ASIA BRANDS

ASIA BRANDS BERHAD
[Company No : 197501000740 (22414-V)]

2022
annual report

CONTENTS

NOTICE IS HEREBY GIVEN that the Forty-Seventh Annual General Meeting ("47th AGM") of the Company will be held at the Conference Room of the Company at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan on Monday, 29 August 2022 at 9:00 a.m. for the following purposes

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*

2. To approve the payment of Directors' fees and benefits to the Non-Executive Directors of the Company from the conclusion of the 47th AGM up till the conclusion of the next Annual General Meeting of the Company to be held in 2023. *(Resolution 1)*

3. To re-elect Mr. Kong Sau Kian who retires pursuant to Clause 118 of the Company's Constitution. *(Resolution 2)*

4. To re-appoint Messrs. Reanda LLKG International as Auditors of the Company and to authorise the Directors to fix their remuneration. *(Resolution 3)*

As Special Business

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

5. **ORDINARY RESOLUTION 1**
AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 *(Resolution 4)*

THAT subject to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to the Act, to allot and issue shares in the capital of the Company to such persons at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being; AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; and that such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

6. **ORDINARY RESOLUTION 2**
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE") *(Resolution 5)*

THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**Asia Brands Group**") to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as specified in Part A, Section 2.3 of the Circular/Statement to Shareholders dated 29 July 2022, which are necessary for the day-to-day operations of Asia Brands Group to be entered into by Asia Brands Group provided that such transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such authority shall commence upon the passing of this resolution and continue to be in force until:

i. the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the forthcoming AGM at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or

ii. the expiration of the period within which the next AGM is required by law to be held pursuant to Section 340(2) of Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

iii. it is revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier;

AND THAT the Board of Directors of the Company and/or any one of them be and are hereby authorized to complete and to do all such acts and things including executing such documents as may be required to give effect to the transactions contemplated and/or authorized by this resolution

7. ORDINARY RESOLUTION 3
PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY OF UP TO TEN PER CENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY *(Resolution 6)*

THAT subject to the compliance with Section 127 of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:-

i. the aggregate number of shares to be purchased and/or held pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company including the shares previously purchased and retained as treasury shares (if any); and

ii. the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements of the Company (where applicable) available at the time of the purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:-

i. cancel all the shares so purchased; and/or

ii. retain the shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities; and/ or

iii. retain part thereof as treasury shares and cancel the remainder; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting the authority is renewed either unconditionally or subject to conditions; or

b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or

c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first.

AND THAT the Directors of the Company be authorised to give effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any modifications and/or amendments as may be required by the relevant authorities.

8. SPECIAL RESOLUTION *(Resolution 7)*
PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

THAT the proposed amendments to the Constitution of the Company as set out below ("**Proposed Amendments**") be and are hereby approved and adopted; **AND THAT** the Directors of the Company be and are hereby authorised to execute all relevant documents and to do all acts and things as deemed necessary to give full effect to the Proposed Amendments:-.

Clause No.	Existing Clause	Clause No	Proposed Clause
108 Chairman's casting vote *(at meetings of members)*	In the case of an equality of votes, whether on a show of hands or a poll, the chairman of the general meeting at which the show of hands takes place or at which the poll is taken or demanded shall be entitled to a second or casting vote.	~~108~~	~~In the case of an equality of votes, whether on a show of hands or a poll, the chairman of the general meeting at which the show of hands takes place or at which the poll is taken or demanded shall be entitled to a second or casting vote.~~

Clause No.	Existing Clause	Clause No	Proposed Clause
157 Chairman's casting vote *(at meetings of directors)*	Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a decision of the Board. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote except where at the meeting only two (2) Directors form the quorum and only such quorum is present at the meeting or only two (2) Directors are competent to vote on an issue in question, the chairman of the meeting shall not have a casting vote.	~~157~~	~~Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a decision of the Board. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote except where at the meeting only two (2) Directors form the quorum and only such quorum is present at the meeting or only two (2) Directors are competent to vote on an issue in question, the chairman of the meeting shall not have a casting vote.~~

9. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board

MAK CHOOI PENG
(MAICSA 7017931)
(SSM PC No. 201908000889)
Company Secretary

Klang
29 July 2022

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 August 2022 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at this Meeting.*

2. *A member entitled to attend and vote at this Meeting is entitled to appoint any person as his proxy to attend and vote instead of him. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.*

3. *A member may appoint more than one (1) proxy to attend at the same meeting. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

4. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

5. *Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised.*

7. *The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of attorney or authority, shall be deposited at the registered office of the Company at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.*

Explanatory Notes: -

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Resolution 1

The Company is seeking shareholders' approval for the payment of Non-Executive Directors' fees and benefits of up to RM540,000/- with effect from the conclusion of the 47th Annual General Meeting ("AGM") until the conclusion of the next AGM of the Company in 2023 pursuant to Section 230(1) of the Act. The proposed fees include the Director's fee for the Chairman of the Board of RM180,000/- for the financial year ended 31 March 2022.

