to measure ECLs for all the past due debts. Credit term which are past due more than 365 days and having dispute with the trade receivables will be considered as credit impaired.

The Group and the Company assessed the risk of loss based on the following factors:-

(a) Overall past trend payments of customers;
(b) Financial performances of each individual customers; and
(c) Gross domestic product growth rate and base lending rate.

None of the Group's and of the Company's financial assets are secured by collateral or other credit enhancements.

Set out below is the information about the credit risk exposure and ECLs on the Group's and the Company's trade receivables:-

	Gross carrying amount RM	Expected credit loss RM	Net carrying amount RM
Group and Company			
2022			
Not past due	16,242,805	-	16,242,805
Past due 1 to 30 days	290,058	-	290,058
	16,532,863	-	16,532,863
2021			
Not past due	13,765,857	-	13,765,857
Past due 1 to 30 days	995,688	-	995,688
Past due 31 to 60 days	686,863	-	686,863
Past due 61 to 90 days	1,602,332	-	1,602,332
Past due more than 90 days	8,424	-	8,424
	17,059,164	-	17,059,164

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

28.2.1 Credit risk (cont'd)

Trade receivables and other receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

The Group and the Company use three categories to reflect its credit risk and how the loss allowance is determined for each of those categories for financial assets other than trade receivables. A summary of the assumptions underpinning the Group's and the Company's expected credit loss model is as follows:-

Category	Definition of categories	Basis of recognising expected credit loss
Performing	Receivables have a low risk of default and a strong capacity to meet contractual cash flows.	12 months expected credit loss
Underperforming	Receivables for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.	Lifetime expected credit loss
Non-performing	Receivables which are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred.	Lifetime expected credit loss

Based on the above, loss allowance is derived as follows:-

(i) The likelihood that the debtor would not be able to repay during the contractual period;
(ii) The percentage of contractual cash flows that will not be collected if default happens; and
(iii) The outstanding amount that is exposed to default risk.

Credit risk concentration

In respect of trade and other receivables, the Group and the Company have no significant concentration of credit risk with any single counterparty or any group of counterparties having similar characteristics, except below mentioned.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

28.2.1 Credit risk (cont'd)

Trade receivables and other receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

Credit risk concentration (cont'd)

	Group and Company			
	2022		2021	
	RM	%	RM	%
Trade receivables				
Malaysia				
2 customers (2021: 3 customers)	14,488,126	88	13,871,629	81

The Group and the Company continuously monitor credit standing of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

Cash and bank balances, deposits and placements

The credit risk for cash and bank balances, deposits and placements is considered low, since the counterparties are reputable financial institutions with high quality external credit ratings and have no history of default. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

28.2.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due, due to shortage of funds.

In managing its exposures to liquidity risk that arises principally from their various payables, borrowings and lease liability, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible that they will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

28.2.2 Liquidity risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follow:-

	Carrying amount RM	Contractual cash flows RM	Maturity: Within 1 year RM	Maturity: 1 to 5 years RM	Maturity: Later than 5 years RM
Group and Company					
2022					
Trade payables	8,944,732	8,944,732	8,944,732	-	-
Other payables	3,815,736	3,815,736	3,815,736	-	-
Borrowings	31,311,603	35,695,897	13,052,012	13,129,166	9,514,719
	44,072,071	48,456,365	25,812,480	13,129,166	9,514,719
2021					
Trade payables	8,696,266	8,696,266	8,696,266	-	-
Other payables	4,096,477	4,096,477	4,096,477	-	-
Borrowings	23,293,883	27,952,739	1,593,012	13,659,858	12,699,869
Lease liability	115,601	125,145	33,384	91,761	-
	36,202,227	40,870,627	14,419,139	13,751,619	12,699,869

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

28.2.3 Interest rate risk

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

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to the risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The Group's and the Company's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

28.2.3 Interest rate risk (cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date is as follows:-

	Group and Company	
	2022	2021
	RM	RM
Fixed rate instruments		
Financial asset		
Deposits and placements	476,414	11,351,323
Financial liabilities		
Lease liability	-	(115,601)
Trust receipts	(8,151,321)	-
	(8,151,321)	(115,601)
	(7,674,907)	11,235,722
Floating rate instruments		
Financial liabilities		
Term loans	(15,119,326)	(23,293,883)
Revolving credit	(8,040,956)	-
	(23,160,282)	(23,293,883)

