# **IQZAN HOLDING BERHAD**Registration No. 200201008458 (576121-A)

**REPORTS AND FINANCIAL STATEMENTS** FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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(Incorporated in Malaysia)

# **DIRECTORS' REPORT**

For the financial year ended 31 March 2024

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 2024.

# **Principal activities**

The Company is principally engaged in investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiary companies are disclosed in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

#### Results

	Group RM'000	Company RM'000
Net (loss)/profit for the financial year	(21,302)	16,750
Attributable to: Owners of the parent Non-controlling interests	(20,617) (685) (21,302)	16,750 - 16,750

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

#### **Dividends**

No dividends have been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

# **Reserves and provisions**

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

# Issue of shares and debentures

The Company did not issue any new shares or debentures during the financial year.

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# **Options granted over unissued shares**

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

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

#### **Directors**

The directors in office during the financial year and during the period from the end of the financial year to the date of report are:

Cheah Ban Seng
Dato' Ong Chek Chai\*
Norman Bin Zainuddin\*
Chua Yeong Lin
Kunamony A/P S.Kandiah
Koh Yat Loong\* (appointed on 21 May 2024)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year until the date of this report are:

Low Soon Yen
Wong Poh Yoke
Yong Yeow Seng
Yong Yeow Wah
Ramli Bin Osman (appointed on 18 April 2024)
Liew Wing Ming
Tan Hai Keat (appointed on 26 April 2024)
Kamala Devi A/P Raja Gopal
Lee Meng Wei (appointed on 16 January 2024)
Fong Chee Khuen
Hing Poe Pyng
Wong Yee Lin

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

#### **Directors' interests**

According to the register of directors' shareholdings required to be kept under Section 59 of the Companies Act, 2016, none of the directors holding office at 31 March 2024 had any interest in the shares and options over shares of the Company during the financial year.

<sup>\*</sup> Director of the Company and certain subsidiary companies

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#### **Directors' benefits**

Since the end of the previous financial year, none of the directors of the Company has received nor become entitled to receive any benefit (other than the benefits shown under directors' remuneration) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during, nor at the end of the financial year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

# **Indemnity and insurance costs**

There was no indemnity given to or insurance effected for any director, officer or auditors of the Company during the financial year.

#### **Directors' remuneration**

The details of the directors' remuneration during the financial year is as follows:

	Gro	oup	Company		
	2024	2023	2024	2023	
	RM'000	RM'000	RM'000	RM'000	
Salaries, wages, allowances,					
overtime, bonus and fees	160	135	160	1,350	

# Other statutory information

Before the financial statements of the Group and of the Company were prepared, 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 allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and the adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realise in the ordinary course of business including the values of current assets as shown in accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

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

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company 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

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# Other statutory information (cont'd)

At the date of this report, the directors are not aware of any circumstances: (cont'd)

- (c) which have arisen and 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 of the Group and of the Company misleading.

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

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

Other than those disclosed in Note 2 to the financial statements, no contingent 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 in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction, or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

#### **Auditors' remuneration**

The auditors' remuneration of the Group and of the Company are amounted to RM214,000 and RM123,000 (2023: RM171,500 and RM98,000) during the financial year.

# Significant events after the financial year

The detail of the significant event after the financial year is disclosed in Note 40 to the financial statements.

# **Subsidiary companies**

The details of the subsidiary companies are disclosed in Note 9 to the financial statements.

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Auditors
The auditors, CHENGCO PLT, have expressed their willingness to continue in office.
Signed on behalf of the board of director in accordance with a resolution of the directors,
Signed
Cheah Ban Seng Director
Signed
Norman Bin Zainuddin Director

Kuala Lumpur,

Date:

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# STATEMENT BY DIRECTORS

# PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Cheah Ban Seng and Norman Bin Zainuddin, being two of the directors of Iqzan Holding Berhad, do hereby state on behalf of the directors that in our opinion, the financial statements as set out on pages 13 to 88, 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 2024 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the board of directors in accordance with a resolution of the directors, Signed Signed **Cheah Ban Seng** Norman Bin Zainuddin Director Director Kuala Lumpur, Date: STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016 I, Norman Bin Zainuddin, being the director primarily responsible for the financial management of Iqzan Holding Berhad, do solemnly and sincerely declare that the financial statements of the Group and of the Company as set out on pages 13 to 88, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960. Signed Subscribed and solemnly declared at on this Before me, Norman Bin Zainuddin Director

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#### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Iqzan Holding Berhad, which comprise the statements of financial position as at 31 March 2024 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 material accounting policies information, as set out on pages 13 to 88.

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 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

#### Basis for Opinion

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

#### Independence and Other Ethical Responsibilities

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

#### Emphasis of matter

On 6 November 2019, the Company has announced that it became an Affected Listed Issuer pursuant to Practice Note 17 ("PN 17") of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Market.

The Group and the Company is working to submit the regularization plan in compliance with Bursa Securities' PN17 of Listing Requirement. On 29 May 2024, the Company had submitted an application to Bursa Securities for a further extension of time of approximately six (6) months, until 8 December 2024 in order to submit its regularization plan. On 25 July 2024, Bursa Malaysia Securities has decided to dismiss the Company's appeal for a further extension of time to the regularisation plan and the Company will be removed from the Official List of Bursa Securities on 30 July 2024.

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# Report on the Audit of the Financial Statements (Cont'd)

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of RM21.302 million during the financial year and as at 31 March 2024 the Group's current liabilities exceeded its current assets by RM23.19 million (2023: RM35.6 million). As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

# 1. Impairment of trade receivables

The Group's trade receivables amounting to RM1.754 million, representing approximately 30.11% of the Group's total current assets as at 31 March 2024.

The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.

In addressing this, we have performed the following audit procedures:

- We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures.
- We assessed the recoverability of trade receivables by checking past payment trend and assessing the receipts during the financial year and subsequent to year end collections.
- We have reviewed the appropriateness of the disclosures made in the financial statements.

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# Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (cont'd)

# 2. Impairment of inventories

As at 31 March 2024, the Group has inventories amounting to RM2.079 million, representing approximately 35.69% of the Group's total current assets as at 31 March 2024.

The judgement made by the Directors in determining an appropriate inventories valuation involves predicting the amount of future demand from customers as the sales in the Group is subject to customer's preference which is based on trends and there is a risk that the net realisable value lower than the cost. Besides that, judgements are also required to identify slow moving and obsolete inventories which need to be written down to their net realisable value.

In addressing this, we have performed the following audit procedures:

- We reviewed the valuation method of inventories in accordance with MFRS 102 Inventories and ascertained that inventories are stated at the lower of cost and net realisable value.
- We reviewed the management's assessment of net realisable value of the inventories and determined any inventories written down need to be made.
- We reviewed the inventories count procedures and attended the physical count at financial year end. We assessed the appropriateness of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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# Report on the Audit of the Financial Statements (Cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the
  Company, whether due to fraud or error, design and perform audit procedures responsive to those risks,
  and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of
  not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as
  fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal
  control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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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: (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- 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 represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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#### **Other Matters**

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

Signed

CHENGCO PLT 201806002622 (LLP0017004-LCA) & AF0886 Chartered Accountants

Kuala Lumpur, Date: 26 July 2024 Signed

HENG KIAN ONN 03742/05/2025 J Chartered Accountant

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# STATEMENTS OF FINANCIAL POSITION

As at 31 March 2024

		Gro	up	Company		
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	
ASSETS						
Non-current assets						
Property, plant and						
equipment	5	60,399	41,583	-	-	
Right-of-use assets	6	626	888	-	-	
Investment properties	7	-	25,500	-	-	
Goodwill	8	6,585	6,585	-	-	
Investment in						
subsidiary companies	9	-	-	2,100	18,628	
Investement in associate	10	4,875		7,162		
	-	72,485	74,556	9,262	18,628	
Current assets						
Inventories	11	2,079	2,607	-	-	
Trade receivables	12	1,754	3,699	-	-	
Other receivables,						
deposits and						
prepayments	13	1,520	1,599	884	2	
Amount due from						
subsidiary companies	14	-	-	27,564	18,293	
Current tax assets		-	-	3	2	
Fixed deposits with a						
licensed bank	15	-	709	-	-	
Cash and cash	1.0	470	427		70	
equivalents	16	472	427	- 20 451	79	
TOTAL ASSETS	-	5,825 78,310	9,041 83,597	28,451 37,713	18,376 37,004	
TOTAL ASSETS	=	70,310	03,371	31,113	37,004	

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# STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 31 March 2024

		Gro	ир	Comp	any
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
EQUITY AND	Note	KIVI UUU	KWI UUU	KIVI UUU	KIVI UUU
LIABILITIES					
EQUITY					
Share capital	17	82,535	82,535	82,535	82,535
Redeemable					
Convertible Preference					
Shares ("RCPS")	18	11,321	11,321	-	-
Revaluation reserves	19	28,383	3,932	-	-
Accumulated losses		(75,642)	(67,507)	(68,417)	(85,167)
Equity attributable to	_		·		
owners of the parent		46,597	30,281	14,118	(2,632)
Non-controlling interest		(510)	4,481	-	-
TOTAL EQUITY/	_				
(CAPTIAL					
DEFICIENCY)	-	46,087	34,762	14,118	(2,632)
LIABILITIES					
Non-current liabilities					
Lease liabilities	20	437	826	-	-
Bank borrowings	21	903	1,914	-	-
Deferred tax liabilities	22	1,864	1,454		
	-	3,204	4,194	<u> </u>	
Current liabilities					
Trade payables	23	942	2,630	-	-
Other payables and					
accruals	24	16,546	36,951	13,909	33,121
Amount due to directors	25	550	1,890	-	1,365
Amount due to subsidiary					
companies	14	-	-	-	5,150
Amount due to associate					
company	• •	9,490	-	9,686	-
Lease liabilities	20	529	418	-	-
Bank borrowings	21	568	2,093	-	-
Current tax liabilities	_	394	659	22 505	20 626
TOTAL LIABILITIES	=	29,019 32,223	44,641 48,835	23,595 23,595	39,636 39,636
TOTAL EQUITY AND	-	34,443	+0,033	23,393	37,030
LIABILITIES	=	78,310	83,597	37,713	37,004

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# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Gro	up	Comp	oany
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	26	8,603	16,486	-	-
Cost of sales		(3,958)	(8,047)	-	-
Gross profit	_	4,645	8,439	_	_
Other operating income	27	1,541	3,021	11,197	-
Distribution and administration					
expenses		(5,263)	(7,738)	5,553	(2,581)
Other operating cost	_	(9,976)			
(Loss)/Profit from operations		(9,053)	3,722	16,750	(2,581)
Loss on disposal of subsidiary companies		(10,080)	-	-	-
Finance costs	28	(606)	(312)	-	-
Share of result of associates	_	(414)	<u> </u>		-
(Loss)/Profit before tax	29	(20,153)	3,410	16,750	(2,581)
Income tax expenses	30 _	(1,149)	(841)	<u> </u>	
(Loss)/Profit for the financial year	_	(21,302)	2,569	16,750	(2,581)
net of tax item that will not be reclassified subsequently to profit or loss Revaluation surplus on land and building	- -	24,451 24,451	<u>-</u> .	<u>-</u>	<u>-</u>
Total comprehensive profit for the financial year		3,149	2.500	16,750	(2.591)
(Loss)/Profit attributable to:	=	3,147	2,569	10,730	(2,581)
Owners of the company		(20,617)	776	16,750	(2,581)
Non-controlling interests	_	(685)	1,793		-
	=	(21,302)	2,569	16,750	(2,581)
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the company		3,834	776	16,750	(2,581)
Non-controlling interests	_	(685)	1,793		
	=	3,149	2,569	16,750	(2,581)
(Loss)/Earnings per share					
- Basic (loss)/earnings per share (in sen)	31	(9.29)	0.34		

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# STATEMENTS OF CHANGES IN EQUITY