In the event that the proposed Directors' fees and benefits are insufficient, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

3. Resolution 2

Mr. Kong Sau Kian ("the retiring Director") is standing for re-election as Director of the Company.

For the purpose of determining the eligibility of the retiring Director to stand for re-election at the 47th AGM, the Board, through its Nomination and Remuneration Committee ("NRC") had assessed the retiring Director, and considered the following:

(i) performance and contribution based on the Self-Assessment ("SA") results;
(ii) level of contribution to the Board and deliberations through their skills, experience and strength in qualities; and
(iii) level of objectivity, impartiality and his ability to act in the best interest of the Company.

The retiring Director met the performance criteria required of an effective and a high-performance Board based on the Director's SA results.

The NRC and Board of Directors of the Company ("the Board") have considered the results of the assessment conducted on the retiring Director and collectively satisfied that he meets the criteria of character, experience, integrity, competence and time required to effectively discharge his role as Director, as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board accepted the NRC's recommendation that the retiring Director, who retires in accordance with Clause 118 of the Constitution namely, Mr. Kong Sau Kian is eligible to stand for re-election. The retiring Director had abstained from deliberations and decisions on his own eligibility and suitability to stand for re-election at the relevant Board meetings. The retiring Director referred to in Resolution 2 will abstain from voting on the resolution in respect of his re-election at the 47th AGM.

4. Resolution 3

The Audit and Risk Management Committee ("**ARMC**") had undertaken an annual assessment of the suitability and effectiveness of the external audit process, performance, suitability and independence of the external auditors, Reanda LLKG International ("Reanda") as prescribed under the Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The ARMC was satisfied with the suitability of Reanda based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Asia Brands Group. The ARMC was also satisfied in its review that the provisions of non-audit services by Reanda during the period under review did not impair Reanda's objectivity and independence. The Board had accepted the ARMC's recommendation for shareholders' approval to be sought at the 47th AGM on the re-appointment of Reanda as external auditors of the Company for the financial year ending 31 March 2023, under Resolution 3. The present external auditors, Reanda, have indicated their willingness to continue their services for the next financial year.

5. Ordinary Resolution 1

The proposed Ordinary Resolution 1 is for the purpose of seeking renewal for the general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, from the date of the 47th AGM of the Company, to allot and issue shares in the Company at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being. The general mandate, unless revoked or varied at general meeting, will expire at the next AGM of the Company.

The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment(s), project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the Forty-Sixth AGM of the Company held on 21 September 2021, which will lapse at the conclusion of the 47th AGM of the Company. Hence, no proceeds were raised therefrom.

6. Ordinary Resolution 2

This proposed Ordinary Resolution 2, if passed, will enable the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading in nature with related parties in the ordinary course of business which are necessary for the day-to-day operations of Asia Brands Group, based on commercial terms which are not more favourable to the related parties than those generally available to the public and are not detriment to the minority shareholders of the Company.

Please refer to Part A of the Circular/Statement to Shareholders dated 29 July 2022 circulated together with this Annual Report for further information.

7. Ordinary Resolution 3

The proposed resolution, if passed, will empower the Directors to purchase the Company's shares up to ten percent (10%) of the total number of issued shares of the Company by utilising the retained profits of the Company. This authority will, unless revoked or varied by the shareholders of the Company in general meeting, expire at the conclusion of the next AGM.

Please refer to Part B of the Circular/Statement to Shareholders dated 29 July 2022 circulated together with this Annual Report for further information.

8. Special Resolution

The proposed amendments to the existing Constitution of the Company (Proposed Amendments) are to delete the existing Clauses 108 and 157 in the Constitution of the Company as the Board of Directors has decided that the casting vote by the chairperson is not necessary for any meetings of members and Directors.

The Proposed Amendments shall take effect once the proposed Special Resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the 47th AGM.

