

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The directors have pleasure in submitting their report with the audited financial statements of the Group and of the Company for the financial year ended **30 June 2022**.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
Profit for the financial year	<u>95,956,715</u>	<u>15,607,503</u>
Attributable to:		
Owners of the Company	95,988,597	15,607,503
Non-controlling interests	<u>(31,882)</u>	-
	<u>95,956,715</u>	<u>15,607,503</u>

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **30 June 2022** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, the Company has declared and paid the following dividends:

- i) A single tier second interim dividend of RM0.018 per ordinary share amounting to RM5,156,341 in respect of the financial year ended 30 June 2021 declared on 15 September 2021 and paid on 26 November 2021; and
- ii) A single tier first interim dividend of RM0.054 per ordinary share amounting to RM15,468,662 in respect of the financial year ended 30 June 2022 on 23 February 2022 and paid on 20 May 2022.

On 29 August 2022, the Company has declared a single tier second interim dividend of RM0.08 per ordinary share amounting to RM22,916,269 in respect of the financial year ended 30 June 2022 and payable on 24 November 2022. The financial statements for the current financial year do not reflect these declared dividends. Such dividends will be accounted for in shareholders' equity as appropriation of retained profits in the financial year ending 30 June 2023.

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

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any share or debenture.

TREASURY SHARES

During the financial year, the Company repurchased 10,000 units of its issued share capital from the open market for a total consideration of RM15,320. The average price paid for the shares repurchased was RM1.52 per share and the repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares and treated in accordance with the requirements of Section 127 of the Companies Act 2016.

As at 30 June 2022, the Company held 13,079,800 treasury shares out of its total 299,533,168 issued ordinary shares. Further relevant details are disclosed in Note 15 to the financial statements.

HOLDING COMPANY

The Company is a subsidiary of Benua Handal Sdn. Bhd., a company incorporated and domiciled in Malaysia. The directors regard Benua Handal Sdn. Bhd. as the ultimate holding company.

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

Lim Chien Ch'eng

* **Tsai Yung Chuan**

* **Tsai Chang Hsiu-Hsiang**

* **Tsai Chia Ling**

Ang Seng Oo

Low Yeaw Seng

Datin Sharmin Fazlina Binti Mohd Shukor

* **Tsai Cheng Hsun (appointed on 1.7.2022)**

Directors of the subsidiaries:

The directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report, not including those directors listed above, are:

Chan Moi Moi @ Anna Tjandra

Tsai Chia Wen

Teng Chung-Chien (appointed on 15.2.2022)

* The directors are also directors of the Company's subsidiaries.

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares			Balance at 30.6.2022
	Balance at 1.7.2021	Bought	Sold	
Direct interest:				
Lim Chien Ch'eng	6,009,650	10,000	-	6,019,650
Tsai Chia Ling	838,400	-	-	838,400
Deemed interest:				
¹ Lim Chien Ch'eng	1,765,314	-	-	1,765,314
² Tsai Yung Chuan	162,306,846	1,215,500	-	163,522,346
² Tsai Chia Ling	162,306,846	1,215,500	-	163,522,346
² Tsai Cheng Hsun	162,306,846	1,215,500	-	163,522,346

¹ Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Indra Cempaka Sdn. Bhd.

² Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Benua Handal Sdn. Bhd.

By virtue of their shareholdings in the Company, **Mr. Tsai Yung Chuan, Ms. Tsai Chia Ling and Mr. Tsai Cheng Hsun** are also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

Other than as discussed above, none of the other directors holding office at the end of the financial year had any interests in shares in the Company and its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

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

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Directors' fees	315,000	-	315,000
Salaries, allowances and bonus	5,800	4,610,995	4,616,795
Defined contribution plans	-	284,000	284,000
Benefits-in-kind	-	16,500	16,500
	320,800	4,911,495	5,232,295

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

DIRECTORS' REMUNERATION AND BENEFITS (CONT'D)

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

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a 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, other than those related party transactions disclosed in the notes to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS OR OFFICERS

The amount of insurance premium paid for professional indemnity for the directors or officers of the Company during the financial year is RM13,255.

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of the business had been written down to an amount which they might be expected so to realise.

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

- (i) that would render it necessary to write off any bad debts or amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) that have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other persons, and
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

Directors' Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due, and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENT

The details of the significant event are disclosed in Note 35 to the financial statements.

AUDITORS

The total amount of fees paid to or receivable by the auditors, **Grant Thornton Malaysia PLT**, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 30 June 2022 are RM120,000 and RM38,000 respectively.

The Group and the Company have agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

The auditors have expressed their willingness to continue in office.

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

Tsai Yung Chuan

Penang,

Date: 30 September 2022

Tsai Chang Hsiu-Hsiang

Directors' Statement

In the opinion of the directors, the financial statements set out on pages 60 to 123 are properly 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 **30 June 2022** and of their financial performance and cash flows for the financial year then ended.

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

Tsai Yung Chuan

Tsai Chang Hsiu-Hsiang

Date: 30 September 2022

Statutory Declaration

I, **Tsai Chang Hsiu-Hsiang**, the director primarily responsible for the financial management of **Chin Well Holdings Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 60 to 123 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **30th**)
day of **September 2022**.)

Tsai Chang Hsiu-Hsiang

Before me,

Goh Suan Bee
No.P125
Commissioner for Oaths

Independent Auditors' Report

TO THE MEMBERS OF CHIN WELL HOLDINGS BERHAD
REGISTRATION NO. 199501042347 (371551-T)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Chin Well Holdings Berhad**, which comprise the statements of financial position as at **30 June 2022** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of accounting policies, as set out on pages 60 to 123.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at **30 June 2022** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Independent Auditors' Report

TO THE MEMBERS OF CHIN WELL HOLDINGS BERHAD
REGISTRATION NO. 199501042347 (371551-T) (CONT'D)

Key Audit Matters (cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Valuation of inventories (Note 11 to the financial statements)</p> <p>The Group holds significant amount of inventories as at 30 June 2022 which exposes the Group to a risk that the inventories may become slow moving or obsolete and eventually non-saleable or selling below their carrying amount.</p> <p>The Group measures inventories at the lower of cost and net realisable value. Identifying and determining the appropriate write down of the inventories to net realisable value required judgement by the Group.</p> <p>We focused on this area as it involves estimation uncertainty by the management in determining the accuracy of inventories written down and in assessing the adequacy of inventories not stated at the lower of cost and net realisable value.</p>	<p>Our audit procedures in relation to the valuation of inventories included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of: <ul style="list-style-type: none"> - the Group's inventory management process; - how the Group identifies and assesses inventories write-downs; and - how the Group makes the accounting estimates for inventories write downs. • Attended the year end physical inventory counts and paid attention to the physical condition of the inventories; • Reviewed the costing method used by the Group and whether it is consistent with prior year; • Reviewed the consistency of the application of management's methodology in determining and estimating the inventories written down from year to year; • Reviewed and tested the net realisable value of inventories on a sampling basis; and • Evaluated the reasonableness and adequacy of the inventories written down recognised for identified exposures.
<p>Impairment of trade receivables (Note 12 to the financial statements)</p> <p>The Group has significant trade receivables as at 30 June 2022 and it is subject to credit risk exposure.</p> <p>We focus on this area as the assessment of expected credit losses of trade receivables involved management's judgements and estimation uncertainty in determining the probability of default occurring by considering the ageing of trade receivables, historical loss experience and forward-looking information.</p>	<p>Our audit procedures in relation to the impairment of trade receivables included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of: <ul style="list-style-type: none"> - the process of identifying and assessing the impairment of trade receivables; - the Group's control over the customers' collection process; and - the basis of how the Group makes the accounting estimates for impairment of trade receivables. • Reviewed the application of the Group's policy for calculating the expected credit losses and whether it complies with <i>MFRS 9</i>; • Reviewed the ageing analysis of the trade receivables and tested the reliability thereon; • Reviewed subsequent collections for major customers and overdue amounts; • Made inquiries of management regarding the action plans to recover overdue balances; • Examined other evidence including customer correspondences; and • Assessed the recoverability of balances and the adequacy of impairment loss for significant outstanding balances based on the expected credit loss model applied by the Group.

Independent Auditors' Report

TO THE MEMBERS OF CHIN WELL HOLDINGS BERHAD
REGISTRATION NO. 199501042347 (371551-T) (CONT'D)

Key Audit Matters (cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Revenue recognition (Note 22 to the financial statements)</p> <p>The Group's revenue is mainly derived from the manufacturing of fastening products and wire products.</p> <p>We focus on this area due to the magnitude and voluminous transactions which may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised.</p>	<p>Our audit procedures in relation to the revenue recognition included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's revenue recognition process and application and thereafter tested controls on the occurrence of revenue; • Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities; • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to the documents which evidenced the delivery of goods to the customers; • Assessed whether revenue was recognised in the correct period by testing cut-off through assessing sales transactions taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting date; and • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices references and evaluated the nature of the transactions to determine whether they were <i>bona fide</i> transactions.

There is no key audit matters to be communicated in the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company so as to 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.

Independent Auditors' Report

TO THE MEMBERS OF CHIN WELL HOLDINGS BERHAD
REGISTRATION NO. 199501042347 (371551-T) (CONT'D)

Responsibilities of the Directors for the Financial Statements (cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Independent Auditors' Report

TO THE MEMBERS OF CHIN WELL HOLDINGS BERHAD
REGISTRATION NO. 199501042347 (371551-T) (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

Report on Other Legal and Regulatory Requirements

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

Other Matter

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.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Loo Wei Teng
No. 03487/03/2024 J
Chartered Accountant

Penang

Date: 30 September 2022

Statements Of Financial Position

AS AT 30 JUNE 2022

	NOTE	GROUP		COMPANY	
		2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	140,842,596	157,221,759	1	1
Investment properties	5	67,332,996	5,340,858	-	-
Right-of-use asset	6	458,527	720,542	-	-
Investment in subsidiaries	7	-	-	263,051,296	263,051,296
Other receivables, deposits and prepayments	8	-	23,331,070	-	-
Amount due from subsidiaries	9	-	-	1,199,650	10,589,043
Deferred tax assets	10	143,370	136,532	-	-
		<u>208,777,489</u>	<u>186,750,761</u>	<u>264,250,947</u>	<u>273,640,340</u>
Current assets					
Inventories	11	338,848,171	325,431,844	-	-
Trade receivables	12	102,200,951	81,998,533	-	-
Other receivables, deposits and prepayments	8	16,908,183	28,331,575	4,500	4,500
Amount due from subsidiaries	9	-	-	12,685,114	10,284,413
Current tax assets		3,273,758	6,563,516	109,166	49,991
Cash and bank balances	13	127,451,155	85,815,122	13,237,171	11,280,461
		<u>588,682,218</u>	<u>528,140,590</u>	<u>26,035,951</u>	<u>21,619,365</u>
TOTAL ASSETS		<u>797,459,707</u>	<u>714,891,351</u>	<u>290,286,898</u>	<u>295,259,705</u>
EQUITY AND LIABILITIES					
Share capital	14	177,929,384	177,929,384	177,929,384	177,929,384
Treasury shares	15	(18,880,446)	(18,865,126)	(18,880,446)	(18,865,126)
Foreign currency translation reserve	16	11,341,822	1,945,590	-	-
Retained profits	17	494,784,765	419,421,171	130,878,604	135,896,104
		<u>665,175,525</u>	<u>580,431,019</u>	<u>289,927,542</u>	<u>294,960,362</u>
Non-controlling interests		2,051,975	-	-	-
Total equity		<u>667,227,500</u>	<u>580,431,019</u>	<u>289,927,542</u>	<u>294,960,362</u>
Non-current liabilities					
Lease liability	6	218,755	493,650	-	-
Deferred tax liabilities	10	8,468,995	8,379,151	-	-
		<u>8,687,750</u>	<u>8,872,801</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade payables	18	23,449,611	23,584,488	-	-
Other payables and accruals	19	47,664,296	10,401,862	359,356	299,343
Borrowings	20	37,825,247	89,357,045	-	-
Contract liabilities	21	2,435,143	978,275	-	-
Lease liability	6	274,895	256,872	-	-
Current tax liabilities		9,895,265	1,008,989	-	-
		<u>121,544,457</u>	<u>125,587,531</u>	<u>359,356</u>	<u>299,343</u>
Total liabilities		<u>130,232,207</u>	<u>134,460,332</u>	<u>359,356</u>	<u>299,343</u>
TOTAL EQUITY AND LIABILITIES		<u>797,459,707</u>	<u>714,891,351</u>	<u>290,286,898</u>	<u>295,259,705</u>