		— Attributable t Non-Distributable	o owner (	of the parent — > Distributable			
	Share capital RM'000	Equity components of RCPS RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
<b>Group</b> At 1 April 2022	82,535	11,321	3,932	(68,283)	29,505	2,688	32,193
Net profit for the financial year, representing total comprehensive income for the financial year	1		1	776	776	1,793	2,569
Total comprehensive profit	1	ı	1	176	116	1,793	2,569
At 31 March 2023 and 1 April 2023	82,535	11,321	3,932	(67,507)	30,281	4,481	34,762
Net loss for the financial year		1		(20,617)	(20,617)	(685)	(21,302)
Other comprehensive income for the financial year	ı	1	24,451	1	24,451	1	24,451
Total comprehensive profit/(loss)	ı	1	24,451	(20,617)	3,834	(685)	3,149
<b>Transactions with owners:</b> Disposal of subsidiary companies (Note 9)	1	1	1	12,482	12,482	(4,306)	8,176
At 31 March 2024	82,535	11,321	28,383	(75,642)	46,597	(510)	46,087

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

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# STATEMENT OF CHANGES IN EQUITY

	Accumulated			
	Share capital RM'000	losses RM'000	Total RM'000	
Company				
At 1 April 2022	82,535	(82,586)	(51)	
Net loss for the financial year, representing total comprehensive loss for the				
financial year	-	(2,581)	(2,581)	
At 31 March 2023 and 1 April 2023	82,535	(85,167)	(2,632)	
Net profit for the financial year, representing total comprehensive income for the				
financial year	-	16,750	16,750	
At 31 March 2024	82,535	(68,417)	14,118	

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# STATEMENT OF CASH FLOWS

		Gro	oup	Comp	anv
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from					
operating activities					
(Loss)/Profit before tax		(20,153)	3,410	16,750	(2,581)
Adjustments for:					
Allowance for impairment loss on:					
- Trade receivables		1,426	62	-	-
Depreciation of property, plant					
and equipment	5	2,101	2,131	-	-
Depreciation of right-of-use					
assets	6	361	549	-	-
Fair value gain on investment					
properties	7	-	(2,100)	-	-
Finance cost	28	606	312	-	-
Finance income	27	(1)	(17)	-	-
Gain on disposal of property, plant					
and equipment	27	(833)	-	-	-
Gain on termination of lease		-	(37)	-	-
Gain on lease modification		79	-	-	-
Impairment loss on investment in				105	
subsidiary companies		-	-	125	-
Impairment loss on property,					
plant and equipment		2,000	-	-	-
Loss on disposal of subsidiary					
companies		-	-	5,640	-
Provision for liabilities		543	526	543	526
Reversal of allowance for		3 13	320	5 15	320
impairment loss:					
- Other receivables		_	(470)	_	_
- Trade receivables		(61)	(470)	_	_
Share of result of associate		414	_	_	_
Waiver of debts		-	_	(11,197)	_
Operating (loss)/profit before worki	ng -			(11,177)	
capital changes	······································	(13,518)	4,366	11,861	(2,055)
Changes in:		(13,310)	4,500	11,001	(2,033)
Inventories		528	140	_	_
Receivables		318	(3,254)	(882)	_
Payables		(7,000)	405	(19,755)	11,632
Cash (used in)/generated from	-	(7,000)	703	(17,733)	11,032
operations		(19,672)	1,657	(8,776)	9,577
Tax paid		(149)	(84)	(1)	(1)
Net cash (used in)/from	-	(147)	(04)	(1)	(1)
operating activities		(19,821)	1,573	(8,777)	9,576
obermine acutines	-	(17,021)	1,373	(0,777)	7,370

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# STATEMENT OF CASH FLOWS (CONT'D)

		Gro	oup	Comp	any
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities					
Proceeds from disposal of investme	ent				
property		25,500	-	-	-
Proceeds from disposal of					
investment in subsidiary		-	-	3,601	-
Proceeds from disposal of					
property, plant and equipment		2,309	-	-	-
Acquisition of property, plant and					
equipment	5	(78)	(634)	-	-
Disposal of subsidiary		(13,127)			
Withdrawal of pledge fixed deposits		709			
Net cash from/(used in)		15 212	(62.4)	2 (01	
investing activities	-	15,313	(634)	3,601	
Cash flows from financing					
activities					
Interest received		1	17	-	-
Interest paid		(606)	(312)	-	-
Pledged of fixed deposits		-	(12)	-	-
Repayment of bank borrowings,					
net of repayment	33	(1,743)	(1,414)	-	-
Repayment of lease liabilities	33	(456)	(731)	-	-
(Repayment to)/Advance from					
director	33	(1,340)	1,740	(1,365)	1,215
Repayment to subsidiary					
companies	33	-	-	(3,224)	(10,725)
Advance from associate company	_	9,490		9,686	
Net cash from/(used in)					
financing activities	-	5,346	(712)	5,097	(9,510)

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# STATEMENT OF CASH FLOWS (CONT'D)

		Gro	oup	Comp	any
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net increase/(decrease) in cash and cash equivalents		838	83	(79)	66
Cash and cash equivalents at beginning of financial year	-	(366)	(449)	79	13
Cash and cash equivalents at end of financial year	=	472	(366)		79
Cash and cash equivalents					
Cash and cash equivalents at the end of the financial year comprise:					
Cash and bank balances	16	472	427	-	79
Fixed deposit with licensed bank	15	-	709	-	-
	_	472	1,136	-	79
Less: Fixed deposit with licensed					
bank	_		(709)	<u> </u>	-
		472	427	-	79
Less: Bank overdraft	21	<u> </u>	(793)		
Cash and cash equivalents	=	472	(366)		79

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#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

#### 1. General information

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

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiary companies are disclosed in Note 9 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

The registered office of the Company is located at Level 13, Menara 1 Sentrum, 201, Jalan Tun Sambanthan, Brickfield, 50470 Kuala Lumpur.

The principal place of business of the Company was located at Plot 49 & 63, Lorong Perusahaan 2B, Kulim Industrial Estate, 09000 Kulim, Kedah.

# 2. Going concern

The Group incurred a net loss of RM21.302 million during the financial year and as at 31 March 2024 the Group's current liabilities exceeded its current assets by RM23.19 million (2023: RM35.6 million) respectively. These indicate the existence of an uncertainty which may cast significant doubt on the ability of the Company to continue as going concern. The validity of the going concern assumption on which these financial statements are prepared depends on the continuous financial support from the directors of the Group and the Company and the ability of the Group and the Company to commence viable business operations. The financial statements of the Group and the Company have been prepared on a going concern basis and do not include any adjustments relating to the amounts and classification of assets and liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

# 3. Material accounting policies information

# 3.1 Basis of preparation

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

#### 3.2 Basis of measurement

The financial statements, which are presented in Ringgit Malaysia ("RM"), have been prepared under the historical cost except as disclosed in the accounting policies below.

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#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

# 3. Material accounting policies information (cont'd)

#### 3.3 Adoption of new and amended standards

The Group and the Company has adopted the following MFRS and Interpretations (collectively referred to as "MFRSs"), issued by the Malaysian Accounting Standards Board ("MASB") and effective for the financial periods beginning on or after 1 April 2023;

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts
- Amendment to MFRS 17, Initial Application of MFRS 17 and MFRS 9 Comparative Information
- Amendments to MFRS 101, Presentation of Financial Statements Disclosures of Accounting Estimates
- 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 Tax Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

#### 3.4 Standards issued but not yet effective

The Group and the Company has not adopted the following standards that have been issued as at the reporting date but are not yet effective:

# MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 7, Financial Instruments Supplier Finance Arrangements
- Amendments to MFRS 16, Leases Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements Non-Current Liabilities with Covenants
- Amendments to MFRS 107, Statement of Cash Flows Supplier Finance Arrangements

# MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

 Amendments to MFRS 121: The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability

# MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

 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

The Group and the Company will apply the above new MFRSs and amendments to MFRSs that are applicable once they become effective. Their main features and impact on initial application are summarised below.

The initial application of the new MFRSs and amendments to MFRSs is not expected to have any significant impact on the Group's and the Company's financial statements.

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#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

# 3. Material accounting policies information (cont'd)

#### 3.5 Business combinations and consolidation

#### (a) Business combinations

The Group applies the acquisition method to account for all combinations. If the acquisition of an asset or a group of assets does not constitute a business, it is accounted for as an acquisition.

The Group identifies the acquisition date of business combination as the date on which the Group obtains control of an acquiree. Control is obtained when the group commences to have the power to direct financial and operating policy decisions of the investee so as to obtain benefits from its activities. This may require fulfilment of precedent conditions, such as completion of due diligence audit, and shareholders' approvals if they are specified in a sale and purchase agreement.

As of the acquisition date, the Group recognises, separately from goodwill, the identifiable assets acquired (including identifiable intangible assets), the liabilities assume (including contingent liabilities) and any non-controlling interest in the acquiree. The identifiable assets acquired and liabilities assumed are measured at their acquisition-date fair values, except for those permitted or required to be measured on other bases by assets, excluding goodwill.

The cost of a business combination is measured at fair value, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Expenses incurred in connection with a business combination are capitalised in the cost of business combination.

The cost of business combination is allocated to the share of net assets acquired to determine the initial amount of goodwill on combination. In a business combination achieved in stages (including acquisition of a former joint venture), the cost of each exchange transaction is compared with the share of net assets to determine the goodwill of each exchange transaction on a step-by-step basis. Any increase in equity interest in an investee after acquisition date is accounted as an equity transaction between the parent and the non-controlling interest and the effect is adjusted directly in equity.

If the initial accounting for a business combination is not complete by the end of the reporting year in which the combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about fact and circumstances that existed as of the acquisition date, including additional assets or liabilities in the measurement period. The measurement period for completion of the initial accounting ends after one year from the acquisition date.

#### (b) Subsidiaries and basis of consolidation

The Group recognises a subsidiary based on the criterion of control. A subsidiary is an entity (including special purpose entities) over which the Group has the power to govern the financial and operating policy decision of the investee so as to obtain benefits from its activities. In circumstances when the voting rights are not more than half or when voting right are not dominant determinant of control, the Group uses judgements to assess whether it has de facto control, control by other arrangements (including control of special purpose entities), or by holding substantive potential voting right. The financial statements of the Company and all its subsidiaries used in the preparation of the consolidated financial statement are prepared as of the same reporting date of 31 March 2024.

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#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

# 3. Material accounting policies information (cont'd)

#### 3.5 Business combinations and consolidation (cont'd)

#### (b) Subsidiaries and basis of consolidation (cont'd)

The consolidated financial statements are prepared using uniform accounting policies for like transaction, other events conditions in similar circumstances.

The carrying amount of investment in each subsidiary of a parent in the Group is eliminated against the parent's portion of equity in each subsidiary. The consolidated financial statements combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company and all its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date acquisition (which is the date the Group assumes control of an investee) or up effective date of disposal (which is the date the Group ceases to have control of an investee).

All intra-group balance and transactions are eliminated in full on consolidation. Unrealised profits or losses arising from intra-group transactions are also eliminated in full on consolidation, except when an unrealised loss is an impairment loss.

When the Group ceases to control a subsidiary, the difference between the proceeds from the disposal of the subsidiary and its carrying amount at the date that control is lost is recognised in profit or loss in the statements of comprehensive income as a gain or loss on disposal of the subsidiary. The cumulative amount of any exchange differences that relate to a foreign subsidiary recognised in other comprehensive income is not reclassified to profit or loss on disposal of the subsidiary. If the Group retains an equity interest in the former subsidiary, it is accounted for as a financial asset (provided it does not become an associate or a joint venture). The carrying amount of the investment retained at the date that the entity ceases to be a subsidiary is regarded as the cost on initial measurement of the financial asset.

Any decrease in equity stake in a subsidiary that does not result in loss of control is accounted for as an equity transaction and the financial effect is adjusted directly in the consolidated statement of change in equity.