ASIA BRANDS

Asia Brands Berhad (197501000740 (22414-V))

BABY

Anakku Sdn Bhd (199201020319 (251823-V)) (100%)

Baby Palace Sdn Bhd (201101017334 (945470-T)) (100%)

- Astra Brands Sdn Bhd (201401007266 (1083344-H)) (100%)

Generasi Global Gemilang Sdn Bhd (202101007418 (1407717-T)) (51%)

INNERWEAR

Audrey Sdn Bhd (19840 1015001 (127557-H)) (100%)

- Generasi Dinasti Sdn Bhd (199601006544 (378890-X)) (100%)

Generasi Prestasi Sdn Bhd (199301030613 (285352-X)) (100%)

SHARED SERVICE

Asia Brands HR Services Sdn Bhd (199201020890 (252394-M)) (100%)

DORMANT

Asia Brands Global Sdn Bhd (197601002576 (28583-U)) (100%)
Diesel Marketing Sdn Bhd (198701004361 (163031-U)) (100%)
Ubay Marketing Sdn Bhd (200201033234 (600899-A)) (100%)
Antioni Sdn Bhd (199301017773 (272511-U)) (100%)
Bumcity Sdn Bhd (200001011715 (514321-H)) (100%)
Asia Brands Assets Management Sdn Bhd (197801004420 (41441-H)) (100%)
Mickey Junior Sdn Bhd (199301011879 (266617-P)) (100%)

Dato' Sri Tan Thian Poh *(Non-Independent Non-Executive Chairman)*

Male, aged 66, Malaysian, is the Non-Independent Non-Executive Chairman of the Company, who is also a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee. Dato' Sri Tan Thian Poh was appointed to the Board on 11 April 2018. Dato'Sri Tan graduated from the Chartered Association of Certified Accountants and holds a Master's Degree in Business Administration. He is the founder and Managing Director of Siang Poh Group of Companies, a vertically integrated textile group involved in the manufacturing and distribution of textile and apparels for more than 30 years.

Dato' Sri Tan is a substantial shareholder of the Company by virtue of his direct interest in Trackland Sdn. Bhd. a substantial shareholder of the Company pursuant to Section 8 of the Companies Act 2016. He is the father of David Tan Chin Wee, who is his Alternate Director and a Non-Independent Non-Executive Director. Dato' Sri Tan does not hold directorships in other public companies and listed companies. He currently holds directorships in the subsidiary companies of Asia Brands Berhad. Dato' Sri Tan does not have any conflict of interest with the Company. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Dato' Sri Tan attended all four (4) Board meetings held during the financial year ended 31 March 2022.

Ng Chin Huat *(Group Managing Director)*

Male, aged 52, Malaysian, is the Group Managing Director of the Company. Mr. Ng was appointed to the Board on 1 March 2011. He holds a Bachelor of Commerce (Actuarial) degree from the University of Melbourne, Australia. Upon graduation in 1991, he worked as an Actuarial trainee in Prudential Singapore for two (2) years. Thereafter, he moved into the stock-broking industry in 1993, gaining employment with HLG Securities, Malaysia. Mr. Ng joined Audrey International (M) Berhad in 1999 as an Executive Director and was subsequently promoted to Group Managing Director in 2002. In 2010, Mr. Ng assumed the role of the Group Chairman of the same company.

Apart from the above, Mr. Ng does not hold directorships in other public companies and listed companies but holds directorships in several other private limited companies. Mr. Ng is an indirect substantial shareholder of the Company by virtue of his and his spouse, Madam Yap Su P'ing's direct interest in Everest Hectare Sdn. Bhd., a substantial shareholder of the Company, pursuant to Section 8 of the Companies Act 2016. Mr. Ng is also related to Ng Tiong Seng Corporation Sdn. Bhd. ("NTSC"), a substantial shareholder of the Company, by virtue of NTSC being a family-owned company. Mr. Ng has no conflict of interest with the Company and neither has he been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Ng attended all four (4) Board meetings held during the financial year ended 31 March 2022.

Kong Sau Kian *(Senior Independent Non-Executive Director)*

Male, aged 58, Malaysian, is the Senior Independent Non-Executive Director of the Company. Mr. Kong is the Chairman of the Audit and Risk Management Committee, and a member of the Nomination and Remuneration Committee. Mr. Kong was appointed to the Board on 1 March 2011. He is a member of the Malaysian Institute of Accountants, graduated with a Bachelor of Accounting (Honours) degree from the University of Malaya in 1988. Subsequently, he joined KPMG Peat Marwick, an international accounting firm, until 1992 where his exposure include audit of a wide range of industries, corporate restructuring, acquisition audit and other special assignments.