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

Statements Of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	NOTE	GROUP		COMPANY	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	22	657,837,565	491,655,214	15,835,537	14,458,509
Cost of sales		(502,528,969)	(419,133,126)	-	-
Gross profit		155,308,596	72,522,088	15,835,537	14,458,509
Other income	23	7,508,415	6,275,709	710,568	453,494
Administrative expenses		(23,855,415)	(27,537,640)	(864,025)	(756,480)
Selling and distribution expenses		(15,881,650)	(15,122,565)	-	-
Operating profit		123,079,946	36,137,592	15,682,080	14,155,523
Finance costs	24	(874,333)	(3,390,648)	-	(220,233)
Profit before tax	25	122,205,613	32,746,944	15,682,080	13,935,290
Taxation	26	(26,248,898)	(9,354,259)	(74,577)	(57,653)
Profit for the financial year		95,956,715	23,392,685	15,607,503	13,877,637
Other comprehensive income/ (loss), net of tax:					
Item that will be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations		9,396,232	(3,852,390)	-	-
Total comprehensive income for the financial year		105,352,947	19,540,295	15,607,503	13,877,637
Profit attributable to:					
Owners of the Company		95,988,597	23,392,685	15,607,503	13,877,637
Non-controlling interests		(31,882)	-	-	-
		95,956,715	23,392,685	15,607,503	13,877,637
Total comprehensive income attributable to:					
Owners of the Company		105,384,829	19,540,295	15,607,503	13,877,637
Non-controlling interests		(31,882)	-	-	-
		105,352,947	19,540,295	15,607,503	13,877,637
Earnings per share attributable to owners of the Company (sen)					
- Basic/Diluted	27	33.51	8.11		

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

Consolidated Statement Of Changes In Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Attributable to owners of the Company						Total Equity RM
	Share Capital RM	Treasury Shares RM	Foreign Currency Translation Reserve RM	Retained Profits RM	Non- controlling Interests RM	Total RM	
2022							
Balance at beginning	177,929,384	(18,865,126)	1,945,590	419,421,171	-	580,431,019	580,431,019
Total comprehensive income for the financial year	-	-	9,396,232	95,988,597	(31,882)	105,384,829	105,352,947
Transactions with owners of the Company:							
Acquisition of subsidiaries	-	-	-	-	2,083,857	-	2,083,857
Dividends	-	-	-	(20,625,003)	-	(20,625,003)	(20,625,003)
Purchase of treasury shares	-	(15,320)	-	-	-	(15,320)	(15,320)
Total transactions with owners	-	(15,320)	-	(20,625,003)	2,083,857	(20,640,323)	(18,556,466)
Balance at end	177,929,384	(18,880,446)	11,341,822	494,784,765	2,051,975	665,175,525	667,227,500
2021							
Balance at beginning	177,929,384	(15,301,067)	5,797,980	400,335,893	-	568,762,190	568,762,190
Total comprehensive income for the financial year	-	-	(3,852,390)	23,392,685	-	19,540,295	19,540,295
Transactions with owners of the Company:							
Dividends	-	-	-	(4,307,407)	-	(4,307,407)	(4,307,407)
Purchase of treasury shares	-	(3,564,059)	-	-	-	(3,564,059)	(3,564,059)
Total transactions with owners	-	(3,564,059)	-	(4,307,407)	-	(7,871,466)	(7,871,466)
Balance at end	177,929,384	(18,865,126)	1,945,590	419,421,171	-	580,431,019	580,431,019

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

Statement Of Changes In Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	NOTE	----- Distributable -----			Total Equity RM
		Share Capital RM	Treasury Shares RM	Retained Profits RM	
2022					
Balance at beginning		177,929,384	(18,865,126)	135,896,104	294,960,362
Total comprehensive income for the financial year		-	-	15,607,503	15,607,503
<i>Transactions with owners of the Company:</i>					
Dividends	28	-	-	(20,625,003)	(20,625,003)
Purchase of treasury shares	15	-	(15,320)	-	(15,320)
Total transactions with owners		-	(15,320)	(20,625,003)	(20,640,323)
Balance at end		177,929,384	(18,880,446)	130,878,604	289,927,542
2021					
Balance at beginning		177,929,384	(15,301,067)	126,325,874	288,954,191
Total comprehensive income for the financial year		-	-	13,877,637	13,877,637
<i>Transactions with owners of the Company:</i>					
Dividends	28	-	-	(4,307,407)	(4,307,407)
Purchase of treasury shares	15	-	(3,564,059)	-	(3,564,059)
Total transactions with owners		-	(3,564,059)	(4,307,407)	(7,871,466)
Balance at end		177,929,384	(18,865,126)	135,896,104	294,960,362

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

Statements Of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	122,205,613	32,746,944	15,682,080	13,935,290
Adjustments for:				
Accretion of interest on lease liability	43,128	59,969	-	-
Allowance for expected credit losses on trade receivables				
- Addition	239,634	5,762,625	-	-
- Reversal	(2,021,979)	(229,163)	-	-
Depreciation of:				
- property, plant and equipment	13,062,887	13,399,490	-	-
- investment properties	88,392	88,392	-	-
- right-of-use asset	262,015	262,015	-	-
Dividend income	-	-	(15,835,537)	(14,458,509)
Interest expenses	831,205	712,397	-	-
Interest income	(1,732,911)	(1,811,599)	(399,745)	(453,494)
Inventories written off	-	137,940	-	-
Loss/(Gain) on disposal of property, plant and equipment	70,047	(853,301)	-	-
Property, plant and equipment expensed off	11,197,968	-	-	-
Property, plant and equipment written off	4	555	-	-
Reversal of inventories written down	(1,924,009)	(851,846)	-	-
Unrealised loss on foreign exchange	782,471	1,012,215	-	-
Unwinding discount on financial assets				
- Addition	-	2,618,282	-	220,233
- Reversal	(2,618,282)	-	(220,233)	-
Operating profit/(loss) before working capital changes	140,486,183	53,054,915	(773,435)	(756,480)
Changes in:				
Inventories	(5,087,077)	(64,378,338)	-	-
Receivables	18,686,025	(17,246,712)	-	-
Payables	(23,832,391)	8,255,739	60,013	3,449
Contract liabilities	1,456,868	(582,402)	-	-
Cash generated from/(used in) operations	131,709,608	(20,896,798)	(713,422)	(753,031)
Interest paid	(831,205)	(712,397)	-	-
Income tax paid	(14,617,540)	(4,728,575)	(133,752)	(91,777)
Income tax refunded	-	3,786	-	3,786
Net cash from/(used in) operating activities	116,260,863	(26,333,984)	(847,174)	(841,022)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,732,911	1,811,599	399,745	453,494
Dividend received from subsidiaries	-	-	15,835,537	14,458,509
Proceeds from disposal of property, plant and equipment	61,900	1,150,000	-	-
Purchase of property, plant and equipment	(4,947,491)	(10,941,500)	-	-
Net changes in fixed deposits with licensed banks	713,397	2,649,142	-	-
Net cash inflow arising from acquisition of subsidiaries	10,318	-	-	-
Net cash (used in)/from investing activities	(2,428,965)	(5,330,759)	16,235,282	14,912,003
Balance carried forward	113,831,898	(31,664,743)	15,388,108	14,070,981

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

Statements Of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

	NOTE	GROUP		COMPANY	
		2022 RM	2021 RM	2022 RM	2021 RM
Balance brought forward		113,831,898	(31,664,743)	15,388,108	14,070,981
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(20,625,003)	(4,307,407)	(20,625,003)	(4,307,407)
Purchase of treasury shares		(15,320)	(3,564,059)	(15,320)	(3,564,059)
Net changes in bankers' acceptance	A	(1,354,045)	(28,890,955)	-	-
Net changes in onshore foreign currency loans	A	(42,351,908)	37,001,138	-	-
Net changes in short term loans	A	(8,949,772)	10,983,207	-	-
Repayment of lease liability	A	(300,000)	(300,000)	-	-
Net changes in subsidiaries' balances		-	-	7,208,925	(20,882,710)
Net cash (used in)/from financing activities		(73,596,048)	10,921,924	(13,431,398)	(28,754,176)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
		40,235,850	(20,742,819)	1,956,710	(14,683,195)
Effects of foreign exchange rates changes		2,113,580	(1,114,649)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING					
		60,097,000	81,954,468	11,280,461	25,963,656
CASH AND CASH EQUIVALENTS AT END					
		102,446,430	60,097,000	13,237,171	11,280,461
Represented by:					
Fixed deposits with licensed banks		35,399,735	31,567,654	-	-
Short term funds with licensed financial institutions		24,867,240	21,740,631	6,838,036	10,776,821
Cash in hand and at banks		67,184,180	32,506,837	6,399,135	503,640
		127,451,155	85,815,122	13,237,171	11,280,461
Less: Fixed deposits with maturity more than three months		(25,004,725)	(25,718,122)	-	-
		102,446,430	60,097,000	13,237,171	11,280,461

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

Statements Of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

A. Reconciliation of liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning	Net cash flows	Others ¹	Balance at end
	RM	RM	RM	RM
GROUP				
2022				
Borrowings	89,357,045	(52,655,725)	1,123,927	37,825,247
Lease liability	750,522	(300,000)	43,128	493,650
Total liabilities arising from financing activities	90,107,567	(52,955,725)	1,167,055	38,318,897
2021				
Borrowings	70,344,199	19,093,390	(80,544)	89,357,045
Lease liability	990,553	(300,000)	59,969	750,522
Total liabilities arising from financing activities	71,334,752	18,793,390	(20,575)	90,107,567

¹ Others consist of non-cash movement as follows:

	GROUP	
	2022	2021
	RM	RM
Accretion of interest on lease liability	43,128	59,969
Unrealised loss/(gain) on foreign exchange	1,123,927	(80,544)
	1,167,055	(20,575)

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

Notes To The Financial Statements

30 JUNE 2022

1. CORPORATE INFORMATION

General

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

The registered office of the Company is located at 51-21-A, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang.

The principal place of business of the Company is located at No. 1586, MK11, Lorong Perusahaan Utama 1, Bukit Tengah Industrial Park, 14000 Bukit Mertajam, Penang.

The Company is a subsidiary of Benua Handal Sdn. Bhd., a company incorporated and domiciled in Malaysia. The directors regard Benua Handal Sdn. Bhd. as the ultimate holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 September 2022.