# 3.6 Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

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#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

# 3. Material accounting policies information (cont'd)

#### 3.6 Foreign currency transactions and balances (cont'd)

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

#### 3.7 Current versus non-current classification

Assets and liabilities in the statement of financial position are presented based on current/non-current classification.

An asset is current when it is:

- (i) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be realised within twelve months after the reporting periods; or
- (iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

#### A liability is current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting periods; or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

# 3.8 Property, plant and equipment

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purpose or for rental to others are recognised as property, plant and equipment when the Group and the Company obtains control of the asset. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on the nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchases price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

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#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

# 3. Material accounting policies information (cont'd)

#### 3.8 Property, plant and equipment (cont'd)

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated and all the other property, plant and equipment are depreciated by allocating the depreciable amount over the remaining useful life. The depreciation methods used and useful lives of the respective classes of property, plant and equipment are as follows:

	<b>Method</b>	<u>Useful life (years)</u>
Freehold buildings	Straight-line	20-33
Leasehold land and buildings	Straight-line	Over the remaining lease
Plant, machinery and equipment	Straight-line	3-5
Furniture, fittings and office		
equipment	Straight-line	3-10
Renovation and electrical		
installation	Straight-line	3-5
Motor vehicles	Straight-line	3-5

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current financial year.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

The Group and the Company revalue its properties comprising land and buildings every 2 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation of properties held for own use are dealt with in other comprehensive income and are accumulated separately in equity in the revaluation reserve account. When a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation. On annual basis, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

When revalued assets are retired or disposed, the amounts included in the revaluation surplus reserve are transferred to retained earnings and are not reclassified to profit or loss.

Capital work-in-progress consists of property, plant and equipment under construction/installation for intended use. It is reclassified to property, plant and equipment once it is available for use. The amount is measured at cost less any accumulated impairment losses and borrowing cost for qualifying assets is capitalised in accordance with accounting policy on borrowing cost.

Capital work-in-progress is not depreciated until the assets are ready for the intended use.

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#### NOTES TO THE FINANCIAL STATEMENTS

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# 3. Material accounting policies information (cont'd)

#### 3.9 Investment properties

Investment properties, including right of use assets held by lessee are properties held either to earn rental income or for capital appreciation or for both. An investment property is recorded at cost on initial recognition. Cost of an investment property comprises purchase price plus all directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. Cost of a self-constructed investment property comprises all direct and indirect construction costs but exclude internal profits.

All investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

All investment properties are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life.

#### 3.10 Leases

#### As lessee

The Group and the Company recognise a right-of-use assets ("ROU") and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3.14 on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or at the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment are as follows:

Motor vehicles	10% - 20%
Office buildings	50%
Office equipment	20%

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

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#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

# 3. Material accounting policies information (cont'd)

#### 3.10 Leases (cont'd)

#### As lessee (cont'd)

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option. Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

#### As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### 3.11 Goodwill

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquire and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. Refer accounting policy Note 3.14 on impairment of non-financial assets.

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#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

# 3. Material accounting policies information (cont'd)

#### 3.12 Loss of control

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

#### 3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash in hand, which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

# 3.14 Impairment of non-financial assets

The Group and the Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group and the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal 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 cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

The increase to its recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

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#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

# 3. Material accounting policies information (cont'd)

#### 3.15 Financial instruments

#### (a) Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measure at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transition price.

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

#### (b) Financial instrument categories and subsequent measurement

#### Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the reporting period following the change of the business model.

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

- Amortised cost
- Fair value through other comprehensive income debt instruments
- Fair value through other comprehensive income equity investments
- Fair value through profit or loss

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#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

# 3. Material accounting policies information (cont'd)

#### 3.15 Financial instruments (cont'd)

(b) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

The Group and the Company does not have any financial assets classified other than amortised cost.

#### (i) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(ii) Fair value through other comprehensive income

#### (a) Debt instruments

Fair value through other comprehensive income category comprises debt instruments where it is held within a business model whose objective is achieve by both collecting contractual cash flows and selling the debt instruments, and its contractual term give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt instruments are not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

## (b) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

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#### NOTES TO THE FINANCIAL STATEMENTS

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# 3. Material accounting policies information (cont'd)

#### 3.15 Financial instruments (cont'd)

(b) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

#### (iii) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

# Financial liability

The categories of financial liabilities at initial recognition are as follow:

- Amortised cost
- Fair value through profit or loss

The Group and the Company does not have any financial liabilities classified other than amortised cost.

#### (i) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method (EIR).

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gain or losses on derecognition are also recognised in the profit or loss.

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#### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

# 3. Material accounting policies information (cont'd)

#### 3.15 Financial instruments (cont'd)

(b) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities (cont'd)

(ii) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (i) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise:
- (ii) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair values basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group and the Company's key management personnel; or
- (iii) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not probihited.

#### (c) Regular way purchase or sale of financial asset

A regular way purchase or sale of financial assets in recognised and derecognised, as applicable, using trade date or settlement date accounting in the current financial year.

Trade date accounting refer to:

- (i) the derecognition of an asset to be received and the liability to pay for it on the trade date, and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refer to:

- (i) the recognition on an asset on the day it is received by the Group and the Company, and
- (ii) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group and the Company.

Any change in the fair value of an asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group and the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

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#### NOTES TO THE FINANCIAL STATEMENTS

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# 3. Material accounting policies information (cont'd)

#### 3.15 Financial instruments (cont'd)

#### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharge, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### (e) Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group and the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis, or to realise the asset and liability simultaneously.

#### (f) Financial guarantee contracts

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

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

#### 3.16 Inventories

Spare parts, consumables, equipment and accessories are stated at the lower of cost and net realisable value. The cost of inventories is determined on first-in-first-out basis and comprise costs of purchases and other costs incurred bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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# 3. Material accounting policies information (cont'd)

#### 3.17 Impairment of financial assets

#### (a) Financial assets

The Group and the Company recognises loss allowances for expected credit losses on financial assets measure at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measures loss allowances at an amount equal to lifetime expected credit losses, except for cash and bank balance. Loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit loss.

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

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

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

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

At each reporting date, the Group and the Company assesses whether financial assets carried at amortised costs are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extend that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determines that the debtor does not have assets or sources of income that could generated sufficient cash flows to repay the amounts subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group and the Company's procedures for recovery amounts due.

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### 3. Material accounting policies information (cont'd)

### 3.17 Impairment of financial assets (cont'd)

### (b) Other assets

The carrying amount of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. 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 or the cash-generating unit. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units (groups of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

### 3.18 Share capital

Ordinary shares are recorded at nominal value and proceeds received in excess, if any, of the nominal value of shares issued are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares is accounted for as a deduction from share premium, if any, otherwise it is charged to profit or loss.

Dividends to shareholders are recognised in equity in the period in which they are declared.

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### NOTES TO THE FINANCIAL STATEMENTS

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### 3. Material accounting policies information (cont'd)

### 3.19 Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

### 3.20 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

### 3.21 Revenue recognition

The Group and the Company satisfies a performance obligation and recognise revenue over time if the Group's and the Company's performance:

- (i) Does not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or
- (ii) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provides benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

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

When the Group and the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract-based 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.

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### 3. Material accounting policies information (cont'd)

### 3.21 Revenue recognition (cont'd)

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

### (a) Revenue from contracts with customers

### (i) Sale of goods/services

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer controls of the goods or services promised in a contract and the customer obtains control of the goods and services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of indirect taxes, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

### (b) Rental income

The rental income is primarily from the leasing of investment properties and recognised on an accrual basis. The maturity analysis for rental income is included in Note 26.

### (c) Interest income

Interest income is recognised on an accrual basis (taking into account the effective yield on the asset) unless its collectability is in doubt.

### 3.22 Employee benefits

### (a) Short-term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

### (b) Post-employment benefits

The Group and the Company pays monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Group and of the Company is limited to the amount that they required to contribute to the EPF. The contributions to EPF are charged to profit or loss in the period to which they relate.

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### 3. Material accounting policies information (cont'd)

### 3.23 Borrowing cost

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### **3.24** Taxes

### (a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- (i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) In respect of taxable temporary differences associated with investments in associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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### NOTES TO THE FINANCIAL STATEMENTS

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### 3. Material accounting policies information (cont'd)

### 3.24 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- (i) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

### 3.25 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose 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 Group and the Company; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of obligation cannot be measured with sufficient reliability.

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### 3. Material accounting policies information (cont'd)

### 3.25 Contingencies (cont'd)

A contingent asset is a possible asset that arises from past events and whose 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 Group and the Company.

A contingent liability is not recognised in the statement of financial position, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

### 3.26 Earnings/(Loss) per share

The Group presents basic and diluted earnings/(loss) per share data for its ordinary shares. Basic earnings/(loss) per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted earnings/(loss) per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and warrants.

### 3.27 Operating segments

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

Additional disclosures on operating segments are shown in Note 34 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment results that are reported to the Group's directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 3.28 Fair value measurement

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 except for fair value of shared-based payment. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

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### 3. Material accounting policies information (cont'd)

### 3.28 Fair value measurement (cont'd)

The fair value of an asset or a liability is measure 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 asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used 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 the fair value measurement as a whole:

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

Policies and procedures are determined by directors for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The directors decide, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movement in the values of assets and liabilities which are required to be re-measured or re-assessed according to the accounting policies of the Group and of the Company. For this analysis, the senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The senior management, in conjunction with the external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### 3. Material accounting policies information (cont'd)

### 3.28 Fair value measurement (cont'd)

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

### 3.29 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
  - has control or joint control over the reporting entity; or
  - has significant influence over the reporting entity; or
  - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to the reporting entity if any of the following conditions applies:
  - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - Both entities are joint ventures of the same third party.
  - One entity is a joint venture of the third entity and the other entity is an associate of the third entity.
  - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - The entity is controlled or joint-controlled by a person identified in (a) above.
  - The entity or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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### NOTES TO THE FINANCIAL STATEMENTS

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### 4. Significant accounting judgements and estimates

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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

### 4.1 Judgement and assumption applied

In the selection of accounting policies for the Group and the Company, the areas that require significant judgements and assumptions are in:

(i) Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

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

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

(ii) Determining the lease term of contracts with renewal options - the Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

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### NOTES TO THE FINANCIAL STATEMENTS

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### 4. Significant accounting judgements and estimates (cont'd)

### 4.2 Key sources of estimation uncertainty

The measurement of some assets and liabilities requires directors to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the the Group and the Company are in measuring:

### (a) Impairment of trade receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

### (b) Impairment of intangible assets

Intangible assets are tested for impairment annually and at other times when such indicators exists. This requires an estimation of the value in use of the cash-generating units to which intangible assets are allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

### (c) Impairment of goodwill

Goodwill are tested for impairment annually and at other times when such indicators exists. This requires an estimation of the value-in-use of the cash-generating units to which goodwill are allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections. Cash flows that are projected based on those inputs or assumptions may have significant effect on the Group's financial position and results if the actual cash flows are less than the expected. The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for the different cash-generating units, including sensitivity analysis, are disclosed in Note 8.

### (d) Measurement of income taxes

Significant judgement is required in determining the Group and the Company's provision for current and deferred taxes because the ultimate tax liability for the Group and the Company is uncertain. When the final outcome of the taxes payable is determined with the tax authorities, the amount might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the financial period when such determination is made. The Group and the Company will adjust for the differences as over- or underprovision of current or deferred taxes in the current financial period in which those differences arise.

### 4. Significant accounting judgements and estimates (cont'd)

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For the financial year ended 31 March 2024

### 4.2 Key sources of estimation uncertainty (cont'd)

(e) Measurement of expected credit loss ("ECL")

Significant judgement is required in determining ECL. Directors need to identified and categorised financial assets into relevant segment by similar characteristic and credit risk. The directors need to apply suitable measurement method to measure ECL on the relevant segments.

(f) Useful lives of property, plant and equipment, right-of-use assets ("ROU") and investment properties

The Group regularly reviews the estimated useful lives of property, plant and equipment, ROU assets and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and investment properties. The carrying amount at the reporting date for the property, plant and equipment, ROU assets and investment properties are disclosed in Notes 5, 6 and 7 respectively.