Fair values sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates as at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The following table illustrates the sensitivity of profit/equity to a reasonably possible change in interest rate of +/-50 (2021: +/-50) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instrument held at each reporting date that is sensitive to changes in interest rate. All other variables are held constant.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

28.2.3 Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments (cont'd)

	Impact on profit/equity (Decrease)/Increase	
	+50bp	-50bp
	RM	RM
2022	(115,801)	115,801
2021	(116,469)	116,469

28.2.4 Foreign currency risk

The Group and the Company are exposed to foreign currency risk as a result of their normal operating activities, where the currency denomination differs from the local currency, Ringgit Malaysia ("RM"). The Group's and the Company's policy are to keep the foreign exchange exposure to an acceptable level.

The Group and the Company are exposed to transactional currency risk primarily through costs of sales that are denominated in a currency other than the functional currency to which they related. The currency giving rise to this risk is primarily United States Dollar ("USD") and Singapore Dollar ("SGD").

Foreign currency denominated financial assets which expose the Group and the Company to currency risk are disclosed below. The amount shown is those reported to key management translated into RM at the closing rate:-

	Group and Company	
	2022	2021
	RM	RM
Denominated in USD		
Other receivables	6,076,543	10,721,856
Trade payables	(4,118,598)	(3,655,021)
	1,957,945	7,066,835
Denominated in SGD		
Trade payables	(448,700)	(186,862)

28. FINANCIAL INSTRUMENTS (CONT'D)

28.2 Financial risk management (cont'd)

28.2.4 Foreign currency risk (cont'd)

Foreign currency sensitivity analysis

The following table illustrates the sensitivity of profit/equity with regards to the Group's and the Company's financial assets and financial liabilities and the RM/USD and RM/SGD exchange rate assuming all other things being equal. A +/-1% (2021: 1%) change in the RM/USD and RM/SGD exchange rate at the reporting is deemed possible. Both of these percentages have been determined based on average market volatility in exchange rates in the previous 12 months.

The sensitivity analysis is based on the Group's and the Company's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates. If the RM had strengthened/weakened against the USD and SGD, then the impact would be as follows:-

	Group and Company Impact on profit/equity Increase/(Decrease)	
	+1%	-1%
	RM	RM
RM/USD		
2022	19,579	(19,579)
2021	70,668	(70,668)
RM/SGD		
2022	(4,487)	4,487
2021	(1,869)	1,869

28.3 Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date or immaterial discounting impact.

28. FINANCIAL INSTRUMENTS (CONT'D)

28.4 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:-

	Group and Company			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Financial assets				
Non-derivative financial assets at FVTPL	136,461	-	1	136,462
2021				
Financial assets				
Non-derivative financial assets at FVTPL	161,603	-	1	161,604

There was no transfer between Level 1 and Level 2 in 2022 and 2021.

28.5 Net gain or losses arising from financial instruments

	Group and Company	
	2022 RM	2021 RM
Net loss on:-		
Financial assets at FVTPL		
- recognised in profit or loss	25,142	2,382,981

29. CAPITAL MANAGEMENT

Total capital managed at the Group's and the Company's level are the shareholders' fund as shown in the statements of financial position.

The primary objective of the Group's and of the Company's capital management are to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions including the interest rate movements. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders, sell assets to reduce debt or issue new share capital.

No changes were made in the objective, policies or processes during the financial year and prior financial years.

30. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

Coronavirus ("COVID-19") pandemic

The global and domestic economics encountered unprecedented challenges during the financial year ended 31 March 2021 as a result of the continuing COVID-19 pandemic. The Malaysian government implemented several counter-measures by imposing strict lockdowns, movement restrictions and closing borders to curb the COVID-19 outbreak in Malaysia. Despite the challenges, the Group and the Company were not affected by the COVID-19 pandemic for the financial year ended 31 March 2022.

Given the fluidity of the situation, the Group and the Company will continuously monitor the impact of the COVID-19 pandemic and take appropriate and timely measures to minimise the impact of the outbreak on the Group's and the Company's operations for the financial year ending 31 March 2023.