Principal Activities

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the accounting policies as set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of Measurement (cont'd)

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.

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

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

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

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

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

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

2.3 Functional and Presentation Currency

Ringgit Malaysia ("RM") is the presentation currency of the Group and of the Company.

RM is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operations have different functional currencies.

2.4 Adoption of Amendments to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform - Phase 2

Effective for annual periods beginning on or after 1 April 2021

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

Initial application of the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and for the Company:

Effective for annual period beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework
Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2020

Effective for annual periods beginning on or after 1 January 2023

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

Effective date yet to be confirmed

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

The initial application of the above standards is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption.

2.6 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.6.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (cont'd)

2.6.1 Judgements made in applying accounting policies (cont'd)

Determining the lease term of contract with renewal and termination option - 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, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has a lease contract that includes an extension and termination option. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option or to terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. 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 the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has included the extension options period as part of the lease term for leases of forklifts as it is reasonably certain that the extension options will be exercised. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

2.6.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Useful lives of depreciable assets**

Plant and machinery are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of the plant and machinery to be within 5 to 30 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the plant and machinery. A reduction in the estimated useful lives of the plant and machinery would increase the depreciation charge and decrease the non-current assets.

(ii) **Inventories**

The management reviews for damage, slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 11 to the financial statements.

(iii) **Provision for expected credit losses ("ECL") of receivables**

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (cont'd)

2.6.2 Key sources of estimation uncertainty (cont'd)

(iii) Provision for expected credit losses ("ECL") of receivables (cont'd)

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

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

The information about the ECL on the Group's trade receivables is disclosed in Note 32.3.1 to the financial statements.

(iv) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3. ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below:

3.1 Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.1 Basis of Consolidation (cont'd)

(i) Subsidiaries (cont'd)

Investment in subsidiaries is measured in the Company's financial statements at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

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

(ii) Basis of consolidation

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.13 to the financial statements.

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

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

(iii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group measures the cost of goodwill at the acquisition date at:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.1 Basis of Consolidation (cont'd)

(iii) Business combination (cont'd)

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iv) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserve.

(v) Loss of control

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

(vi) Non-controlling interests

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

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised profits arising on transactions between the Group and its associate which are included in the carrying amount of the related assets and liabilities are eliminated to the extent of the Group's interest in the associate. Unrealised losses on such transactions are also eliminated unless cost cannot be recovered.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.2 Property, Plant and Equipment

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

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:

Leasehold land	Amortise over its lease period of 32 to 40 years
Buildings	2% - 20%
Plant and machinery	3.33% - 20%
Tools and implements	6% - 20%
Office equipment	12.50% - 20%
Furniture and fittings	10% - 20%
Electrical installation	10% - 20%
Motor vehicles	10% - 20%

Freehold land is not depreciated as it has an infinite life.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

3.3 Investment Properties

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

Investment properties are initially measured at cost, including transaction costs. Cost includes expenditures that are directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.3 Investment Properties (cont'd)

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

Freehold land is not depreciated as it has an infinite life. Buildings are depreciated on the straight-line method to write off the cost to its residual value over its estimated useful lives at 2% per annum.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained profits; the transfer is not made through profit or loss.

3.4 Leases

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

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments made and/or to be made, and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Forklifts	4 years
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If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.4 Leases (cont'd)

(ii) Lease liabilities

At the commencement date of the lease, lease liabilities are recognised and measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

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

(iii) Short term leases

The Group applies the short-term lease recognition exemption to its short-term leases of motor vehicle and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statements of comprehensive income due to its operating nature. 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 other income in the period in which they are earned.

3.5 Impairment of Non-Financial Assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss except for assets that were previously revalued where the revaluation surplus was taken to other comprehensive income. In this case the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.5 Impairment of Non-Financial Assets (cont'd)

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset 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.

3.6 Financial Instruments

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

3.6.1 Financial assets

(i) Initial recognition and measurement

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

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

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

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

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

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial assets (cont'd)

(ii) Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group and the Company do not have any FVOCI and FVTPL as at the end of the reporting period.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include cash and cash equivalents, trade receivables, other receivables and refundable deposits and amount due from subsidiaries.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statements of financial position) when:

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

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.1 Financial assets (cont'd)

(iv) Impairment

The Group and the Company recognise allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets, and lease receivables. ECLs are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are 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 loss, the Group and the Company consider 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's 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 the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 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 are exposed to credit risk.

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

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 assess whether the financial assets carried at amortised cost and debt securities at fair value through other comprehensive income 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 fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts owing. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.2 Financial liabilities

(i) Initial recognition and measurement

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

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

(ii) Subsequent measurement

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

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit or loss

The Group and the Company do not have any financial liabilities measured at fair value through profit or loss as at the end of the reporting period.

Financial liabilities at amortised cost

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

(iii) Derecognition

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

3.6.3 Offsetting of financial instruments

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

3.6.4 Financial guarantee contracts

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

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (cont'd)

3.6.4 Financial guarantee contracts (cont'd)

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in statements of comprehensive income over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

3.7 Inventories

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

Cost of raw materials, indirect materials and trading goods is determined on a weighted average basis and comprises the original cost of purchases plus the cost of bringing the inventories to their present location and condition.

The cost of finished goods and work-in-progress includes raw materials, direct labour and attributable production overheads.

Net realisable value represents 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.

3.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

3.9 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

3.10 Borrowing Costs

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

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

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.10 Borrowing Costs (cont'd)

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

3.11 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The performance obligations to recognise revenue are as follows:

(i) **Sale of goods**

Revenue from the sale of goods is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

(ii) **Interest income**

Interest income is recognised as it accrues using the effective interest rate method in profit or loss.

(iii) **Rental income**

Rental income is accounted for on a straight-line basis over the lease terms. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iv) **Dividend income**

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

(v) **Contract balances**

Contract balances consist of the closing balances of the trade receivables and contract liabilities as at the end of the reporting period.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.11 Revenue Recognition (cont'd)

(vi) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sales of goods provide customers with volume rebates. The volume rebates give rise to variable consideration.

Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products sold during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

3.12 Employee Benefits

Short term benefits

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

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred.

3.13 Income Tax

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

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for temporary differences arising from the initial recognition of goodwill and of assets or liabilities in a transaction that is not a business combination and which the initial recognition affects neither accounting nor taxable profit or loss.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.13 Income Tax (cont'd)

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

3.14 Value-added Tax ("VAT")

Revenue, expenses and assets are recognised net of VAT except:

- where the VAT incurred in a purchase of asset or service is not recoverable from the authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with VAT inclusive.

The net VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the statements of financial position.

3.15 Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency at the end of the reporting period are translated to the functional currency at the exchange rate at the date of the transaction except for those measured at fair value shall be translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

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

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.15 Foreign Currency (cont'd)

Foreign operations

The assets and liabilities of foreign operations are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Exchange differences are recognised in other comprehensive income and accumulated in the foreign translation reserve ("FTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the exchange difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, the significant influence or joint control is lost, the cumulative amount in the FTR related to the foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FTR in equity.

3.16 Operating Segments

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

3.17 Share Capital, Share Issuance Costs and Dividends

Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Share issuance costs

Incremental external costs directly attributable to the issuance of new shares are deducted against equity.

Dividends

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared or approved.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

3. ACCOUNTING POLICIES (CONT'D)

3.18 Contingencies

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

3.19 Treasury Shares

When share capital recognised as equity is repurchased, the amount of the consideration paid including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statements of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

3.20 Related Parties

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

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

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

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

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

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT GROUP

	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Tools and implements RM	Office equipment RM	Furniture and fittings RM	Electrical installation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
2022											
At cost											
Balance at beginning	133,741	31,975,077	101,977,084	300,026,553	22,812,192	11,531,119	560,132	3,004,707	4,347,434	10,747,490	487,115,529
Additions	-	-	302,790	2,532,720	2,000	56,347	-	363,650	42,768	1,647,216	4,947,491
Disposals	-	-	-	(777,489)	-	(2,400)	-	-	-	-	(779,889)
Written offs	-	-	-	(398,500)	-	(36,219)	-	-	-	-	(434,719)
Expensed off	-	-	-	-	-	-	-	-	-	(11,197,968)	(11,197,968)
Reclassification	-	-	-	425,337	-	-	-	-	-	(425,337)	-
Exchange differences	-	665,075	2,422,130	6,306,093	603,679	130,076	-	-	71,245	327,820	10,526,118
Balance at end	133,741	32,640,152	104,702,004	308,114,714	23,417,871	11,678,923	560,132	3,368,357	4,461,447	1,099,221	490,176,562
Accumulated depreciation											
Balance at beginning	-	11,129,503	39,315,676	243,569,675	21,636,228	7,425,330	524,508	2,598,822	3,694,028	-	329,893,770
Current charge	-	360,743	2,591,796	8,264,865	412,250	1,326,828	4,028	72,882	29,495	-	13,062,887
Disposals	-	-	-	(646,462)	-	(1,480)	-	-	-	-	(647,942)
Written offs	-	-	-	(398,496)	-	(36,219)	-	-	-	-	(434,715)
Exchange differences	-	212,698	970,103	5,535,064	579,666	114,758	-	-	47,677	-	7,459,966
Balance at end	-	11,702,944	42,877,575	256,324,646	22,628,144	8,829,217	528,536	2,671,704	3,771,200	-	349,333,966
Carrying amount	133,741	20,937,208	61,824,429	51,790,068	789,727	2,849,706	31,596	696,653	690,247	1,099,221	140,842,596

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

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

	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Tools and implements RM	Office equipment RM	Furniture and fittings RM	Electrical installation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
2021											
At cost											
Balance at beginning	233,741	32,303,254	102,040,659	301,543,521	23,097,325	10,060,386	523,252	3,004,707	4,382,167	5,562,477	482,751,489
Additions	-	-	1,508,516	2,573,230	12,748	1,537,458	36,880	-	-	5,272,668	10,941,500
Disposals	(100,000)	-	(406,685)	-	-	-	-	-	-	-	(506,685)
Written offs	-	-	-	(1,020,175)	-	(2,540)	-	-	-	-	(1,022,715)
Exchange differences	-	(328,177)	(1,165,406)	(3,070,023)	(297,881)	(64,185)	-	-	(34,733)	(87,655)	(5,048,060)
Balance at end	133,741	31,975,077	101,977,084	300,026,553	22,812,192	11,531,119	560,132	3,004,707	4,347,434	10,747,490	487,115,529
Accumulated depreciation											
Balance at beginning	-	10,873,714	37,316,491	238,958,002	21,401,154	6,180,035	522,268	2,563,250	3,364,807	-	321,179,722
Current charge	-	360,743	2,624,216	8,220,132	512,017	1,295,844	2,240	35,572	348,727	-	13,399,490
Disposals	-	-	(209,986)	-	-	-	-	-	-	-	(209,986)
Written offs	-	-	-	(1,020,170)	-	(1,990)	-	-	-	-	(1,022,160)
Exchange differences	-	(104,954)	(415,045)	(2,588,289)	(276,943)	(48,559)	-	-	(19,506)	-	(3,453,296)
Balance at end	-	11,129,503	39,315,676	243,569,675	21,636,228	7,425,330	524,508	2,598,822	3,694,028	-	329,893,770
Carrying amount	133,741	20,845,574	62,661,408	56,456,878	1,175,964	4,105,789	35,624	405,885	653,406	10,747,490	157,221,759