### (g) Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the expected value method, whereby the transaction price is determined by reference to the sum of probability weighted amounts in a range of possible consideration amounts.

There is no significant financing as the period between the transfer of control of good or service to a customer and the payment date is always less than one year, and no non-cash consideration noted in the contracts with customers.

### (h) Discount rate used in leases

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

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For the financial year ended 31 March 2024

### Property, plant and equipment Ŋ.

Group	Freehold land RM'000	Freehold buildings RM'000	Leasehold land and buildings RM'000	Plant, machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Renovation and electrical installation RM'000	Motor vehicles RM'000	Capital- work-in progress RM'000	Total RM'000
Cost valuation At 1 April 2022	234	1,749	35,443	15,983	717	1,360	255	1,958	57,959
Addition	1	1	- 0	158	∞	72		396	634
w ruten-011 At 31 March 2023	234	1,749	33,000	16,141	885	1,432	255	2,354	56,150
Representing: Cost Valuation	234	1,749	33,000	16,141		1,432	255	2,354	23,150 33,000
At 1 April 2023 Addition	234	1,749	33,000	16,141	985	1,432	255	2,354	56,150
Disposal Revaluation	1 1	(1,749)	17,000	(109)	1 1	1 1	1 1	1 1	(1,858) 17,000
Disposal of subsidiariesAt 31 March 2024	234		50,000	(190)	1,015	1,438	255	2,354	(190) 71,180
Representing: Cost Valuation	234		50,000	15,884	1,015	1,438	255	2,354	21,180 50,000

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### Property, plant and equipment (cont'd) 'n

				Plant	Furniture,	Renovation			
			Leasehold	machinery	fittings and	and		Capital-	
	Freehold	Freehold	land and	and	office	electrical	Motor	work-in	
	land	buildings	buildings	equipment	equipment	installation	vehicles	progress	Total
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated									
depreciation									
At 1 April 2022	ı	236	7,632	4,478	717	538	254	ı	13,855
Charge for the									
financial year	ı	35	1,203	805	20	29	1	ı	2,131
Written-off	1	1	(2,587)	ı	ı	ı	ı	ı	(2,587)
At 31 March 2023									
and 1 April 2023	ı	271	6,248	5,283	737	909	255	ı	13,399
Charge for the									
financial year	ı	20	1,203	787	15	92	ı	ı	2,101
Disposal	1	(291)	ı	(91)	ı	1	ı	ı	(382)
Revaluation	ı	ı	(7,451)	ı	ı	ı	ı	1	(7,451)
Disposal of subsidiaries	1	1	1	(54)	1	ı	-	1	(54)
At 31 March 2024	ı	1	ı	5,925	752	681	255	ı	7,613

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### Property, plant and equipment (cont'd) Ŋ.

Group Accumulated impairment losses At 1 April 2022, 31 March 2023	Freehold land RM'000	Freehold buildings RM'000	Leasehold land and buildings RM'000	Plant machinery and equipment RM'000	Furniture, fittings and office equipment RM'000	Renovation and electrical installation RM'000	Motor vehicles RM'000	Capital- work-in progress RM'000	Total RM'000
and 1 April 2023	ı	ı	ı	525	205	438	I	ı	1,168
Impairment during the financial year	1	1	1	2,000	,	1	1	1	2,000
At 31 March 2024	1	1	1	2,525	205	438	1	1	3,168
Net carrying amount At 31 March 2023	234	1,478	26,752	10,333	43	389	,	2,354	41,583
At 31 March 2024	234	ı	50,000	7,434	58	319	1	2,354	60,399

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### 5. Property, plant and equipment (cont'd)

Company	Furniture, fittings and office equipment RM'000
Cost	
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	218
Accumulated depreciation At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	218
Net carrying amount	
At 31 March 2023	_
11. 51 Maion 2025	
At 31 March 2024	-

(a) The net carrying amount of the property, plant and equipment pledged for credit facilities are as follows:

	Gro	up
	2024 RM'000	2023 RM'000
Freehold land	234	234
Freehold buildings	-	1,478
Leasehold land and buildings	50,000	26,752
	50,234	28,464

(b) During the financial year, the Group acquire the property, plant and equipment by following means:

	G	roup
	2024 RM'000	2023 RM'000
Cash payment	78	634

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For the financial year ended 31 March 2024

### 5. Property, plant and equipment (cont'd)

(c) Management determined that the freehold land and buildings constitute a separate class of asset under MFRS 13 Fair Value Measurements, based on the nature, characteristics and risks of the properties.

Fair value of the freehold land and buildings was determined using the market/comparison method. For valuation using market/comparison method, valuations performed by independent professional valuer are based on transacted market prices, adjusted for differences in location, size, tenure and other differences of the specific land and buildings.

During the financial year ended 31 March 2024, the fair values are based on valuation performed by an independent professional valuer with experience in valuing land and buildings of similar nature.

Had the revalued short-term leasehold lands and factory buildings been carried at historical cost less accumulated depreciation, the carrying amount of the short-term leasehold lands and factory buildings that would have been included in the financial statements of the Group is as follows:

	G	roup
	2024	2023
	RM'000	RM'000
Short-term leasehold lands and		
factory buildings		
Cost	50,000	35,443
Accumulated depreciation		(8,691)
Net carrying amount	50,000	26,752
	<del></del>	

(d) Fair value of short-term leasehold lands and factory buildings is categorised as follows:

		Gro	oup	
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
At 31 March 2023				
Short-term leasehold lands				
and factory buildings			26,752	26,752
At 31 March 2024				
Short-term leasehold lands				
and factory buildings			50,000	50,000

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### 6. Right-of-use assets

The Group has a lease contract for office building used in its operations that has lease terms of 2-5 years. Generally, the Group is restricted from assigning and subleasing the leased assets.

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

•		Gro	up	
	Motor vehicles RM'000	Office buildings RM'000	Office equipment RM'000	Total RM'000
Cost				
At 1 April 2022	2,022	1,206	12	3,240
Addition	-	773	-	773
Termination of lease contracts		(1,070)	-	(1,070)
At 31 March 2023				
and 1 April 2023	2,022	909	12	2,943
Addition	-	112	-	112
Remeasurement	-	(13)	-	(13)
Termination of lease contracts	-	(123)	-	(123)
At 31 March 2024	2,022	885	12	2,919
Accumulated depreciation At 1 April 2022	1,722	480	2	2,204
Charge for the	117	420	2	540
financial year	117	430	2	549
Termination of lease contracts _ At 31 March 2023 and	-	(698)	<del>-</del>	(698)
1 April 2023	1,839	212	4	2,055
Charge for the		205	2	261
financial year	63	295	3	361
Termination of lease contracts	1.002	(123)	- 7	(123)
At 31 March 2024	1,902	384	7	2,293
Net carrying amount				
At 31 March 2023	183	697	8	888
At 31 March 2024	120	501	5	626

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### 6. Right-of-use assets (cont'd)

The maturity analysis of lease liability is disclosed in Note 36(b) to the financial statements.

The following are the amounts recognised in profit or loss:

	Gro	up
	2024	2023
	RM'000	RM'000
Depreciation of right-of-use assets	361	549
Interest on lease liabilities	56_	98

During the financial year, the Group acquire the right-of-use assets by following means:

		Group
	2024 RM'000	2023 RM'000
Finance lease	11:	2 773

### 7. Investment properties

Group Valuation At 1 April 2022	Short-term leasehold lands RM'000	Factory buildings RM'000	Total RM'000
Change in fair value recognised in statement of profit or loss and other comprehensive income	<u>-</u>	2,100	2,100
At 31 March 2023 and 1 April 2023	11,400	14,100	25,500
Impairment loss recognised	-	(3,825)	(3,825)
Disposal of subsidiary company	(11,400)	(10,275)	(21,675)
At 31 March 2024		-	-

The investment properties are valued based on market values determined by management amounting to RM25,500,000. The fair values are within level 3 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

The investment properties of the Group have been pledged to secure banking facilities granted to the related company, amounting to RMNil (2022: RM25,500,000) as disclosed in Note 21.

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### 7. Investment properties (cont'd)

The above short-term leasehold land has an unexpired lease term of less than 50 years, expiring on 9 September 2051.

The following are recognised in profit or loss:

	Gro	up
	2024	2023
	RM'000	RM'000
Lease income	548	1,644
Direct operating expenses	(35)	(342)
	513	1,302

The operating lease payments to be received are as follows:

	Gr	oup
	2024 RM'000	2023 RM'000
Less than one year		1,370

### 8. Goodwill

	Gro	up
	2024	2023
	RM'000	RM'000
Cost		
At beginning/end of the financial year	8,000	8,000
Accumulated impairment losses		
At beginning/end of the financial year	1,415	1,415
Net carrying amount	6,585	6,585

The recoverable amount of CGUs has been determined based on value-in-use calculation using cash flows projection from financial budgets and forecasts approved by management covering a three-to-five-year period. The same method has also been used in the previous financial year.

The key assumptions used for value-in-use calculations are:

	Group 2024
Gross margin	25%
Growth rate	10%
Discount rate	11%

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### 8. Goodwill (cont'd)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and license:

### (a) Gross margin

The gross margin are the average gross margins experienced over the last year, adjusted for market and economic conditions and internal resource efficiency based on both external and internal sources, including accounting for near-term cost impact.

### (b) Growth rate

Growth rate is the forecasted annual growth rate over the three to five years projection period. It is based on weighted average growth rate experienced over the past three to five years, and market outlook over the forecasted years.

The weighted average growth rates used are consistent with the long-term growth rate for the industry. Long-term growth rate does not exceed the long-term average growth rates for the industries relevant to the CGU. Cash flows beyond the five-year projection period are extrapolated using the long-term growth rates.

### (c) Discount rate

Discount rate was estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risk specific to CGU at the date of assessment.

### Sensitivity to changes in assumptions

Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying value of the CGUs to exceed its recoverable amount. The estimated recoverable amount exceeds that of the carrying amount of the CGUs.

The impairment on the goodwill is due to the challenging economic conditions, the Group's management has assessed future economic benefit of the goodwill from the acquisition of indirect subsidiary companies and determined the recoverable amount to be RM6.585 million (2023: RM6.585 million).

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### NOTES TO THE FINANCIAL STATEMENTS

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### 9. Investment in subsidiary companies

Comp	oany
2024	2023
RM'000	RM'000
18,821	18,821
(9,241)	-
(7,162)	
2,418	18,821
193	193
125	
318	193
2,100	18,628
	2024 RM'000 18,821 (9,241) (7,162) 2,418 193 125 318

Name of company	Principal place of business/Country of incorporation	owne	ctive ership erest 2023	Principal activities
Direct holding:				
Cal-Test Laboratory Sdn. Bhd. ("CTLSB")	Malaysia	100	100	Calibration and testing of equipment, general products.
Ire-Tex (Johor) Sdn. Bhd.	Malaysia	-	65	Dormant.
Ire-Tex Asset Management Sdn. Bhd.	Malaysia	100	100	Dormant.
Ire-Tex Packaging Sdn. Bhd.	Malaysia	100	100	Investment holding.
Jumbo Universe Sdn. Bhd.	Malaysia	100	100	Manufacturing of wooden crates, pallets and other related wood products.
Nexus Applause Sdn. Bhd.	Malaysia	100	100	General trading.
Zoomic Technology (M) Sdn. Bhd.	Malaysia	-	100	Investment holding.
Indirect subsidiaries: Held by CTLSB:				
Asiawood Lumbers Sdn. Bhd.	Malaysia	51	51	Manufacturing, marketing and installation of wooden parquet floorings.
RV Woods Sdn. Bhd.	Malaysia	51	51	Business of wood flooring specialist and installers.