Mr. Kong also sits on the board of LBI Capital Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, as an Executive Director. He also holds directorships in several other private limited companies. Mr. Kong does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company and does not hold any shares in the Company and its subsidiary companies. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Kong attended all four (4) Board meetings held during the financial year ended 31 March 2022.

Lim Kim Meng *(Independent Non-Executive Director)*

Male, aged 51, Malaysian, is an Independent Non-Executive Director of the Company. Mr. Lim is the Chairman of the Nomination and Remuneration Committee, and a member of the Audit and Risk Management Committee. Mr. Lim was appointed to the Board on 1 March 2011. He graduated with a Second Class Honours Bachelor of Laws Degree from the University of London and completed his Certificate of Legal Practice in 1994. He is the Managing Partner of Kamil Hashim Raj & Lim, Advocates & Solicitors. His professional experience includes being a member of the Malaysia Financial Markets Association, holding the position of licensed foreign exchange and money market dealer at Southern Bank Berhad (1994-1997) and Institutional Sales Dealer and Licensed KLSE Equities Dealer with HLG Securities (1997-1998).

Mr. Lim also sits on the board of Minho (M) Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, as an Independent Non-Executive Director. Mr. Lim does not have any family relationship with any Director and/or major shareholder nor any conflict of interest with the Company. He does not hold any shares in the Company and its subsidiary companies. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Lim attended all four (4) Board meetings held during the financial year ended 31 March 2022.

David Tan Chin Wee *(Alternate Non-Independent Non-Executive Director)*

Male, aged 30, Malaysian, is a Non-Independent Non-Executive Director of the Company. Mr. Tan is the Alternate Director to his father, Dato'Sri Tan Thian Poh who is the Non-Independent Non-Executive Chairman of the Company.

Mr. Tan was appointed on 30 April 2018. He graduated from the City University, London, United Kingdom, with a Bachelor's degree in Actuarial Science and a Master's degree in Finance from the Cass Business School, United Kingdom.

Mr. Tan does not hold directorships in other public companies. Mr. Tan has no conflict of interest with the Company and neither has he been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Lee Yean Fung *(Group Chief Operating Officer)*

Female, aged 52, Malaysian, joined the Group in October 1997 as Marketing Executive and was promoted to various leadership roles throughout the years. She was appointed as the Chief Executive Officer of B.U.M. Marketing (Malaysia) Sdn Bhd in 2013, before assuming her current role in November 2014. Ms. Lee was appointed as the Group Chief Executive Officer under the principal subsidiary companies, namely, Anakku Sdn. Bhd. and Audrey Sdn. Bhd. on 1 April 2022 as successor to Mr. Cheah Yong Hock, who has retired.

Ms Lee graduated with a Bachelor of Business Administration from the University of Central Oklahoma, USA. Ms Lee has been involved in the lingerie industry for the past 15 years covering various roles including sales operations, trade marketing, retail and procurement. Prior to joining the Group, Ms Lee was attached to General Label & Labelling Malaysia, a company involved in printing and labelling industry.

Ms Lee does not hold directorships in other public companies and listed companies. She currently holds directorships in the subsidiary companies of Asia Brands Berhad. Ms. Lee does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company. She has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Daniel Kok Tai Meng *(Chief Financial Officer)*

Male, aged 55, Malaysian, joined the Group in February 2009 as Senior Finance Manager and was promoted to his current position in 2011.

Mr Kok is a fellow-member of the Association of Chartered Certified Accountants, United Kingdom, and also a member of the Malaysian Institute of Accountants. He is responsible for the Group's overall financial health and position as well as providing key analysis to drive value added decision making to the Group's corporate strategies. Mr Kok started his career as an auditor with Lim, Cheh and Chang Public Accountants. He later joined L'Oreal Malaysia Sdn Bhd where he gained exposure in finance, business operations and controlling. Subsequently, he joined F&N Coca Cola Sdn Bhd overlooking commercial controls for Modern Trade Division.