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

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

COMPANY

	Office equipment	
	2022 RM	2021 RM
At cost	<u>1,600</u>	<u>1,600</u>
Accumulated depreciation	<u>1,599</u>	<u>1,599</u>
Carrying amount	<u>1</u>	<u>1</u>

- (i) On 28 August 2020, the Group had entered into a Sale and Purchase Agreement with a third party to dispose of one unit double storey semi-detached house for a cash consideration of RM1,150,000. The disposal transaction had been completed in the prior financial year.
- (ii) The information of right-of-use asset which is included in the property, plant and equipment is as follows:

	Carrying amount RM	Current depreciation RM	Exchange differences RM
2022			
Leasehold land	<u>20,937,208</u>	<u>(360,743)</u>	<u>452,377</u>
2021			
Leasehold land	<u>20,845,574</u>	<u>(360,743)</u>	<u>(223,223)</u>

5. INVESTMENT PROPERTIES

	Freehold land RM	Buildings RM	Total RM
GROUP			
2022			
At cost			
Balance at beginning	2,856,710	4,419,607	7,276,317
Arising from acquisition of subsidiaries	62,080,530	-	62,080,530
Balance at end	<u>64,937,240</u>	<u>4,419,607</u>	<u>69,356,847</u>
Accumulated depreciation			
Balance at beginning	-	1,935,459	1,935,459
Current charge	-	88,392	88,392
Balance at end	<u>-</u>	<u>2,023,851</u>	<u>2,023,851</u>
Carrying amount	<u>64,937,240</u>	<u>2,395,756</u>	<u>67,322,996</u>

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

	Freehold land RM	Buildings RM	Total RM
2021			
At cost			
Balance at beginning/end	<u>2,856,710</u>	<u>4,419,607</u>	<u>7,276,317</u>
Accumulated depreciation			
Balance at beginning	-	1,847,067	1,847,067
Current charge	<u>-</u>	<u>88,392</u>	<u>88,392</u>
Balance at end	<u>-</u>	<u>1,935,459</u>	<u>1,935,459</u>
Carrying amount	<u>2,856,710</u>	<u>2,484,148</u>	<u>5,340,858</u>

- (i) The investment properties have an open market value of approximately RM86,250,000 (2021: RM23,200,000). The valuations are performed by independent professional valuers using the market comparison approach. The appraised values were derived from observable prices per square foot for comparable properties in similar locations (i.e. Level 3). Please refer to Note 2.2 to the financial statements for definition of Level 1 to 3 of the fair value hierarchy.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the freehold land and buildings.

Level 3 fair value of freehold land and buildings have been generally derived using the market comparison approach. Selling prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is price per square foot of comparable properties.

- (ii) **Group as lessor**

The Group has entered into operating leases on its investment properties. These leases have terms of between one to three years.

The following are recognised in profit or loss in respect of investment properties:

	GROUP	
	2022	2021
	RM	RM
Rental income from income generating properties	622,250	475,100
Direct operating expenses arising from rental income generating properties, including depreciation	<u>160,072</u>	<u>159,950</u>

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

(ii) Group as lessor (cont'd)

Future minimum rental receivables under non-cancellable operating leases are as follows:

	GROUP	
	2022 RM	2021 RM
Within one year	512,400	739,600
More than one year and less than five years	97,000	565,400
	<u>609,400</u>	<u>1,305,000</u>

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY

Group as lessee

The Group has a lease contract for forklifts used in its operations that has lease term of three years, with an option to extend the lease for one year. Generally, the Group is restricted from assigning and subleasing the leased asset.

The Group also has certain leases of motor vehicle and equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Right-of-use asset

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

GROUP	Forklifts	
	2022 RM	2021 RM
Balance at beginning	720,542	982,557
Depreciation	(262,015)	(262,015)
Balance at end	<u>458,527</u>	<u>720,542</u>

Lease liability

Set out below are the carrying amount of lease liability recognised and the movements during the financial year:

	2022 RM	2021 RM
Balance at beginning	750,522	990,553
Accretion of interest	43,128	59,969
Payments	(300,000)	(300,000)
Balance at end	<u>493,650</u>	<u>750,522</u>

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

6 RIGHT-OF-USE ASSET AND LEASE LIABILITY (CONT'D)

Lease liability (cont'd)

	2022 RM	2021 RM
Represented by:		
Non-current	218,755	493,650
Current	<u>274,895</u>	<u>256,872</u>
	<u>493,650</u>	<u>750,522</u>

The maturity analysis of lease liability is disclosed in Note 32.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	2022 RM	2021 RM
Depreciation expense of right-of-use asset	262,015	262,015
Accretion of interest on lease liability	43,128	59,969
Expenses relating to short-term leases	<u>22,520</u>	<u>31,012</u>
Total amount recognised in profit or loss	<u>327,663</u>	<u>352,996</u>

The total cash outflows for leases during the financial year are **RM322,520** (2021: RM331,012).

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2022 RM	2021 RM
Unquoted shares, at cost	221,551,296	221,551,296
Unquoted non-cumulative redeemable preference shares, at cost	<u>41,500,000</u>	<u>41,500,000</u>
	<u>263,051,296</u>	<u>263,051,296</u>

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries, all of which are incorporated in Malaysia, except where indicated, are as follows:

Name of Subsidiaries	Effective Equity Interest		Principal Activities
	2022 %	2021 %	
Chin Well Fasteners Co. Sdn. Bhd.	100	100	Manufacturing of screw, nuts, bolts and other fastening products.
Chin Well Service Centre Sdn. Bhd. ("CWSC")	100	100	Trading in screws, nuts, bolts, steel bar and other fastening products.
Chin Herr Industries (M) Sdn. Bhd.	100	100	Manufacturing of precision galvanised wire, annealing wire, bright wire, hard drawn wire, PVC wire, bent round bar and grill mesh.
* Chin Well Fasteners (Vietnam) Co., Ltd. (Incorporated in Vietnam)	100	100	Manufacturing of screws, nuts, bolts and other fastening products.
# Asia Angel Holdings Limited (Incorporated in British Virgin Island)	100	100	Investment holding.
Indirect held through CWSC			
Jadi Raya Development Sdn. Bhd. ("Jadi")	45	-	Property investment.
NBH Realty Sdn. Bhd. ("NBH")	45	-	Property investment.

* Not audited by Grant Thornton Malaysia PLT.

Not required to be audited in the country of incorporation. The directors have consolidated the results of this subsidiary based on its management accounts which have been audited by Grant Thornton Malaysia PLT for consolidation purpose.

Although the Group owns less than half of the equity interest and the voting power of Jadi and NBH, the directors have determined that the Group controls these two entities. The Group has the control over Jadi and NBH, on the basis that the remaining voting rights are owned by the companies in which certain directors of the Company have substantial financial interests and the Group has the current ability to direct the two entities activities that most significantly affect their returns. Consequently, the Group consolidates its investment in the two entities.

7.1 Acquisition of subsidiaries

On 7 February 2022, CWSC, a wholly-owned subsidiary of the Company, has subscribed 45,000 ordinary shares in Jadi and NBH respectively, representing 45% equity interests in Jadi and NBH by way of converting amount due from CWSC of RM1,785,494.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

7.2 Subsidiaries with material non-controlling interests ("NCI")

The details of the material NCI are as follows:

	Jadi	NBH
2022		
NCI percentage of ownership interest and voting interest (%)	55%	55%
Carrying amount of NCI (RM)	<u>58,067</u>	<u>1,993,908</u>
Loss allocated to NCI (RM)	<u>(9,063)</u>	<u>(22,819)</u>

The summarised financial information of material NCI presented below is the amount before inter-company elimination:

	Jadi	NBH
	RM	RM
2022		
Assets and liabilities		
Non-current asset	17,000,000	45,000,000
Current asset	15,676	28,751
Non-current liabilities	-	(436,422)
Current liabilities	<u>(16,910,100)</u>	<u>(40,967,041)</u>
Net assets	<u>105,576</u>	<u>3,625,288</u>
Results		
Net loss, representing total comprehensive loss for the financial period	<u>(113,352)</u>	<u>(123,561)</u>
Net cash (used in)/generated from:		
Operating activities	(130,597)	(130,904)
Financing activities	<u>145,963</u>	<u>149,635</u>
Net change in cash and bank balances	<u>15,366</u>	<u>18,731</u>

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current				
¹ Other receivables	-	23,331,070	-	-
Current				
Other receivables	1,058,163	550,625	-	-
Refundable deposits	289,779	303,982	4,500	4,500
Non-refundable deposits	40,597	40,597	-	-
Prepayments	1,952,811	1,025,764	-	-
Down payment for purchase of raw materials	7,100,547	20,025,433	-	-
VAT receivables	6,466,286	6,385,174	-	-
	16,908,183	28,331,575	4,500	4,500
Total other receivables, deposits and prepayments	16,908,183	51,662,645	4,500	4,500

¹ The entire amount had been reclassified to amount due from subsidiaries after Jadi Raya Development Sdn. Bhd. and NBH Realty Sdn. Bhd. become Chin Well Service Centre Sdn. Bhd.'s subsidiaries during the financial year.

The currency profile of other receivables, deposits and prepayments is as follows:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	2,213,845	41,150,355	4,500	4,500
United States Dollar	7,775,220	-	-	-
Vietnam Dong	6,919,118	10,512,290	-	-
	16,908,183	51,662,645	4,500	4,500

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

9. AMOUNT DUE FROM SUBSIDIARIES

	COMPANY	
	2022 RM	2021 RM
Non-current		
- Interest bearing at 1.80% (2021: 1.15%) per annum	<u>1,199,650</u>	<u>10,589,043</u>
Current		
- Interest bearing at 1.80% (2021: 1.15%) per annum	<u>12,237,825</u>	<u>9,840,724</u>
- Non-interest bearing	<u>447,289</u>	<u>443,689</u>
	<u>12,685,114</u>	<u>10,284,413</u>
Total amount due from subsidiaries	<u>13,884,764</u>	<u>20,873,456</u>

The amount due from subsidiaries is non-trade related, unsecured and classified based on the expected timing of realisation.