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

# Investment in subsidiary companies (cont'd)

6

### Dilution of equity interest in shares

During the financial year, the Company disposed of 6,320,970 shares representing 51.39% equity interest in Zoomic Technology (M) Sdn. Bhd. for a total cash consideration of RM3,600,000. Upon completion of the disposal, the equity interest held in Zoomic Technology (M) Sdn. Bhd. reduce from 100% to 48.61%. Accordingly, Zoomic Technology (M) Sdn. Bhd. ceased to be a subsidiary of the Company and become an associate company of the Company upon completion of the disposal.

## (a) Material partly-owned subsidiary company

The Group's subsidiary company that has material non-controlling interests is as follow:

	Proportion of ownership interests and voting rights held hy non-	hip interests Id by non-	Profit/(loss)	allocated to	Accumulated	ated
Name of Company	controlling interests	erests	non-controlli	on-controlling interests	non-controlling interests	g interests
•	2024	2023	2024	2023	2024	2023
	%	%	RM'000	RM'000	RM'000	RM'000
Asiawood Lumbers Sdn. Bhd.	49.00	49.00	(649)	1,030	(944)	419
Ire-Tex (Johor) Sdn. Bhd.	•	35.00	1	(23)	1	3,670
RV Woods Sdn. Bhd.	49.00	49.00	(32)	786	434	392

repayment of Ioans and advances. Generally, for all subsidiary companies which are not wholly-owned by the Company, non-controlling There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiary companies and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

The summarised financial information for subsidiary companies, Asiawood Lumbers Sdn. Bhd, Ire-Tex (Johor) Sdn. Bhd. and RV Woods Sdn. Bhd. that have non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

# Investment in subsidiary companies (cont'd)

6

- Material partly-owned subsidiary company (cont'd)
- Summarised Statement of financial position  $\overline{\Xi}$

	Asiawood Lumber Sdn. Bhd.	wood Lumbers Sdn. Bhd.	Ire-Tex (Johor) Sdn. Bhd.	(Johor) Bhd.	RV Woods Sdn. Bhd	Sdn. Bhd.
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non- current assets	570	820	1	ı	318	1,858
Current assets	3,432	909'9	1	10,767	1,945	2,176
Non- current liabilities	(1,018)	(2,296)	1	1	(240)	(1,709)
Current liabilities	(3,452)	(4,284)	ı	(281)	(1,287)	(1,513)
Net (liabilities)/assets	(468)	846	-	10,486	736	812

Summarised statement of profit or loss and other comprehensive income (ii)

	Asiawood	Lumbers	Ire-Tex	(Johor)		
	Sdn.	Sdn. Bhd.	Sdn. Bhd.	Bhd.	RV Woods Sdn. Bhd.	Sdn. Bhd.
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	641	8,141	ı	ı	3,290	7,358
(Loss)/Profit for the financial year	(1,324)	1,973	ı	(10)	(65)	1,611
Total comprehensive (loss)/income for the						
financial year	(1,324)	1,973	1	(10)	(65)	1,611

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### Investment in subsidiary companies (cont'd) **6**

- Material partly-owned subsidiary company (cont'd)
- Summarised statement of cash flows (iii)

	Asiawood Lumbers	Lumbers	Ire-Tex	(Johor)		
	Sdn. Bhd.	Bhd.	Sdn. Bhd.	Bhd.	RV Woods Sdn. Bhd.	Sdn. Bhd.
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
activities	516	895	ı	8)	(403)	(233)
activities	730	(254)	1	1	1,920	4)
activities	(269)	(344)	-	8	(1,589)	(25)
and cash						
	<i>211</i>	297	-	•	(72)	(262)

Net cash from/(used in) operating activities Net cash from/(used in) investing activities Net cash (used in)/from financing activities
Net increase/(decrease) in cash and cash equivalents

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### NOTES TO THE FINANCIAL STATEMENTS

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### 10. Investment in associate

	Gro	up	Comp	oany
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares, at cost	7,162	-	7,162	-
Share of post-acquisition loss Fair value loss on	(414)	-	-	-
investment of associates	(1,873)			
	4,875		7,162	_

Details of the associate is as follows:

Principal place of business/Country of		Effective ownership interest		
Name of company	incorporation	Principal activities	2024 %	2023 %
Zoomic Technology (M) Sdn. Bhd. ("ZTMT")	Malaysia	Investment holding	48.61	-

The associate is audited by Chengco Plt.

The summarised financial information of a material associate presented below represents the financial statements of the associate and not the Group's share of those amounts.

	ZT(M	I)SB
Assets and liabilities	2024 RM'000	2023 RM'000
Non-current assets	-	-
Current assets	10,778	-
Total assets	10,778	-
Non-current liabilities	-	-
Current liabilities	750	-
Total liabilities	750	-
Results		
Revenue	959	-
Profit after taxation/Total comprehensive income	(18,551)	

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### NOTES TO THE FINANCIAL STATEMENTS

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### 11. Inventories

	Group		
	2024	2023	
	RM'000	RM'000	
Measured at lower of cost and net realised value:			
Finished goods	1,502	1,222	
Raw materials	117	864	
Work in progress	460	521	
	2,079	2,607	
Recognised in profit or loss:			
Inventories recognised as cost of sales	2,047	7,904	

### 12. Trade receivables

	Group		
	2024	2023	
	RM'000	RM'000	
Trade receivables	3,338	3,918	
Less: Accumulated impairment losses	(1,584)	(219)	
	1,754	3,699	

Trade receivables are non-interest bearing and generally on 30 to 90 days (2023: 30 to 90 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The reconciliation of the allowance for impairment losses of trade receivables are as follows:

Group	Expected credit loss RM'000	Credit impaired RM'000	Total RM'000
At 1 April 2022	138	19	157
Impairment loss recognised		62	62
At 31 March 2023 and 1 April 2023	138	81	219
Impairment loss recognised	1,426	-	1,426
Reversal of impairment loss		(61)	(61)
At 31 March 2024	1,564	20	1,584

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### 12. Trade receivables (cont'd)

An aging analysis of trade receivables as at reporting date is as follows:

Group		
2024	2023	
RM'000	RM'000	
20	158	
24	108	
27	941	
12	982	
3,255	1,729	
3,338	3,918	
(1,584)	(219)	
1,754	3,699	
	2024 RM'000 20 24 27 12 3,255 3,338 (1,584)	

Trade receivables that are neither past due nor individually impaired are creditworthy receivables with good payment records with the Group.

As at 31 March 2024, gross trade receivables of RM1,734,000 (2023: RM3,541,000) were past due but not individually impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM1,584,000 (2023: RM219,000), relate to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debts recovery process.

### 13. Other receivables, deposits and prepayments

	Gro	up	Comp	oany
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Other receivables	1,234	1,131	832	-
Less: Accumulated impairment				
losses	(100)	(100)		
	1,134	1,031	832	-
Refundable deposits	279	433	-	-
Prepayments	107	135	52	2
	1,520	1,599	884	2

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### 13. Other receivables, deposits and prepayments (cont'd)

The reconciliation of the allowance for impairment losses of other receivables are as follows:

	Credit impaired RM'000
Group	
At beginning/end of financial year	100
	· · · · · · · · · · · · · · · · · · ·

The other receivables of the Group that are individually assessed to be impaired amounting to RM100,000 (2023: RM100,000), relate to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debts recovery process.

### 14. Amount due from/(to) subsidiary companies

These amounts are non-trade in nature, unsecured, interest free and recoverable/(repayable) on demand.

### 15. Fixed deposit with a licensed bank

The fixed deposit of the Group amounting to RMNil (2023: RM709,000) have been pledged to licensed bank for credit facilities granted to the Group as disclosed in Note 21.

The fixed deposit earns interest at rates ranging from at Nil (2023: 1.45% - 2.60%) per annum and have maturity of Nil months (2023: 1 to 12 months).

### 16. Cash and cash equivalents

	Gro	Group		pany
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash in hand	5	11	-	-
Cash at bank	467	416		79
	472	427	_	79

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### 16. Cash and cash equivalents (cont'd)

The currency exposure profile of cash and cash equivalents are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	472	424	-	76
United State Dollar		3		3
	472	427	_	79

### 17. Share capital

	<b>←</b> Group and Company →			
	Number of ordinary shares		<b>←</b> Amount —	
	2024 '000 Units	2023 '000 Units	2024 RM'000	2023 RM'000
Issued and fully paid				
Beginning/end of the financial				
year	221,840	221,840	82,535	82,535

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

### 18. Redeemable convertible preference shares ("RCPS")

The RCPS were issued by a wholly-owned subsidiary, Cal-Test Laboratory Sdn. Bhd. ("CTLSB") or ("SPV") as disclosed in Note 9 as below:

- (a) for the acquisition of subsidiary companies in the previous financial year.
- (b) for the acquisition of Asiawood Lumbers Sdn. Bhd. and RV Woods Sdn. Bhd. in the previous financial year.

The carrying amount of the RCPS at the end of the reporting year is arrived at as follows:

	Gro	oup
	2024	2023
	RM'000	RM'000
Equity component of RCPS at initial recognition		
At beginning/end of the financial year	11,321	11,321

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### 18. Redeemable convertible preference shares ("RCPS") (cont'd)

The salient features of the RCPS are as follows:

- (i) The conversion price shall be equivalent to the Issue Price of RM100 each and is convertible into one (1) SPV share.
- (ii) The conversion of RCPS will not require any cash payment by the RCPS holder. The Conversion Price shall be satisfied by surrendering one (1) RCPS for one (1) SPV share.
- (iii) Each RCPS shall be converted into one (1) new SPV share at the 5th anniversary of RCPS or if extended for another period of three (3) years, at the 8th anniversary ("Maturity Date").
- (iv) The RCPS is on zero coupon rate with no declaration of interest or dividend throughout the tenure.
- (v) The redemption price is based on the net assets of SPV or five (5) days weighted average share price of IQZAN Holding Berhad, whichever is higher.
- (vi) CTLSB shall have the option to redeem the outstanding RCPS, provided that the pledged RCPS first being released to RCPS Holder, in the following manner:
  - (1) by SPV, in case at the Redemption Price, up to 50% of the total RCPS issued; and/or
  - (2) by SPV, by way of issue of fresh shares of SPV, at the Redemption Price, up to 50% of the total RCPS issued; and/or
  - (3) by IQZAN Holding Berhad, the holding company of SPV (for and on behalf of SPV) at the Redemption Price, by issuing new shares in IQZAN Holding Berhad to the RCPS Holder, up to 50% of the total RCPS issued, subject to IQZAN Holding Berhad procuring its shareholders and regulatory approvals; and
  - (4) the remaining 50% by SPV, by way of combination of either (1), (2) and/or (3) above, at any time from and including the 1st anniversary of the Issue Date up to the day immediately preceeding Maturity Date.

### 19. Revaluation reserves

	Group		
	2024 RM'000	2023 RM'000	
Revaluation reserves	28,383	3,932	

Revaluation reserves consist of surplus from revaluation of properties in subsidiary companies.

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### 20. Lease liabilities

	Group		
	2024	2023	
	RM'000	RM'000	
At beginning of the financial year	1,244	1,611	
Additions	112	773	
Interest charged	56	98	
Repayments	(512)	(829)	
Remeasurement	66	-	
Lease liabilities termination	-	(409)	
At the end of the financial year	966	1,244	
Future minimum lease payments			
Not later than one year	560	471	
Later than one year but not later than five years	445	867	
	1,005	1,338	
Less: Future finance charges	(39)	(94)	
	966	1,244	
Present value of:			
Current			
Not later than one year	529_	418	
Non-current			
Later than one year but not later than five			
years	437	826	
•	966	1,244	

The interest rate of the Group at reporting date ranging from 1.84% to 11.47% (2023: 2.22% to 9.90%).

The Group lease motor vehicles, buildings and office equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The amount of lease liabilities expenses recognised in the Group's profit or loss for the financial year ended 31 March 2024 is disclosed in Note 6.