10. DEFERRED TAX (ASSETS)/LIABILITIES

	GROUP	
	2022 RM	2021 RM
Balance at beginning	8,242,619	9,327,725
Recognised in profit or loss	284,422	(1,187,480)
Arising from acquisition of a subsidiary	436,422	-
Exchange differences	<u>(6,838)</u>	<u>3,374</u>
	8,956,625	8,143,619
(Over)/Under provision in prior year	<u>(631,000)</u>	<u>99,000</u>
Balance at end	<u>8,325,625</u>	<u>8,242,619</u>

The recognised deferred tax (assets)/liabilities, after appropriate offsetting, are as follows:

	GROUP	
	2022 RM	2021 RM
Deferred tax assets	(143,370)	(136,532)
Deferred tax liabilities	<u>8,468,995</u>	<u>8,379,151</u>
	<u>8,325,625</u>	<u>8,242,619</u>

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

10. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The deferred tax (assets)/liabilities as at the end of the reporting period are made up of the temporary differences arising from:

	GROUP	
	2022	2021
	RM	RM
Property, plant and equipment	8,912,852	7,953,909
Investment properties	436,422	503,242
Right-of-use asset	110,046	172,930
Lease liability	(118,476)	(180,125)
Provisions	(1,015,219)	(207,337)
	8,325,625	8,242,619

11. INVENTORIES

	GROUP	
	2022	2021
	RM	RM
At cost		
Raw materials	121,222,602	120,455,879
Work-in-progress	40,542,475	45,039,415
Finished goods	125,998,001	113,774,044
Indirect materials	47,990,485	42,434,723
Trading goods	210,584	216,396
	335,964,147	321,920,457
At net realisable value		
Finished goods	2,730,903	3,407,824
Trading goods	153,121	103,563
	2,884,024	3,511,387
	338,848,171	325,431,844
Cost of inventories recognised in profit or loss:		
Inventories recognised as cost of sales	504,452,978	419,847,032
Reversal of inventories written down	(1,924,009)	(851,846)
Inventories written down	-	137,940

The reversal of inventories written down was made during the financial year when the related inventories were sold above their carrying amounts.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

12. TRADE RECEIVABLES

	GROUP	
	2022 RM	2021 RM
Trade receivables	125,295,097	106,875,024
Less: Allowance for expected credit losses		
Balance at beginning	(24,876,491)	(19,343,029)
Current year	(239,634)	(5,762,625)
Reversal	2,021,979	229,163
Balance at end	<u>(23,094,146)</u>	<u>(24,876,491)</u>
	<u>102,200,951</u>	<u>81,998,533</u>

The normal credit terms granted to trade receivables range from **30 to 120 days** (2021: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The currency profile of trade receivables is as follows:

	GROUP	
	2022 RM	2021 RM
Ringgit Malaysia	39,510,819	29,937,977
United States Dollar	46,824,569	47,689,242
Euro	15,660,224	3,954,875
Vietnam Dong	155,753	370,199
Singapore Dollar	49,586	46,240
	<u>102,200,951</u>	<u>81,998,533</u>

13. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed deposits with licensed banks	35,399,735	31,567,654	-	-
Short term funds with licensed financial institutions	24,867,240	21,740,631	6,838,036	10,776,821
Cash in hand and at banks	67,184,180	32,506,837	6,399,135	503,640
	<u>127,451,155</u>	<u>85,815,122</u>	<u>13,237,171</u>	<u>11,280,461</u>

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

13. CASH AND BANK BALANCES (CONT'D)

Short term funds with licensed financial institutions are primarily invested in money market instruments with financial institutions. The funds can be redeemed at any point in time upon request.

The effective interest rates per annum and maturities of the fixed deposits with licensed banks of the Group as at the end of the reporting period range from **3.20% to 5.30%** (2021: 3.60% to 5.10%) per annum and **3 months to 12 months** (2021: 3 month to 12 months) respectively.

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	34,912,372	35,480,491	6,840,642	11,279,483
Vietnam Dong	37,358,310	29,942,305	-	-
United States Dollar	48,207,550	18,119,091	6,396,529	978
Euro	6,926,941	2,143,994	-	-
Singapore Dollar	45,982	129,241	-	-
	127,451,155	85,815,122	13,237,171	11,280,461

14. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2022	2021	2022 RM	2021 RM
Issued and fully paid with no par value	299,533,168	299,533,168	177,929,384	177,929,384

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

15. TREASURY SHARES

The Company's mandate relating to the share buyback of up to 10% of the existing total paid-up share capital, inclusive of all treasury shares that have been bought back, was approved by the shareholders of the Company at the annual general meeting held on 28 January 2022.

During the financial year, the Company purchased **10,000** (2021: 2,914,400) of its issued ordinary shares from the open market at an average price of **RM1.52** (2021: RM1.2177) per share. The total consideration paid for the share buy back was **RM15,320** (2021: RM3,564,059), including transaction costs of **RM120** (2021: RM15,194). None of the treasury shares held were resold or cancelled during the financial year.

As at the end of the reporting period, the Company held a total of **13,079,800** (2021: 13,069,800) ordinary shares as treasury shares out of its total issued and paid up share capital. The number of outstanding ordinary shares in issue after deducting the treasury shares as at the end of the reporting period was **286,453,368** (2021: 286,463,368) ordinary shares.

Treasury shares have no rights to voting, dividends and participation in other distribution.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

16. FOREIGN CURRENCY TRANSLATION RESERVE

GROUP

Foreign currency translation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

17. RETAINED PROFITS

COMPANY

The franking of dividends of the Company is under the single tier system and therefore there is no restriction on the Company to distribute dividends subject to the availability of retained profits.

18. TRADE PAYABLES

The credit terms extended by trade payables range from **30 to 90 days** (2021: 30 to 90 days).

Included in the trade payables is an amount of **RM1,732,170** (2021: RM3,170,412) due to the companies in which certain directors of the Company have financial interests and are unsecured and non-interest bearing.

The currency profile of trade payables is as follows:

	GROUP	
	2022 RM	2021 RM
Ringgit Malaysia	7,427,336	5,918,539
Vietnam Dong	14,576,398	13,652,094
United States Dollar	1,445,877	4,013,855
	<u>23,449,611</u>	<u>23,584,488</u>

19. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables	40,539,696	6,070,566	3,012	1,343
Accruals	7,124,600	4,331,296	356,344	298,000
	<u>47,664,296</u>	<u>10,401,862</u>	<u>359,356</u>	<u>299,343</u>

Included in the other payables of the Group is an amount of **RM31,925,284** (2021: RM Nil) due to non-controlling interests in which certain directors of the Company have substantial financial interests. It is non-trade related, unsecured, non-interest bearing and repayable on demand.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

19. OTHER PAYABLES AND ACCRUALS (CONT'D)

The currency profile of other payables and accruals is as follows:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia	40,761,180	7,188,711	359,356	299,343
Vietnam Dong	6,574,551	2,963,489	-	-
United States Dollar	326,120	41,982	-	-
Euro	2,445	207,680	-	-
	<u>47,664,296</u>	<u>10,401,862</u>	<u>359,356</u>	<u>299,343</u>

20. BORROWINGS

	GROUP	
	2022 RM	2021 RM
Bankers' acceptance	-	1,354,045
Onshore foreign currency loans	27,339,195	69,691,103
Short term loans	10,486,052	18,311,897
	<u>37,825,247</u>	<u>89,357,045</u>

The borrowings are secured by way of corporate guarantees of the Company and negative pledge of certain subsidiaries.

The effective interest rates per annum of the borrowings are as follows:

	GROUP	
	2022 %	2021 %
Bankers' acceptance	-	2.04
Onshore foreign currency loans	1.45 to 2.20	0.40 to 0.45
Short term loans	1.20 to 1.30	1.33 to 2.50

The currency profile of borrowings is as follows:

	GROUP	
	2022 RM	2021 RM
Ringgit Malaysia	-	1,354,045
United States Dollar	37,825,247	84,316,897
Vietnam Dong	-	3,686,103
	<u>37,825,247</u>	<u>89,357,045</u>

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

21. CONTRACT LIABILITIES

	GROUP	
	2022 RM	2021 RM
Balance at beginning	978,275	1,573,526
Revenue recognised during the year	(978,275)	(1,573,526)
Deposits received during the year	2,435,143	978,275
	<u>2,435,143</u>	<u>978,275</u>
Balance at end	<u>2,435,143</u>	<u>978,275</u>

Contract liabilities represent deposits received from customers in advance for sales orders before commencing production activity. The deposits will be reversed and recognised as revenue upon satisfying the performance obligation.

All deposits received are expected to be recognised as revenue within one year from the date of receipt.

22. REVENUE

22.1 Disaggregation revenue information

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Types of revenue				
Sale of goods, representing total revenue from contracts with customers	657,837,565	491,655,214	-	-
Dividend income, representing other revenue	-	-	15,835,537	14,458,509
Total revenue	<u>657,837,565</u>	<u>491,655,214</u>	<u>15,835,537</u>	<u>14,458,509</u>
Geographical markets				
Europe	282,238,925	137,679,971	-	-
Malaysia	185,703,794	156,570,263	-	-
North America	136,338,207	140,856,281	-	-
Other Asia Pacific countries	25,001,187	44,730,347	-	-
Australia	23,688,681	5,256,095	-	-
Vietnam	2,909,369	2,940,489	-	-
Others	1,957,402	3,621,768	-	-
Total revenue from contracts with customers	<u>657,837,565</u>	<u>491,655,214</u>	<u>-</u>	<u>-</u>
Timing of revenue recognition				
Revenue recognised at a point in time, representing total revenue from contracts with customers	657,837,565	491,655,214	-	-

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

22. REVENUE (CONT'D)

22.2 Performance obligations

The performance obligations are spelt out in Note 3.11 to the financial statements.

23. OTHER INCOME

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
Gain on disposal of property, plant and equipment	-	853,301	-	-
Interest income	1,732,911	1,811,599	399,745	453,494
Realised gain on foreign exchange	2,425,985	3,122,685	90,590	-
Rental income	628,250	485,600	-	-
Reversal of unwinding discount on financial assets	2,618,282	-	220,233	-
Others	102,987	2,524	-	-
	7,508,415	6,275,709	710,568	453,494

24. FINANCE COSTS

	GROUP		COMPANY	
	2022	2021	2022	2021
	RM	RM	RM	RM
Interest expenses on:				
- Accretion of interest on lease liability	43,128	59,969	-	-
- Bank overdraft	28,297	29,995	-	-
- Bankers' acceptance	64,623	214,677	-	-
- Letter of credit charges	34,823	167,415	-	-
- Onshore foreign currency loans	266,021	172,919	-	-
- Short term loans	437,441	127,391	-	-
- Unwinding discount on financial assets	-	2,618,282	-	220,233
	874,333	3,390,648	-	220,233

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

25. PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
After charging:				
Allowances for expected credit losses on trade receivables				
- Addition	239,634	5,762,625	-	-
- Reversal	(2,021,979)	(229,163)	-	-
Auditors' remuneration				
- Statutory audit				
- Company's auditors				
- Current year	120,000	101,000	38,000	26,000
- Under/(Over) provision in prior year	3,000	3,000	(1,000)	1,000
- Other services	2,000	2,000	2,000	2,000
- Other auditors	46,878	41,392	-	-
Depreciation of:				
- property, plant and equipment	13,062,887	13,399,490	-	-
- investment properties	88,392	88,392	-	-
- right-of-use asset	262,015	262,015	-	-
Directors' fees	315,000	270,000	315,000	270,000
Expense relating to short term leases	22,520	31,012	-	-
Inventories written off	-	137,940	-	-
Loss on disposal of property plant and equipment	70,047	-	-	-
Property, plant and equipment expensed off	11,197,968	-	-	-
Property, plant and equipment written off	4	555	-	-
Realised loss on foreign exchange	-	396,127	-	-
Reversal of inventories written down	(1,924,009)	(851,846)	-	-
* Staff costs	50,545,859	47,728,620	5,800	5,800
Unrealised loss on foreign exchange	782,471	1,012,215	-	-
* Staff costs				
- Salaries, allowances, bonus, wages and incentive	49,069,735	46,202,660	5,800	5,800
- EPF	1,226,666	1,303,481	-	-
- SOCSO and EIS	249,458	222,479	-	-
	50,545,859	47,728,620	5,800	5,800

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

25. PROFIT BEFORE TAX (CONT'D)

Directors' remuneration

Included in the staff costs are directors' remuneration as shown below:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive directors of the Company:				
Directors' emoluments				
- Salaries, allowances and bonus	4,612,995	3,173,775	2,000	2,000
- EPF	284,000	154,400	-	-
	4,896,995	3,328,175	2,000	2,000
Benefits-in-kind	16,500	15,500	-	-
	4,913,495	3,343,675	2,000	2,000
Non-Executive directors of the Company:				
Directors' emoluments				
- Allowances	3,800	3,800	3,800	3,800
Executive directors of subsidiaries:				
Directors' emoluments				
- Salaries, allowances and bonus	1,552,600	1,945,611	-	-
- EPF	-	99,600	-	-
	1,552,600	2,045,211	-	-
Benefits-in-kind	-	2,000	-	-
	1,552,600	2,047,211	-	-
Total directors' remuneration	6,469,895	5,394,686	5,800	5,800

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

26. TAXATION

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax:				
Based on results for the financial year				
- Malaysian income tax	(13,540,000)	(5,947,000)	(73,000)	(58,000)
- Foreign tax	(12,946,501)	(3,409,696)	-	-
- Real property gains tax	-	(89,710)	-	-
	(26,486,501)	(9,446,406)	(73,000)	(58,000)
Deferred tax:				
Relating to origination and reversal of temporary differences	(284,422)	1,187,480	-	-
	(26,770,923)	(8,258,926)	(73,000)	(58,000)
Over/(Under) provision in prior year				
- Current tax	(108,975)	(996,333)	(1,577)	347
- Deferred tax	631,000	(99,000)	-	-
	522,025	(1,095,333)	(1,577)	347
	(26,248,898)	(9,354,259)	(74,577)	(57,653)

Taxation for other jurisdiction is calculated at the rate prevailing in that jurisdiction.

The reconciliation of the tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax	122,205,613	32,746,944	15,682,080	13,935,290
Income tax at Malaysian statutory tax rate of 24%	(29,329,347)	(7,859,267)	(3,763,699)	(3,344,470)
Effect of tax rate in foreign jurisdiction	2,589,300	705,912	-	-
Income not subject to tax	167,246	313,859	3,870,965	3,519,399
Expenses not deductible for tax purposes	(198,122)	(1,329,720)	(180,266)	(232,929)
Effect of real property gains tax	-	(89,710)	-	-
	(26,770,923)	(8,258,926)	(73,000)	(58,000)
Over/(Under) provision in prior year	522,025	(1,095,333)	(1,577)	347
	(26,248,898)	(9,354,259)	(74,577)	(57,653)

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

27. EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2022	2021
	RM	RM
Profit attributable to owners of the Company (RM)	<u>95,988,597</u>	<u>23,392,685</u>
Weighted average number of ordinary shares in issue	<u>286,459,560</u>	<u>288,569,981</u>
Basic earnings per share (sen)	<u>33.51</u>	<u>8.11</u>

(ii) Diluted earnings per share

The basic earnings and diluted earnings per share are the same as the Company does not have any convertible financial instruments as at the end of the reporting period.

28. DIVIDENDS

	2022	2021
	RM	RM
In respect of financial year ended 30 June 2022:		
- Single tier first interim dividend of 5.40 sen per ordinary share	15,468,662	-
In respect of financial year ended 30 June 2021:		
- Single tier second interim dividend of 1.80 sen per ordinary share	5,156,341	-
- Single tier first interim dividend of 1.50 sen per ordinary share	-	4,307,407
	<u>20,625,003</u>	<u>4,307,407</u>

On 29 August 2022, the Company has declared a single tier second interim dividend of RM0.08 per ordinary share amounting to RM22,916,269 in respect of the financial year ended 30 June 2022 and payable on 24 November 2022. The financial statements for the current financial year do not reflect these declared dividends. Such dividends will be accounted for in shareholders' equity as appropriation of retained profits in the financial year ending 30 June 2023.

29. SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business and geographical segments.

The business segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

29. SEGMENTAL INFORMATION (CONT'D)

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business Segments

The Group comprises the following main business segments:

- (1) Fastening products : Manufacturing and trading of screws, nuts, bolts and other fastening products.
- (2) Wire products : Manufacturing of precision galvanised wire, annealing wire, bright wire, hard drawn wire, PVC wire, bent round bar and grill mesh.
- (3) Investment holding : Investment holding and property investment.

Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's Managing Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

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

Segment assets exclude tax assets and unallocated assets.

Segment liabilities exclude tax liabilities and unallocated liabilities.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

29. SEGMENTAL INFORMATION (CONT'D)

By business segment

	Fastening products RM	Wire products RM	Investment holding RM	Elimination RM	Note	Total RM
2022						
Revenue						
External sales	493,264,841	164,572,724	-	-		657,837,565
Inter-segment sales	15,936,068	-	15,835,537	(31,771,605)	A	-
Total revenue	509,200,909	164,572,724	15,835,537	(31,771,605)		657,837,565
Results						
Segment result	103,251,998	18,647,392	(552,355)	-		121,347,035
Interest income						1,732,911
Interest expense						(874,333)
Profit before tax						122,205,613
Taxation						(26,248,898)
Profit for the financial year						95,956,715
Assets						
Segment assets	597,852,961	119,487,802	76,701,816	-		794,042,579
Deferred tax assets						143,370
Current tax assets						3,273,758
Total assets						797,459,707
Liabilities						
Segment liabilities	67,665,426	11,873,955	32,328,566	-		111,867,947
Deferred tax liabilities						8,468,995
Current tax liabilities						9,895,265
Total liabilities						130,232,207
Other segment information						
Additions to non-current assets	4,200,955	746,536	-	-	B	4,947,491
Depreciation						
- property, plant and equipment	9,382,434	3,680,453	-	-		13,062,887
- investment properties	88,392	-	-	-		88,392
- right-of-use asset	262,015	-	-	-		262,015
Non-cash expenses other than depreciation	5,675,526	50,328	-	-	C	5,725,854

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

29. SEGMENTAL INFORMATION (CONT'D)

By business segment

	Fastening products RM	Wire products RM	Investment holding RM	Elimination RM	Note	Total RM
2021						
Revenue						
External sales	352,293,297	139,361,917	-	-		491,655,214
Inter-segment sales	14,070,645	-	22,633,014	(36,703,659)	A	-
Total revenue	<u>366,363,942</u>	<u>139,361,917</u>	<u>22,633,014</u>	<u>(36,703,659)</u>		<u>491,655,214</u>
Results						
Segment result	20,828,969	14,180,823	(683,799)	-		34,325,993
Interest income						1,811,599
Interest expense						<u>(3,390,648)</u>
Profit before tax						32,746,944
Taxation						<u>(9,354,259)</u>
Profit for the financial year						<u>23,392,685</u>
Assets						
Segment assets	555,681,174	141,009,826	11,500,303	-		708,191,303
Deferred tax assets						136,532
Current tax assets						<u>6,563,516</u>
Total assets						<u>714,891,351</u>
Liabilities						
Segment liabilities	80,983,679	43,755,249	333,264	-		125,072,192
Deferred tax liabilities						8,379,151
Current tax liabilities						<u>1,008,989</u>
Total liabilities						<u>134,460,332</u>
Other segment information						
Additions to non-current assets	10,503,641	437,859	-	-	B	10,941,500
Depreciation						
- property, plant and equipment	9,564,555	3,834,935	-	-		13,399,490
- investment properties	88,392	-	-	-		88,392
- right-of-use asset	262,015	-	-	-		262,015
Non-cash expenses other than depreciation	4,731,769	247,256	-	-	C	4,979,025

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

29. SEGMENTAL INFORMATION (CONT'D)

Notes to segmental information:

- A Inter-segment revenues are eliminated on consolidation.
- B Additions to non-current assets consist of total costs incurred to acquire property, plant and equipment and investment properties. It excludes the additions of right-of-use assets, financial instruments and deferred tax assets.
- C Other material non-cash expenses/(income) other than depreciation consist of the following items:

	2022 RM	2021 RM
Allowance for expected credit losses on trade receivables:		
- Addition	239,634	5,762,625
- Reversal	(2,021,979)	(229,163)
Loss/(Gain) on disposal of property, plant and equipment	70,047	(853,301)
Inventories written off	-	137,940
Property, plant and equipment expensed off	11,197,968	-
Property, plant and equipment written off	4	555
Reversal of inventories written down	(1,924,009)	(851,846)
Reversal of unwinding discount on financial assets	(2,618,282)	-
Unrealised loss on foreign exchange	782,471	1,012,215
	<u>5,725,854</u>	<u>4,979,025</u>

By geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers as disclosed in Note 22.1 to the financial statements. Segment assets are based on the geographical location of assets.

	Non-current assets	
	2022 RM	2021 RM
Malaysia	153,296,830	119,430,123
Vietnam	55,480,659	67,320,638
	<u>208,777,489</u>	<u>186,750,761</u>

Information about major customers

Total revenue from 1 (2021: 1) major customer which individually contributed to 10% or more of the Group's revenue amounted to **RM74,596,756** (2021: RM98,756,879), arising from the fastening products division.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

30. CAPITAL COMMITMENTS

	GROUP	
	2022	2021
	RM	RM
Approved but not provided for:		
- Property, plant and equipment	921,563	1,945,171

31. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group and the Company have related parties relationship with its subsidiaries, key management personnel and the following parties:

Related parties	Relationship
Amal Pintas Sdn. Bhd.	A company in which the directors of the Company, Mr. Tsai Yung Chuan, Madam Tsai Chang Hsiu-Hsiang and Ms. Tsai Chia Ling, have financial interests.
Ghazi & Lim	A solicitor firm in which a director of the Company, Mr. Lim Chien Ch'eng, has financial interests.
Jinn Her Enterprise Co., Ltd.	A company in which the directors of the Company, Mr. Tsai Yung Chuan, Madam Tsai Chang Hsiu-Hsiang and Ms. Tsai Chia Ling, have financial interests.
Jiuh Yang Metal Industry Sdn. Bhd.	A company in which a director of the Company, Mr. Tsai Yung Chuan, has financial interests.
Sunergy Sdn. Bhd.	A company in which a director of the Company, Mr. Lim Chien Ch'eng, has financial interests.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

31. RELATED PARTY DISCLOSURES (CONT'D)

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year.

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Purchase of goods from:				
- Jinn Her Enterprise Co., Ltd.	3,679,455	2,484,608	-	-
- Jiu Yang Metal Industry Sdn. Bhd.	6,347,606	3,668,394	-	-
Purchase of machinery from Jinn Her Enterprise Co., Ltd.	74,375	-	-	-
Gross dividend income from subsidiaries	-	-	15,835,537	14,458,509
Interest income from a subsidiary	-	-	237,910	237,475
Advances to a subsidiary	-	-	-	24,900,000
Payments on behalf by:				
- Amal Pintas Sdn. Bhd.	229,847	33,553	-	-
- Sunergy Sdn. Bhd.	26,156	-	-	-
- Subsidiaries	-	-	3,165	6,214
Repayment from:				
- Amal Pintas Sdn. Bhd.	8,482	33,553	-	-
- Subsidiaries	-	-	7,450,000	4,260,979
Professional fee paid/payable to Ghazi & Lim	3,544	73,735	2,120	-

(iii) Compensation of key management personnel

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

31. RELATED PARTY DISCLOSURES (CONT'D)

(iii) Compensation of key management personnel (cont'd)

The remuneration of the directors and other members of key management during the financial year is as follows:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Fees	315,000	270,000	315,000	270,000
Short-term employee benefits	6,941,360	5,835,054	5,800	5,800
Defined contribution plan	314,776	281,672	-	-
	7,571,136	6,386,726	320,800	275,800
Analysed as:				
- Directors	6,784,895	5,664,686	320,800	275,800
- Other key management personnel	786,241	722,040	-	-
	7,571,136	6,386,726	320,800	275,800