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### 20. Bank borrowings

Secured         RM'000         RM'000           Banker acceptance         -         262           Bank overdraft         -         793           Term loans         1,471         2,952           Non-current         Term loans         903         1,914           Current         Banker acceptance         -         262           Bank overdraft         -         793           Term loans         568         1,038           568         2,093           1471         4,007		Gre	Group	
Secured         Banker acceptance       -       262         Bank overdraft       -       793         Term loans       1,471       2,952         Non-current         Term loans       903       1,914         Current         Banker acceptance       -       262         Bank overdraft       -       793         Term loans       568       1,038         568       2,093		2024	2023	
Banker acceptance       -       262         Bank overdraft       -       793         Term loans       1,471       2,952         1,471       4,007         Non-current         Term loans       903       1,914         Current         Banker acceptance       -       262         Bank overdraft       -       793         Term loans       568       1,038         568       2,093		RM'000	RM'000	
Bank overdraft       -       793         Term loans       1,471       2,952         Non-current         Term loans       903       1,914         Current         Banker acceptance       -       262         Bank overdraft       -       793         Term loans       568       1,038         568       2,093	Secured			
Term loans         1,471         2,952           Non-current         Value         Value           Term loans         903         1,914           Current         Sanker acceptance         -         262           Bank overdraft         -         793           Term loans         568         1,038           568         2,093	Banker acceptance	-	262	
Non-current         1,471         4,007           Term loans         903         1,914           Current         Sanker acceptance         -         262           Bank overdraft         -         793           Term loans         568         1,038           568         2,093	Bank overdraft	-	793	
Non-current         Term loans       903       1,914         Current       Sanker acceptance       -       262         Bank overdraft       -       793         Term loans       568       1,038         568       2,093	Term loans	1,471	2,952	
Term loans         903         1,914           Current         Sanker acceptance         -         262           Bank overdraft         -         793           Term loans         568         1,038           568         2,093		1,471	4,007	
Term loans         903         1,914           Current         Sanker acceptance         -         262           Bank overdraft         -         793           Term loans         568         1,038           568         2,093				
Current         Banker acceptance       -       262         Bank overdraft       -       793         Term loans       568       1,038         568       2,093	Non-current			
Banker acceptance       -       262         Bank overdraft       -       793         Term loans       568       1,038         568       2,093	Term loans	903	1,914	
Banker acceptance       -       262         Bank overdraft       -       793         Term loans       568       1,038         568       2,093				
Bank overdraft       -       793         Term loans       568       1,038         568       2,093	Current			
Term loans         568         1,038           568         2,093	Banker acceptance	-	262	
568 2,093	Bank overdraft	-	793	
	Term loans	568	1,038	
		568	2,093	
1,4/14,00/_		1,471	4,007	

### Details of interest rate and security

- (i) First party legal charge over the freehold land and buildings of the subsidiary companies as disclosed in Notes 5(a) and 7;
- (ii) Pledged of fixed deposits of the subsidiary companies disclosed in Notes 15;
- (iii) Joint and several guaranteed by certain directors of a subsidiary company;
- (iv) Assignment of life assurance policy by a director of a subsidiary company; and
- (v) Corporate guarantee by the Company.

The maturity of the bank borrowings are as follows:

•	Group		
	2024 RM'000	2023 RM'000	
Within one year Later than one years and not later than	568	2,093	
five years	802	1,129	
Later than five years	101	785	
	1,471	4,007	

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### 21. Bank borrowings (cont'd)

The average effective interest rates per annum are as follows:

	Gro	Group	
	2024 %	2023 %	
Banker acceptance	6.50 - 6.82	6.50 - 6.82	
Bank overdraft	6.75 - 7.00	6.75 - 7.00	
Term loans	6.75 - 7.00	6.75 - 7.00	

### 22. Deferred tax liabilities

	Group	
	2024	2023
	RM'000	RM'000
At beginning of the financial year	1,454	1,136
Recognised in profit or loss (Note 30)	1,076	318
Disposal of subsidiary company	(666)	
At the end of the financial year	1,864	1,454

The components of deferred tax liabilities during the financial year are as follows:

	Group		
	2024 RM'000	2023 RM'000	
Unutilised business losses	(496)	(3,903)	
Unabsorbed capital allowances	-	(1,581)	
Other deductible temporary differences	2,360_	15,584	
	1,864	10,100	

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### 23. Trade payables

The normal trade credit term granted to the Group range from 30 to 90 days (2023: 30 to 90 days) depending on the terms of the contracts.

### 24. Other payables, accruals and deposits received

	Gro	Group		oany
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other payables	9,821	14,797	8,737	13,055
Accruals	1,899	1,012	1,698	681
Provision for liabilities	3,474	19,385	3,474	19,385
Deposits received	1,352	1,757		
	16,546	36,951	13,909	33,121

(a) The provisions of liabilities are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of outstanding due to former subsidiary company, Ire-Tax (Malaysia) Sdn. Bhd. takeover by the Company as the Company is guarantor and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial period end and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value 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 finance cost.

### 25. Amount due to directors

These amounts are non-trade in nature, unsecured, interest free and repayable on demand.

### 26. Revenue

	2024	2023
	RM'000	RM'000
Revenue from contract with customers:		
- Sales of goods	4,860	13,110
- Rental income	3,743	3,376
	8,603	16,486

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### 26. Revenue (cont'd)

	Group		
	2024 RM'000	2023 RM'000	
	KWI 000	WIAI AAA	
Geographical market			
Malaysia	8,603	16,486	
Timing of revenue recognition			
At point of time	4,860	13,110	
Over time	3,743	3,376	
Total revenue from contracts with customers	8,603	16,486	

The Group generates rental income mainly from leasing of investment property. The following table sets out the maturity analysis of lease payments of the Groups, showing the undiscounted lease payments to be received after the reporting date:

	2024	2023
	RM'000	RM'000
- Not later than one year	3,546	3,835
- Later than one year and not later than two years	608	3,045
Total undiscounted lease payments	4,154	6,880

### 27. Other operating income

omer operating meeting	Gro	up	Gro	up
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fair value gain on				
investment properties	-	2,100	-	-
Gain on disposal of property,				
plant and equipment	833	-	-	-
Gain on lease modification	1	-		
Gain on termination of lease	-	37	-	-
Interest income	1	17	-	-
Other income	622	273	-	-
Rental income	17	124	-	-
Reversal of impairment loss				
- Other receivables	-	470	-	-
- Trade receivables	61	-	-	-
Scrap sales	6	-	-	-
Waiver of debts			11,197	
	1,541	3,021	11,197	_

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### 28. Finance costs

	Group		
	2024	2023	
	RM'000	RM'000	
Bank overdrafts	38	90	
Lease liabilities	51	109	
Term loans	517_	113	
	606	312	

### 29. (Loss)/Profit before tax

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit before tax is derived after charging:				
Allowance for impairment				
loss on trade receivables (Note 12) Auditors' remuneration	1,426	62	-	-
- Statutory	209	167	118	93
- Non- statutory	5	5	5	5
Depreciation of property, plant				
and equipment (Note 5)	2,101	2,131	-	-
Depreciation of right-of-				
use assets (Note 6)	361	549	-	-
Impairment loss on property, plant and				
equipment (Note 5)	5,825	-	-	-
Loss on disposal of subsidiary				
companies	-	-	5,640	-
Provision for liabilities (a)	543	526	543	526
Staff costs (Note 32)	1,608	1,092	160	135

<sup>(</sup>a) Provision for liabilities made during the financial year represent the additional interests charged by financial institutions to a former subsidiary, Ire-Tex (Malaysia) Sdn. Bhd., of which the Company is guarantor.

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### NOTES TO THE FINANCIAL STATEMENTS

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### **30.** Income tax expenses

### (a) Major components of tax expenses

	Grou	ир	Com	pany
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current income tax				
Current financial year	172	523	-	-
Over provision in prior				
financial year	(99)	<u> </u>		
	73	523		
Deferred tax (Note 22)				
Current financial year	1,854	954	-	-
Over provision in prior				
financial year	(778)	(636)		
	1,076	318	_	_
	1,149	841		

### (b) Relationship between income tax expenses and accounting (loss)/profit

Reconciliation between income tax expenses and the product of accounting (loss)/profit multiplied by the statutory tax rate is as follows:

	Gro	up	Comp	any
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit before tax	(20,153)	3,410	16,750	(2,581)
Tax at Malaysia statutory tax rate of 24%	(4,837)	818	4,020	(619)
Tax effects in respect of:  - Income not subject to tax	(73)	(609)	(6,206)	-
- Expenses not deductible for tax purposes	507	1,268	2,186	619
- Deferred tax assets not recognised in respect of current year	3,984	-	-	-
Annual cyrstallisation of deferred tax on revalution	2,445			
Over provision of income tax in prior year Over provision of deferred	(99)	-	-	-
tax in prior year	(778)	(636)	_	-
-	1,149	841	-	-

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### 30. Income tax expenses (cont'd)

### (b) Relationship between income tax expenses and accounting profit/(loss) (cont'd)

The amounts of temporary differences for which not deferred tax assets have been recognised in the statements of financial position are as follows:

	Grou	up	Comp	oany
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	20,998	20,907	14,407	14,407
Unabsorbed capital				
allowances	7,018	5,454	169	169
Other deductible temporary				
differences	(4,981)	(6,556)		
	23,035	19,805	14,576	14,576

Deferred tax assets have not been recognised in respect of these items as it is not probable that the future taxable profit of the company will be available against which the deductible temporary differences can be utilised.

With effect from year of assessment 2022, unused tax losses are allowed to be carried forward up to a maximum of ten consecutive years of assessment under current tax legislation. The other temporary differences do not expire under current tax legislation.

### 31. (Loss)/Earnings per share

### (a) Basic (loss)/earnings per share

The basic (loss)/earnings per share are calculated based on the consolidated (loss)/profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Gro	up
	2024 RM'000	2023 RM'000
(Loss)/Profit attributable to the owners		
of the parent for basis (loss)/profit	(20,617)	776
Weighted average number of ordinary		
shares as at end of the financial year (unit)	221,840	221,840
Basic (loss)/earning per ordinary share (in sen)	(9.29)	0.34

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### 31. (Loss)/ Earnings per share (cont'd)

### (b) Diluted (loss)/earnings per share

The Group has no dilution in their (loss)/earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

### 32. Staff costs

	Gr	oup	Comp	any
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salaries, wages, allowances,				
overtime, bonus and fees	1,445	885	160	135
Social security contributions	16	14	-	-
Defined contribution plan	134	119	-	-
Estimated money value of				
benefits-in-kind	13	74		
	1,608	1,092	160	135

Included in the staff costs are the remuneration of the senior key management as follows:

	Gr	oup	Comp	oany
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Director				
Salaries and fees	160	135	160	135
Key management personnels				
Salaries, wages, allowances,				
overtime, bonus and fees	276	471	-	-
Social security contributions	2	6	-	-
Defined contribution plan	33	78	-	-
	311	555		_
	471	690	160	135

The key management personnels are Senior Manager of Group Human Resources and Divisional Operation Managers.

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# 33. Reconciliation of liabilities arising from financing activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes.