32. FINANCIAL INSTRUMENTS

32.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Carrying amount RM	AC RM
GROUP		
2022		
Financial assets		
Trade receivables	102,200,951	102,200,951
Other receivables and refundable deposits	1,347,942	1,347,942
Cash and bank balances	127,451,155	127,451,155
	231,000,048	231,000,048
Financial liabilities		
Trade payables	23,449,611	23,449,611
Other payables and accruals	47,664,296	47,664,296
Borrowings	37,825,247	37,825,247
	108,939,154	108,939,154

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 Categories of financial instruments (cont'd)

	Carrying amount RM	AC RM
2021		
Financial assets		
Trade receivables	81,998,533	81,998,533
Other receivables and refundable deposits	24,185,677	24,185,677
Cash and bank balances	85,815,122	85,815,122
	<u>191,999,332</u>	<u>191,999,332</u>
Financial liabilities		
Trade payables	23,584,488	23,584,488
Other payables and accruals	10,401,862	10,401,862
Borrowings	89,357,045	89,357,045
	<u>123,343,395</u>	<u>123,343,395</u>
COMPANY		
2022		
Financial assets		
Refundable deposits	4,500	4,500
Amount due from subsidiaries	13,884,764	13,884,764
Cash and bank balances	13,237,171	13,237,171
	<u>27,126,435</u>	<u>27,126,435</u>
Financial liability		
Other payables and accruals	<u>359,356</u>	<u>359,356</u>
2021		
Financial assets		
Refundable deposits	4,500	4,500
Amount due from subsidiaries	20,873,456	20,873,456
Cash and bank balances	11,280,461	11,280,461
	<u>32,158,417</u>	<u>32,158,417</u>
Financial liability		
Other payables and accruals	<u>299,343</u>	<u>299,343</u>

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

32.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from advances to its subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

32.3.1 Trade receivables

The Group extends credit terms to customers that range between **30 to 120 days** (2021: 30 to 120 days). Credit terms extended to its customers is based on careful evaluation on the customers' financial condition and payment history. Receivables are monitored on an ongoing basis via Group's management reporting procedures and action will be taken for long outstanding debts. In order to further minimise its exposure to credit risk, the Group requires deposits from the customers.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statements of financial position.

The ageing analysis of trade receivables of the Group at the end of the reporting period is as follows:

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP			
2022			
Not past due	85,429,794	-	85,429,794
1 to 30 days past due	4,295,829	-	4,295,829
31 to 60 days past due	5,185,608	-	5,185,608
More than 60 days past due	7,289,720	-	7,289,720
	16,771,157	-	16,771,157
Impaired	23,094,146	(23,094,146)	-
	125,295,097	(23,094,146)	102,200,951

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3.1 Trade receivables (cont'd)

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP			
2021			
Not past due	51,785,688	-	51,785,688
1 to 30 days past due	14,864,851	-	14,864,851
31 to 60 days past due	5,630,011	-	5,630,011
More than 60 days past due	9,717,983	-	9,717,983
	30,212,845	-	30,212,845
Impaired	24,876,491	(24,876,491)	-
	<u>106,875,024</u>	<u>(24,876,491)</u>	<u>81,998,533</u>

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired has been renegotiated during the financial year.

The Group has trade receivables amounting to **RM16,771,157** (2021: RM30,212,845) that are past due but not impaired as at the end of the reporting period as the management is of the view that these debts will be collected in due course.

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

The Group has significant concentration of credit risk in the form of outstanding balance due from **2 customers** (2021: 1 customer), representing **24%** (2021: 17%) of the total trade receivables.

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3.1 Trade receivables (cont'd)

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP			
2022			
Low risk	102,200,951	-	102,200,951
Individually impaired	23,094,146	(23,094,146)	-
	<u>125,295,097</u>	<u>(23,094,146)</u>	<u>102,200,951</u>
2021			
Low risk	81,998,533	-	81,998,533
Individually impaired	24,876,491	(24,876,491)	-
	<u>106,875,024</u>	<u>(24,876,491)</u>	<u>81,998,533</u>

In managing the credit risk of the trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses.

There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. No expected credit losses is provided for the low risk customers during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

32.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors their results regularly.

The maximum exposure to credit risk is represented by the carrying amount in the statements of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The Company does not specifically monitor the ageing of these advances.

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.3.3 Financial guarantees

The Company provides unsecured financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiaries up to a limit of **RM214,673,800** (2021: RM289,444,591), of which the amount utilised as at the end of the reporting period was **RM37,825,247** (2021: RM89,357,045), representing the credit risk exposure to the Company as at that date.

The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

32.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one years and less than five years RM
GROUP				
2022				
<i>Non-derivative financial liabilities</i>				
Trade payables	23,449,611	23,449,611	23,449,611	-
Other payables and accruals	47,664,296	47,664,296	47,664,296	-
Borrowings	37,825,247	37,825,247	37,825,247	-
Lease liability	493,650	525,000	300,000	225,000
	109,432,804	109,464,154	109,239,154	225,000
2021				
<i>Non-derivative financial liabilities</i>				
Trade payables	23,584,488	23,584,488	23,584,488	-
Other payables and accruals	10,401,862	10,401,862	10,401,862	-
Borrowings	89,357,045	89,357,045	89,357,045	-
Lease liability	750,522	825,000	300,000	525,000
	124,093,917	124,168,395	123,643,395	525,000

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.4 Liquidity risk (cont'd)

	Carrying amount RM	Contractual cash flows RM	Within one year RM
COMPANY			
2022			
<i>Non-derivative financial liabilities</i>			
Other payables and accruals	359,356	359,356	359,356
* Financial guarantees	-	37,825,247	37,825,247
	<u>359,356</u>	<u>38,184,603</u>	<u>38,184,603</u>
2021			
<i>Non-derivative financial liabilities</i>			
Other payables and accruals	299,343	299,343	299,343
* Financial guarantees	-	89,357,045	89,357,045
	<u>299,343</u>	<u>89,656,388</u>	<u>89,656,388</u>

* The financial guarantees are included for illustration purpose only as they have not crystallised as at the end of the reporting period.

32.5 Interest rate risk

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group and the Company do not have any floating rate instruments.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on the carrying amount as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed rate instruments				
Financial assets	35,399,735	31,567,654	13,437,475	20,429,767
Financial liabilities	<u>37,825,247</u>	<u>89,357,045</u>	<u>-</u>	<u>-</u>

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.5 Interest rate risk (cont'd)

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

32.6 Foreign currency risk

The objectives of the Group's and the Company's foreign exchange policies are to allow the Group and the Company to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group and the Company to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency of the Group entities. The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Vietnam Dong ("VND") and Euro ("EUR").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and of the Company's profit before tax to a reasonably possible change in the various exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Increase/(Decrease)		Increase/(Decrease)	
		GROUP		COMPANY	
		Profit before tax		Profit before tax	
		2022	2021	2022	2021
		RM	RM	RM	RM
USD/RM	- strengthened 10%	3,302,153	1,111,774	639,653	98
	- weakened 10%	(3,302,153)	(1,111,774)	(639,653)	(98)
VND/RM	- strengthened 10%	2,328,223	2,052,311	-	-
	- weakened 10%	(2,328,223)	(2,052,311)	-	-
EUR/RM	- strengthened 10%	717,006	499,428	-	-
	- weakened 10%	(717,006)	(499,428)	-	-
USD/VND	- strengthened 10%	3,018,856	1,144,666	-	-
	- weakened 10%	(3,018,856)	(1,144,666)	-	-
EUR/VND	- strengthened 10%	1,541,466	89,691	-	-
	- weakened 10%	(1,541,466)	(89,691)	-	-

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

33. FAIR VALUE MEASUREMENT

33.1 Fair value of financial instruments

The carrying amounts of the financial assets and financial liabilities of the Group and of the Company as at the end of the reporting period approximate their fair values due to their short-term nature.

The Group has forward foreign exchange contracts with nominal value of **RM7,019,957** (2021: RM Nil) as at the end of the reporting period. Forward foreign exchange contracts are used to manage the foreign currency exposure arising from purchases denominated in United States Dollar with maturities of less than one year after the end of the reporting period. The fair value of the forward foreign exchange contracts has not been accounted for in the financial statements due to its immateriality to be recognised as at the end of the reporting period.

33.2 Fair value of non-financial assets

The fair value of non-financial assets is disclosed in Note 5 to the financial statements.

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support their business and to maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group and of the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group and the Company consider their total equity and total loans and borrowings to be the key components of their capital structure. The Group and the Company monitor capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP	
	2022	2021
	RM	RM
Total borrowings	37,825,247	89,357,045
Less: Cash and banks balances	(127,451,155)	(85,815,122)
(Net cash)/Net debt	(89,625,908)	3,541,923
Total equity	667,227,500	580,431,019
Gearing ratio	N/A¹	0.01

¹ N/A - Not applicable as net cash position

Notes To The Financial Statements

30 JUNE 2022 (CONT'D)

35. SIGNIFICANT EVENT

On 25 October 2021, a subsidiary of the Company, Chin Well Service Centre Sdn. Bhd. ("CWSC") had entered into a Conditional Settlement Agreement with NBH Service Centre Sdn. Bhd. ("NBHSC"), Ng Beng Hoo (sole director and shareholder of NBHSC) and Toh Su See (spouse of Ng Beng Hoo) in order to recover an outstanding trade nature amount of RM47,683,245. Pursuant to the Conditional Settlement Agreement, Toh Su See will transfer her 45% and 44.999% equity interest in Jadi Raya Development Sdn. Bhd. ("Jadi Raya") and NBH Realty Sdn. Bhd. ("NBH Realty") respectively to CWSC, and Ng Beng Hoo will transfer his 0.001% equity interest in NBH Realty to CWSC. Both Jadi Raya and NBH Realty own freehold land respectively. The freehold land is planned to be either disposed of or developed on a joint venture basis in the future in order to recover the abovementioned outstanding trade nature amount.

The Conditional Settlement Agreement was approved by the Company's shareholders at an Extraordinary General Meeting on 28 January 2022 and executed subsequently to transfer Ng Beng Hoo and Toh Su See equity interest portion to CWSC.