	At end of financial	ii) year RM'000	996 99	1,471	550					3,214	1,890	99) 6,348
	Other	changes (ii) RM'000	Ŭ	ı	ı	ı	99		(409)	ı	ı	(409)
		New Lease RM'000	112	1	ı	1	112		773	1	•	773
	Financing cash flows	(i) RM'000	(456)	(1,743)	(1,340)	9,490	5,951		(731)	(1,414)	1,740	(405)
At	beginning of financial	year RM'000	1,244	3,214	1,890	ı	6,348		1,611	4,628	150	6,389
		Group 2024	Lease liabilities	Bank borrowings	Amount due to directors	Amount due to associate company		2023	Lease liabilities	Bank borrowings	Amount due to a director	

- The financing cash flows represent payment of lease liabilities and net proceeds from/repayment of bank borrowings and repayment to/advance from subsidiary companies in the statements of cash flows.  $\odot$
- Other changes include termination of lease contracts, income from Covid-19 rent concessions and lease remeasurement. (ii)

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### Reconciliation of liabilities arising from financing activities (cont'd) 32.

ial cash flows Other financial  (i) changes (ii) year  00 RM'000 RM'000		1,365	(3,224) $(11,197)$	9,686 - 9,686	(11,197)		1,315 - 1,365	$\frac{(2,418)}{(2,268)} \qquad \frac{(10,725)}{(9,510)} \qquad \frac{-}{-} \qquad \frac{(13,143)}{(11,778)}$
At beginning of financial year RM'000	Company 2024	Amount due to directors	Amount due from subsidiary companies (13)	Amount due to associate company	(11)	2023	Amount due to directors	Amount due to subsidiary companies (2

- The financing cash flows represent repayments to/advance from a director in the statements of cash flows.
- The other changes include waiver of debts on amount due to subsidiary companies.  $\Xi$  $\Xi$

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### 33. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has seven reportable segments as follows:

Segment	Description of the Segment
Investment holding	Investment holding and provision of management services. This reportable segment has b
	formed by aggregating the investment holding segment and the management services segi
	which are regarded by management to exhibit similar economic characteristics.

gment,

been

Manufacturing of wooden crates, pallets and other related wood products. Manufacturing

Trading

Trading of value, fittings and machinery, steel, stainless aluminium, equipment, components, sanitary for food beverage industry, raw materials, computers, finished goods, wooden crates and pallets, and sale and marketing of agricultural waste related products.

Provide services of calibration and testing of equipment and general products. Others

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

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### Segment information (cont'd) 34.

Adjustment and elimination Consolidation RM'000	8,603	(1,300) (1,300) (1,300) (1,300)		284 (19,548)	584 (19.547)		584 (20,153)		584 (21,302)	(40,383) 78,310	(45,148) 32,223
Adjus a Others elimi RM'000 RM	ı			(16,721)	(16,721)	5	(16,716)	1	(16,716)	1,172	1,831
Investment holding RM'000	4,291	4,291	900	230	230	(7)	223	(1,293)	(1,072)	93,861	46,810
Trading RM'000	3,290	3,290	(34)	(55)	(54)	(32)	(98)	17	(65)	2,263	1,527
Manufacturing RM'000	1,022	1,300		(3,286)	(3,586)	(572)	(4,158)	C71	(4,033)	21,397	27,203
	2024 Revenue External customers	Inter-segment Total revenue	Results Profit/(Loss) from operation	before interest income Interest income	Profit/(Loss) from operation after interest income	Finance cost	Profit/(Loss) before tax	I axation Profit/(Loss) for the financial	year	Assets and liabilities Segment assets	Segment liabilities

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### Segment information (cont'd) 34.

	Manufacturing	Trading	Investment holding	Others	Adjustment and elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023 Revenue						
External customers	5,751	7,358	3,377	ı	ı	16,486
Inter-segment	2,546			1	(2,546)	1
Total revenue	8,297	7,358	3,377	1	(2,546)	16,486
Results						
Profit/(Loss) from operation						
before interest income	794	1,826	780	(28)	337	3,709
Interest income	13	ı	ı	ı	1	13
Profit/(Loss) from operation						
after interest income	807	1,826	780	(28)	337	3,722
Finance cost	(192)	(83)	(37)	-	1	(312)
Profit/(Loss) before tax	615	1,743	743	(28)	337	3,410
Taxation	(123)	(439)	(279)	-	1	(841)
Profit/(Loss) for the financial						
year	492	1,304	464	(28)	337	2,569
Assets and liabilities						
Segment assets	30,914	10,986	106,701	10,798	(75,802)	83,597
Segment liabilities	32,686	3,819	71,517	1,216	(60,403)	48,835

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### 34. Segment information (cont'd)

### Geographic information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follow:

Group	Reve	enue	Non-curre	ent assets
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	8,603	16,486	72,485	74,556

Non-current assets for this purpose consist of property, plant and equipment, investment properties, and right-of-use assets.

### 35. Categories of financial instruments

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

	Gro	up	Comp	oany
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Measured at amortised costs				
Trade receivables	1,754	3,699	-	-
Other receivables and deposits	1,413	1,464	832	-
Amount due from subsidiary				
companies	-	-	27,564	18,293
Fixed deposits with a licensed				
bank	-	709	-	-
Cash and cash equivalents	472	427		79
	3,639	6,299	28,396	18,372
Financial liabilities				
Measured at amortised costs				
Trade payables	942	2,630	-	-
Other payables, accruals and				
deposits received	16,546	36,951	13,909	33,121
Amount due to a director	550	1,890	-	1,365
Amount due to subsidiary				
companies	-	-	-	5,150
Amount due to associate company	9,490	-	9,686	-
Lease liabilities	966	1,244	-	-
Bank borrowings	1,471	4,007		
- -	29,965	46,722	23,595	39,636
•				

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### 36. Financial risk management

The Group have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Foreign currency risk

### (a) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Group's exposure to credit risk arises principally from the individual characteristics of each customer and investment in debt securities. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

### Trade receivables

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally, financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position at the end of the reporting period.

The Group receives financial guarantees given by banks, shareholders or directors or customers in managing exposure to credit risks.

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 days.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

## 36. Financial risk management (cont'd)

(a) Credit risk (cont'd)

### Trade receivables (cont'd)

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

Group	Current RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	>90 days past due RM'000	Total past due RM'000
2024 Gross carrying amount at default	20	24	27	12	3,255	3,338
Expected credit loss	ı	ı	ı	ı	(1,564)	(1,564)
Credit impaired	•	1	•		(20)	(50)
,	20	24	27	12	1,671	1,754
2023						
Gross carrying amount at default	158	108	941	982	1,729	3,918
Expected credit loss	1	1	•	1	(138)	(138)
Credit impaired	ı	1		1	(81)	(81)
	158	108	941	982	1,510	3,699

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### **36.** Financial risk management (cont'd)

### (a) Credit risk (cont'd)

### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

### Financial guarantees

The Company provides unsecured financial guarantees to licensed banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The Company's maximum exposure in this respect is RM14.7 million (2023: RM14.7 million), representing the outstanding banking facilities to the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guarantee loans individually using internal information available.

### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure of the Group and of the Company to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that then cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### **36.** Financial risk management (cont'd)

### (b) Liquidity risk (cont'd)

Analysis of financial liabilities by remaining contractual maturity obligations

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the statement of financial position based on contractual undiscounted repayment obligations:

	Carrying	Contractual	Less than 1		
	amount RM'000	cash flows RM'000	year RM'000	1 to 5 years RM'000	Over 5 years RM'000
Group					
2024					
Financial liabilities					
Trade payables	942	942	942	-	-
Other payables, accruals and					
deposits received	16,546	16,546	16,546	-	-
Amount due to a					
director	550	550	550	-	-
Amount due to					
associate company	9,490	9,490	9,490	_	_
Lease liabilities	966	1,005	560	445	-
Bank borrowings	1,471	1,683	673	899	111
	29,965	30,216	28,761	1,344	111
Company 2024 Financial liabilities Other payables and accruals Amount due to associate company	13,909 9,686 23,595	13,909 9,686 23,595	13,909 9,686 23,595	- - -	- - -
Group					
2023					
<u>Financial liabilities</u>	2 (20	2 (20	2 (20		
Trade payables	2,630	2,630	2,630	-	-
Other payables, accruals and	26.051	26.051	26.051		
deposits received	36,951	36,951	36,951	-	-
Amount due to a director	1 900	1 200	1 200		
Lease liabilities	1,890 1,244	1,890 1,338	1,890 471	- 867	-
	4,007	1,338 4,292	2,171	900	1,221
Bank borrowings	4,007	4,292	44,113	1,767	1,221
:	40,722	77,101	77,113	1,707	1,221

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### **36.** Financial risk management (cont'd)

### (b) Liquidity risk (cont'd)

Analysis of financial liabilities by remaining contractual maturity obligations (cont'd)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the statement of financial position based on contractual undiscounted repayment obligations: (cont'd)

	Carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	Over 5 years
Company	RM'000	RM'000	RM'000	RM'000	RM'000
2023					
Financial liabilities					
Other payables and					
accruals	33,121	33,121	33,121	-	-
Amount due to a					
director	1,365	1,365	1,365	-	-
Amount due to					
subsidiary					
companies	5,150	5,150	5,150		
<u>-</u>	39,636	39,636	39,636		

### (c) Market risk

The Group's exposure to a risk of change in their fair value due to changes in interest rates related primarily from their bank borrowings.

### (i) Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of reporting period was:

	Group		
	2024 RM'000	2023 RM'000	
Fixed rate			
<u>Financial assets</u>			
Fixed deposits with a licensed banks		709	
<u>Financial liabilities</u>			
Lease liabilities	966	1,244	
Floating rate			
<u>Financial liabilities</u>			
Bank overdraft	-	793	
Banker acceptance	-	262	
Term loans	1,471	2,952	
	1,471	4,007	

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### **36.** Financial risk management (cont'd)

### (c) Market risk (cont'd)

The Group's exposure to a risk of change in their fair value due to changes in interest rates related primarily from their bank borrowings. (cont'd)

### (i) Exposure to interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

The Group's borrowings at variable rates are denominated in Ringgit Malaysia ("RM"). At reporting date, if the RM interest rates had been 50 basis point ("b.p.") higher/lower with all other variable including tax rate being held constant, the loss after tax and accumulated losses will be lower/higher by RM38,608 (2022: RM19,265) for the Group as a result of higher/lower interest expenses on these borrowings.

### 36. Capital management

The Group's and the Company's objectives when managing capital are to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern and to maintain a capital structure, so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The Group and the Company need determines the capital structure and policies in the light of changes in economic conditions and the risk characteristics of the underlying assets. No changes were made in the objectives, policies and processes during the financial year.

The Group and the Company monitors capital based on gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus lease liabilities less cash and cash equivalents. Total capital is calculated as total equity plus net debt. As at 31 March 2024, the gearing ratio are as follows:

	Group		Company		
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	
Lease liabilities	966	1,244	-	-	
Bank borrowings	1,471	4,007	-	-	
Less: Cash and cash					
equivalents	(472)	(427)		(79)	
Net debt	1,965	4,824		(79)	
Total equity/(Capital					
deficiency)	46,087	34,762	14,118	(2,632)	
Gearing ratio	0.043	0.139		0.030	

The Group and the Company are not subject to any externally imposed capital requirement.

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### 38. Fair value of assets and liabilities

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

Fair value of financial instruments that are carried at fair value:

- (a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximate fair value.
- (b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximate fair value.

Trade and other receivables, cash and cash equivalents, trade and other payables, the carrying amount of these financial assets and liabilities are reasonable approximation of fair value, either due to their short-term nature of that they are floating rate instruments that are re-priced at market interest rates on or near the end of the reporting period.

### 39. Material litigation

Material litigation since the date of the last audited annual statement of financial position up to 24 February 2024 are as follows:

### Case No. WA-22NCVC-384-07/2022

On 19 May 2023, the Company been informed by our legal counsel that the High Court gave judgement in favour of Harta Packaging Industries (Perak) Sdn Bhd for the sum of RM1,637,981.77 plus interest and cost of RM5,000. On 18 May 2023, the Company has made an appeal because the Company was not corporate guarantor and the legal counsel has lodged an appeal to the Court of Appeal and the proceedings still in the progress.

### Case No. KF-A52NCC-03-05/2020

Orix Credit Malaysia Sdn Bhd ("Orix") filed an appeal to High Court, the judgement was reversed and the Company is liable for the debts.

Orix filed for demand to pay the full sum and received winding up notice dated 12 December 2023.

Based on the legal counsel's opinion, the summary judgment is defective and is awaiting for the clarification from the Session Court.

### Civil Suit No. PA-A72NCVC-79-02/2024

On 20 February 2024 , Zoomic Technology (M) Sdn. Bhd. entered a law suit case with Found PAC Technologies Sdn. Bhd. and Pentax Medical Sdn. Bhd..