Properties Of The Group

30 JUNE 2022 (CONT'D)

No	Location	Description	Tenure	Land Area	Existing Use, Age of building And Built-up Area	Net carrying amount @ 30/06/2022 RM	Year of Acquisition/ Valuation
1.	Block T-3-05 to Block T-3-08, Block T-4-12 Taman Pelangi, Prai, Penang	3 room flat unit of 5 storey flat	99 years expiring on 22-04-2092	700 sq. ft./ 65.03 sq.m. per block	Hostel, 25 years 700 sq. ft./ 65.03 sq.m. per block	268,315	1994
2.	5,7,9,11,11A & 15 Lorong Nagasari 14, Taman Nagasari, Prai, Penang	Double Storey Terrace House – 3 room	Freehold	893.08 sq. ft./ 83 sq.m. per unit	Hostel, 29 years 1,242. sq. ft./ 115.38 sq.m. per unit	250,460	1990
3.	17 Lorong Nagasari 14, Taman Nagasari, Prai, Penang	Double Storey Terrace House – 3 room	Freehold	1,678.56 sq. ft./ 156 sq.m.	Hostel, 29 years 1,514. sq. ft./ 140.65 sq.m. per unit	59,923	1990
4.	105, Lebu Turi, Off Persiaran Raja Muda Musa, Taman Chi Liung, 41200 Klang, Selangor	4 ½ Storey Terrace Shophouse	Freehold	4,072 sq. ft./ sq.m.	Rental for Business, 29 years 18,897.75 sq. ft./ 1,400 sq.m.	407,845	1991
5.	1586, Mukim 11, Lorong Perusahaan Utama 1, Bukit Tengah Industrial Park, 14000 Bukit Mertajam, Penang	1 Block 3 Storey Office Building, 3 Block Single Storey Factory, 2 Treatment Plants and Automate Warehouse	60 years expiring on 11-06-2053	15 acres	Factory & Office, 25 years, 391,963.63 sq. ft./ 36,414.32 sq.m.	21,757,032	1995
6.	11 Lorong Siram 1, Desa Siram, 12100 Butterworth, Penang	3 ½ Storey Terrace Light Industrial Building	Freehold	1,861.48 sq. ft./ 173 sq.m.	Shop Lot Vacant 27 years, 5,610 sq. ft./ 521.18 sq.m.	278,560	1992
7.	11A Lorong Siram 1, Desa Siram, 12100 Butterworth, Penang	Corner unit 3 ½ Storey Terrace Light Industrial Building	Freehold	2,593.16 sq. ft./ 241 sq.m.	Shop Lot Vacant 27 years, 8,282 sq. ft./ 769.41 sq.m.	385,339	1992

Properties Of The Group

30 JUNE 2022 (CONT'D)

No	Location	Description	Tenure	Land Area	Existing Use, Age of building And Built-up Area	Net carrying amount @ 30/06/2022 RM	Year of Acquisition/ Valuation
8.	4 Jalan Sungai Kayu Ara 32/37, Sekysen 32, 40460 Shah Alam, Selangor	Industrial Land with Factory	Freehold	105,803 sq. ft.	Rental, 18 years, 35,075.45 sq. ft./ 3,259.80 sq.m.	4,180,726	2003
9.	1586 (PT 2984), Mukim 11, Lorong Perusahaan Utama 1, Bukit Tengah Industrial Park, 14000 Bukit Mertajam, Penang	Industrial Land with warehouse	60 years expiring on 10-06-2053	108,889 sq. ft./ 10,117 sq.m.	Warehouse 12 years, 103,899 sq. ft./ 9,653 sq.m.	3,673,764	2010
10.	1500, Mukim 11, Lorong Perusahaan Utama 1, Bukit Tengah Industrial Park, 14000 Bukit Mertajam, Penang	Industrial Land with Factory	60 years expiring on 24-05-2055	11.02 acres	Factory & Office 26 years, 290,748 sq. ft./ 27,011 sq.m.	13,470,816	2001
11.	Nhon Trach 3 Industrial Park, Nhon Trach District, Dong Vai Province, Vietnam	Industrial Land with Factory	47 years expiring on 01-04-2051	171,772.80 sq.m.	Factory & Office, 18 years, 171,772.80 sq.m.	39,107,213	2004
12.	5,7,9 Jalan Nagasari 1, Taman Nagasari, Prai, Penang	Double Storey Terrace House	Freehold	1119.04 sq. ft./ 104 meter sq per unit	Hostel, 7 years	508,000	2014
13.	4, Jalan Sungai Ara 32/37, Sekysen 32, 40460 Shah Alam, Selangor	Auto-Warehouse	Freehold	105,803 sq. ft.	Vacant Warehouse 3 years 25,616 sq. ft./ 2,379 sq.m.	3,799,858	2020
14.	Lot 41346 Section 20, Bandar Serendah, District of Ulu Selangor, Selangor	Residential land	Freehold	28.01 Hectares	Vacant	45,000,000	2022
15.	Lot 41347 Section 20, Bandar Serendah, District of Ulu Selangor, Selangor	Residential land	Freehold	19.07 Hectares	Vacant	17,000,000	2022
	Total					150,147,851	

Analysis of Shareholdings

AS AT 30 SEPTEMBER 2022

Total number of issued shares : 286,452,368 ordinary shares
 Voting right : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS

Size of holdings	No. of shareholders	No. of shares	%
Less than 100	29	858	0.00
100 to 1,000	472	317,900	0.11
1,001 to 10,000	2,061	9,394,650	3.28
10,001 to 100,000	676	21,010,000	7.34
100,001 shares to less than 5% of issued shares	95	63,621,614	22.21
5% and above of issued shares	2	192,107,346	67.06
TOTAL		286,452,368	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	No. of ordinary shares			
	Direct	%	Deemed	%
Benua Handal Sdn. Bhd.	163,522,346	57.09	-	-
Quintet Luxembourg for Samarang Ucits – Samarang Asian Prosperity	28,585,000	9.98	-	-
Tsai Yung Chuan	-	-	163,522,346 ^(N1)	57.09
Tsai Chia Ling	838,400	0.29	163,522,346 ^(N1)	57.09
Tsai Cheng Hsun	-	-	163,522,346 ^(N1)	57.09
Tsai Chia Wen	-	-	163,522,346 ^(N1)	57.09

Notes :

N1 Deemed interested by virtue of Section 8 of the Companies Act, 2016 held through Benua Handal Sdn. Bhd.

LIST OF DIRECTORS' SHAREHOLDINGS AS SHOWN IN THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Directors	No. of ordinary shares			
	Direct	%	Deemed	%
Tsai Yung Chuan	-	-	163,522,346 ^(N1)	57.09
Tsai Chang Hsiu-Hsiang	-	-	-	-
Tsai Chia Ling	838,400	0.29	163,522,346 ^(N1)	57.09
Tsai Cheng Hsun	-	-	163,522,346 ^(N1)	57.09
Lim Chien Ch'eng	6,019,650	2.10	1,765,314 ^(N2)	0.62
Ang Seng Oo	-	-	-	-
Low Yeaw Seng	-	-	-	-
Datin Sharmin Fazlina Binti Mohd Shukor	-	-	-	-

Notes :

N1 Deemed interested by virtue of Section 8 of the Companies Act, 2016 held through Benua Handal Sdn. Bhd.

N2 Deemed interested by virtue of Section 8 of the Companies Act, 2016 held through Indra Cempaka Sdn. Bhd.

Analysis of Shareholdings

AS AT 30 SEPTEMBER 2022 (CONT'D)

LIST OF TOP 30 SHAREHOLDERS

	Name	Shareholdings	%
1.	BENUA HANDAL SDN BHD	163,522,346	57.09
2.	HSBC NOMINEES (ASING) SDN BHD BENEFICIARY : QUINTET LUXEMBOURG FOR SAMARANG UCITS - SAMARANG ASIAN PROSPERITY	28,585,000	9.98
3.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD BENEFICIARY : DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTS SMALL-CAP FUND	6,811,200	2.38
4.	CIMSEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : CIMB FOR LIM CHIEN CH'ENG (PB)	5,983,400	2.09
5.	YAYASAN GURU TUN HUSSEIN ONN	5,004,500	1.75
6.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : EMPLOYEES PROVIDENT FUND BOARD	4,390,100	1.53
7.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR SU MING YAW	4,120,900	1.44
8.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR TEH WIN KEE (8106483)	2,045,800	0.71
9.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR SU MING KEAT	1,850,000	0.65
10.	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN.BHD. BENEFICIARY : INDRA CEMPAKA SDN BHD (P8011)	1,765,314	0.61
11.	CHIN CHIN SEONG	1,760,000	0.61
12.	AMBANK (M) BERHAD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR TAN KONG HAN (SMART)	1,575,000	0.55
13.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR FONG SILING (CEB)	1,300,000	0.45
14.	CHIN CHIN SEONG	1,214,000	0.42
15.	CGS-CIMB NOMINEES (ASING) SDN BHD BENEFICIARY : EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	1,180,000	0.41
16.	SIN BOON FEI	1,099,000	0.38
17.	WONG YOON TET	1,079,000	0.38
18.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD BENEFICIARY : DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTS ISLAMIC SMALL-CAP FUND	1,000,000	0.35
19.	NEOH CHOO EE & COMPANY, SDN. BERHAD	970,000	0.34
20.	KENANGA NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : TEH KIAK SENG	959,000	0.33
21.	TSAI CHIA LING	838,400	0.29
22.	AFFIN HWANG NOMINEES (ASING) SDN BHD BENEFICIARY : DBS VICKERS SECS (S) PTE LTD FOR LITTLE RAIN ASSETS LIMITED	730,000	0.25
23.	PUBLIC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR TAN KONG HAN (SS2/PIV)	725,000	0.25

Analysis of Shareholdings

AS AT 30 SEPTEMBER 2022 (CONT'D)

LIST OF TOP 30 SHAREHOLDERS (CONT'D)

	Name	Shareholdings	%
24.	KOO GIT LOO @ CHIU GIT LOO	684,300	0.24
25.	SU MING YAW	628,300	0.22
26.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. BENEFICIARY : CIMB ISLAMIC TRUSTEE BERHAD - PMB SHARIAH DIVIDEND FUND	610,000	0.21
27.	DYNAQUEST SDN. BHD.	600,000	0.21
28.	WONG YOON CHYUAN	563,000	0.20
29.	ONG JUN JIE	494,400	0.17
30.	LO KEE LENG	478,000	0.17



PROXY FORM

Number of Shares Held	CDS ACCOUNT NO.												

*I/We.....(*NRIC/Passport/CompanyNo.....)
 (Full Name in Block Letters)

of
 (Address)

being a * member/members of the abovenamed Company, hereby appoint:

Full Name in Block Letters	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

*and/or

Full Name in Block Letters	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

or failing whom, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 26th Annual General Meeting ("AGM") of the Company to be held at the Conference Room of Chin Well Holdings Berhad at No. 1586, MK. 11, Lorong Perusahaan Utama 1, Bukit Tengah Industrial Park, 14000 Bukit Mertajam, Penang on Tuesday, 29 November 2022 at 11.00 am and at any adjournment thereof.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1	To re-elect Datin Sharmin Fazlina Binti Mohd Shukor as a Director of the Company		
2	To re-elect Mr. Low Yeaw Seng as a Director of the Company		
3	To re-elect Ms. Tsai Chia Ling as a Director of the Company		
4	To re-elect Mr. Tsai Cheng Hsun as a Director of the Company		
5	To approve the payment of Directors' fees		
6	To approve the payment of Directors' benefits		
7	To re-appoint Messrs. Grant Thornton Malaysia PLT as auditors of the Company		
8	Authority for Directors to Allot and Issue New Shares		
9	Proposed Renewal of Share Buy-Back		
10	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading nature		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

Signed this day of 2022.

.....
 Signature of Member(s)/Common Seal

Notes:

- For the purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 21 November 2022. Only a depositor whose name appears on the Record of Depositors as at 21 November 2022 shall be entitled to attend the AGM or appoint proxies to attend and/or vote on his/her behalf.
- A proxy may but need not be a member of the Company.
- For a proxy to be valid, the original proxy form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The instrument appointing a proxy transmitted by facsimile or electronic mail will not be accepted unless the original copy is received at the registered office not less than 24 hours before the time appointed for meeting.
- A member shall be entitled to appoint of up to a maximum of 2 proxies to attend and vote instead of him at the same meeting and where a member appoints 2 proxies to vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member is an Exempt Authorized Nominee which holds ordinary shares of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies it may appoint in respect of each omnibus account it holds. An Exempt Authorized Nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA.
- In the case of a corporate member, the proxy form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

* Strike out whichever is not desired.

Fold this flap for sealing

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stamp

The Company Secretary
CHIN WELL HOLDINGS BERHAD
199501042347 (371551-T)
51-21-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang

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CHIN WELL HOLDINGS BERHAD

199501042347 (371551-T)

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