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2024

### 40. Significant events after the financial year

On 30 April 2024, the Group has acquired 2,590,070 ordinary shares from Kacon Asset Group Sdn. Bhd. representing 70% of the total issued share capital of Kacon Construction Sdn. Bhd. for a purchase consideration of RM1,000,000.

On 16 May 2024, the Group has acquired 2,508,690 ordinary shares from Heng Huat Industries Holdings Sdn. Bhd. representing 51% of the total issued share capital of HK Kitaran Sdn. Bhd. for a purchase consideration of RM6,121,020.

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### NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting ("22nd AGM") of Iqzan Holding Berhad ("Company" or "IQZAN") will be held at Pinnacle 10, Level M1, The Vertical, Connexion Conference & Event Centre Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 29 August 2024 at 11.00 a.m. or at any adjournment thereof, for the following purposes: -

1.	To receive the audited financial statements for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon.	(Please refer to Explanatory Note A)		
2.	2. To re-elect the following Directors who are retiring in accordance with Paragraph 97 and Paragraph 106 of the Company's Constitution:-			
	i. Ms Kunamony A/P S.Kandiah	(Ordinary Resolution 1)		
	ii. Encik Norman Bin Zainuddin	(Ordinary Resolution 2)		
	iii. Mr Raymond Koh Yat Loong	(Ordinary		
	(Please refer to Explanatory Note B)	Resolution 3)		
3.	To approve the payment of Directors' Fees for an aggregate up to RM900,000.00 to Directors for the period from 1 October 2024 until the conclusion of the next Annual General Meeting of the Company. (Please refer to Explanatory Note C)	(Ordinary Resolution 4)		
4.	To approve the payment of Directors' Benefits (excluding Directors Fees) of the Company and its subsidiaries for an aggregate up to RM200,000.00 to the Directors for the period from 1 October 2024 until the conclusion of the next Annual General Meeting of the Company. (Please refer to Explanatory Note C)	(Ordinary Resolution 5)		
5.	To re-appoint ChengCo PLT as Auditors for the ensuing year and to authorise the Directors to fix their remuneration.	(Ordinary Resolution 6)		

### **Special Business**

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

### 6. **Ordinary Resolution**

- Proposed Waiver of Statutory Pre-Emptive Rights of the Shareholders and Authority to Issue Shares

"THAT subject always to the Companies Act, 2016, Constitution of the Company and any governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Companies Act, 2016 to issue not more than ten percent (10%) of the issued capital (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

(Ordinary Resolution 7)

THAT pursuant to Section 85 of the Companies Act, 2016 to be read together with Regulation 54 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

(Please refer to Explanatory Note D)

7. To transact any other business for which due notice has been given.

By Order of the Board

NG SALLY (SSM PC No. 202008002702 & MAICSA 7060343) GOH XIN YEE (SSM PC No. 202008000375 & MAICSA 7077870)

Company Secretaries Kuala Lumpur 7 August 2024

### Notes:

- (1) A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy may, but need not, be a member of the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- (2) A Member, including an Authorised Nominee and an Exempt Authorised Nominee which holds securities in the Company for an Omnibus Account, may appoint one or more proxies to attend on the same occasion. Where a Member appoints two [2] or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.
- (3) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Each appointment of a proxy by an exempt authorised nominee shall be by a separate instrument of a proxy which shall specify the proportion of shareholding to be represented by each proxy.
- (4) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointor.
- (5) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, shall be deposited at the office of the Share Registrar of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. PROVIDED ALWAYS that the Company may by written notice waive the prior lodgement of the above instrument appointing a proxy and the power of attorney or other authority.
- (6) The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Meeting is 23 August 2024.

### **Explanatory Notes:**

### (i) Note A - Item 1 of the Agenda

The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Section 248(1) and Section 340(1)(a) of the Companies Act 2016 (the "Act") does not require a formal approval of the shareholders and hence this Agenda item is not put forward for voting.

### (ii) Note B - Ordinary Resolutions 1, 2 and 3

The Directors standing for re-election at the forthcoming 22nd Annual General Meeting of the Company are as: -

i.	Ms Kunamony A/P S.Kandiah	Paragraph 97	Ordinary
	-		Resolution 1
ii.	Encik Norman Bin Zainuddin	Paragraph 97	Ordinary
			Resolution 2
iii	Mr Raymond Koh Yat Loong	Paragraph 106	Ordinary
	,		Resolution 3

The Company's Nomination and Remuneration Committee, having reviewed the performance and contribution of Ms Kunamony A/P S.Kandiah, Encik Norman Bin Zainuddin and Mr Raymond Koh Yat Loong respectively, was satisfied that each of them has performed and contributed to the effectiveness of the Board as a whole during the financial year.

The Board recommends shareholders to vote in favour of the re-election of Ms Kunamony A/P S.Kandiah, Encik Norman Bin Zainuddin and Mr Raymond Koh Yat Loong respectively based on the following consideration:-

- (i) satisfactory performance and have met Board's expectation in discharging their duties and responsibilities;
- (ii) met the criteria of character, experience, integrity, competence and time commitment in discharging their roles as directors of the Company; and
- (iii) their ability to act in the best interest of the Company in decision-making.

### (iii) Note C - Ordinary Resolutions 4 and 5

Section 230(1) of the Act provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed mandate is calculated based on the current Board size and number of scheduled Board and Committee meetings for the financial year 2024 and until the conclusion of the next Annual General Meeting ("AGM") of the Company. These resolutions are to facilitate payment of Directors' fees and benefits of Non-Executive Directors for the current financial year until the conclusion of the next AGM of the Company. In the event the proposed amounts are insufficient, e.g. due to more meetings or enlarged Board size, approval will be sought at the next AGM for the shortfall.

i. proposed Ordinary Resolution 4 - Directors' Fees for an aggregate up to RM900,000.00 to the Directors for the period from 1 October 2024 until the conclusion of the next AGM of the Company.

ii. proposed Ordinary Resolution 5 - Directors' Benefits (excluding Directors' Fees) of the Company and its subsidiaries for an aggregate up to RM200,000.00 to the Directors for the period from 1 October 2024 until the conclusion of the next AGM of the Company.

The payment of the Directors' Fees/ Directors' Benefits (excluding Directors' Fees) for the period from 1 October 2024 until the conclusion of the next AGM of the Company will only be made if the proposed Resolutions 4 and 5 have been passed at the 22nd AGM pursuant to Paragraph 107 of the Company's Constitution and Section 230(1) of the Act.

In the event, where the payment of Directors' Fees and/or Directors' Benefits payable during the above period exceeded the estimated amount sought at the AGM, shareholders' approval will be sought at the next AGM.

### (iv) Note D - Ordinary Resolution 7

The proposed Ordinary Resolution, if approved, would allow the Company to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate.

This mandate, if passed, would also give flexibility to the Directors of the Company to issue shares up to a maximum of ten percent (10%) of the issued share capital (excluding treasury shares) of the Company for the time being (other than bonus or rights issue) for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The rationale for this general mandate is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares for future business opportunities and thereby reducing administrative time and cost associated with the convening of such meeting(s). The general mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placement of shares, for the purpose of future investment project(s), working capital, repayment of borrowings and/ or acquisition.

This is the renewal of the mandate obtained from the shareholders at the last AGM held on 30 August 2023 ("the Previous Mandate"). The Previous Mandate was not utilised and no proceeds were raised.

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	PROXY FORM
Number Of Shares Held	
CDS Account No.	

Signature / Common Seal of member

		CDS Account No.		
' I/Weof				
peing a Member/Members c appoint nim,	of Iqzan Holding Berha ofof	ad [Registration No.	200201008458 (5761	21-A)], hereby . or failing
CHAIRMAN OF THE MEETING General Meeting ("AGM") of the Event Centre Bangsar South C a.m. or at any adjournment there	as *my/our proxy to vote c Company to be held at I ity, No. 8, Jalan Kerinchi,	for *me/us and on *my/o Pinnacle 10, Level M1, <sup>5</sup> 59200 Kuala Lumpur c	ur behalf at the Twenty- The Vertical, Connexior	Second Annua Conference 8

Ord	dinary Resolutions	For	Against
1.	To re-elect Ms Kunamony A/P S. Kandiah as Director (Ordinary Resolution 1)		
2.	To re-elect Encik Norman Bin Zainuddin as Director (Ordinary Resolution 2)		
3.	To re-elect Mr Raymond Koh Yat Loong as Director (Ordinary Resolution 3)		
4.	To approve the payment of Directors' Fees for an aggregate up to RM900,000.00 to Directors for the period from 1 October 2024 until the conclusion of the next Annual General Meeting of the Company.		
	(Ordinary Resolution 4)		
5.	To approve the payment of Directors' Benefits (excluding Directors Fees) of the Company and its subsidiaries for an aggregate up to RM200,000.00 to the Directors for the period from 1 October 2024 until the conclusion of the next Annual General Meeting of the Company.  (Ordinary Resolution 5)		
6.	To appoint ChengCo PLT as Auditors of the Company (Ordinary Resolution 6)		
7.	To approve Proposed Waiver of Statutory Pre-emptive Rights of the Shareholders and Authority to Issue Shares  (Ordinary Resolution 7)		

Please indicate with an "X" in the space provided above on how you wish to cast your vote. In the absence of specific directions, your Proxy may vote or abstain at his/her discretion.

The proportions of our share	holdina to be re	presented by my/o	our proxies (if mo	re than 1 proxy	) are as follows:

First proxy %
Second proxy %
------100%

Notes:

- (1) A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy may, but need not, be a member of the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- (2) A Member, including an Authorised Nominee and an Exempt Authorised Nominee which holds securities in the Company for an Omnibus Account, may appoint one or more proxies to attend on the same occasion. Where a Member appoints two [2] or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.
- (3) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Each appointment of a proxy by an exempt authorised nominee shall be by a separate instrument of a proxy which shall specify the proportion of shareholding to be represented by each proxy.
- (4) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointor.
- (5) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, shall be deposited at the office of the Share Registrar of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. PROVIDED ALWAYS that the Company may by written notice waive the prior lodgement of the above instrument appointing a proxy and the power of attorney or other authority.
- (6) The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the Meeting is 23 August 2024.

<sup>\*</sup> Strike out whichever is not desired. (Unless otherwise instructed the proxy may vote as he thinks fit).

AFFIX STAMP

### The Board of Directors IQZAN HOLDING BERHAD

[Registration No. 200201008458 (576121-A)]

C/O SECURITIES SERVICES (HOLDINGS) SDN. BHD.
[Registration No. 197701005827 (36869-T)]
LEVEL 7, MENARA MILENIUM, JALAN DAMANLELA
PUSAT BANDAR DAMANSARA, DAMANSARA HEIGHTS
50490 KUALA LUMPUR

Please fold here to seal

[Registration No. 200201008458 (576121-A)] (Incorporated in Malaysia)

### REQUISITION FORM AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 ("AFS 2024")

Please complete the request form and return this form through email to <a href="mailto:annualrpt@iqzangroup.com">annualrpt@iqzangroup.com</a> should you wish to request for a printed copy of the AFS 2024. You may also download a copy of the AFS 2024 at the Company's website <a href="www.iqzan.com">www.iqzan.com</a>

The printed copy of the AFS 2024 will be posted to you within four (4) days from the date of receipt of your request.

Name of Shareholder	:
MyKad/Passport/Company No.	:
CDS A/C No.	:
No. of Shares	:
Mailing Address	:
Contact No.	:
Signature of Shareholder	:
Date	:

Contact details of Iqzan Holding Berhad for printed copy of the AFS 2024:

The Share Registrar
Iqzan Holding Berhad
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Tel: 603-20849000 / 168 / 165

Contact Person: Mr Wong Piang Yoong or Mr Jerry Tan Hor Seng

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### The Board of Directors IQZAN HOLDING BERHAD [Registration No. 200201008458 (576121-A)]

C/O SECURITIES SERVICES (HOLDINGS) SDN. BHD.
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LEVEL 7, MENARA MILENIUM, JALAN DAMANLELA
PUSAT BANDAR DAMANSARA, DAMANSARA HEIGHTS
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