Mr Kok does not hold directorships in other public companies and listed companies. He currently holds directorships in the subsidiary companies of Asia Brands Berhad. Mr Kok does not have any family relationship with any Director and/or major shareholder nor have any conflict of interest with the Company. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

BOARD OF DIRECTORS

Dato' Sri Tan Thian Poh
(Chairman/ Non-Independent Non-Executive Director)

Ng Chin Huat
(Group Managing Director)

Kong Sau Kian
(Senior Independent Non-Executive Director)

Lim Kim Meng
(Independent Non-Executive Director)

David Tan Chin Wee
(Non-Independent Non-Executive Director)
(Alternate Director to Dato' Sri Tan Thian Poh)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman:
Kong Sau Kian

Members:
Lim Kim Meng
Dato' Sri Tan Thian Poh

NOMINATION AND REMUNERATION COMMITTEE

Chairman:
Lim Kim Meng

Members:
Kong Sau Kian
Dato' Sri Tan Thian Poh

SECRETARY

Mak Chooi Peng (MAICSA 7017931)
(SSM PC No. 201908000889)

SOLICITORS

Chooi & Company + Cheang & Ariff
K. H. Tai & Co.

REGISTERED AND BUSINESS OFFICE

Lot 10449, Jalan Nenas,
Batu 4½, Kampung Jawa,
41000 Klang, Selangor Darul Ehsan.
Tel : 03-5161 8822
Fax : 03-5161 2728
Email : info@asiabrands.com.my
Website : www.asiabrands.com.my

BANKERS

Malayan Banking Berhad
RHB Bank Berhad
Al Rajhi Banking & Investment Corporation (M) Berhad
Kenanga Investment Bank Berhad

REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
(Company No. 197701005827 (36869T))
Level 7, Menara Milenium,
Jalan Damanlela, Pusat Bandar Damansara,
Damansara Heights, 50490 Kuala Lumpur,
Wilayah Persekutuan.
Tel : 03-2084 9000
Fax : 03-2094 9940

STOCK EXCHANGE

Main Market of Bursa Malaysia
Securities Berhad

STOCK CODE AND STOCK NAME

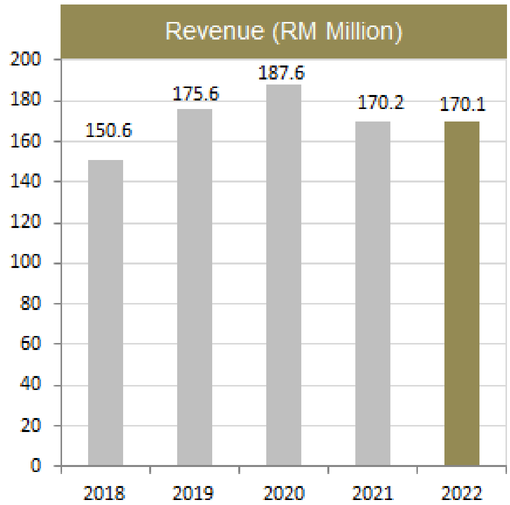
Stock Code : 7722
Stock Nam : ASIABRN
Sector : Consumer Products & Services
Sub-sector : Personal Goods

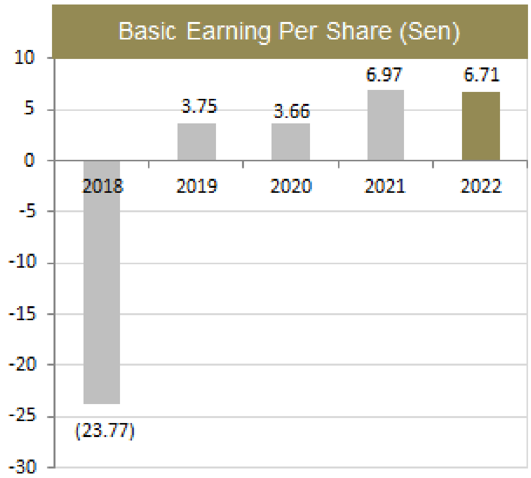
AUDITORS

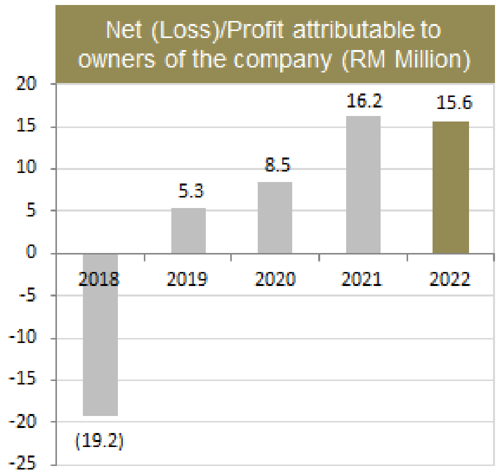
Reanda LLKG International (AF 1082)
Suite 9-5, Level 9,
Wisma UOA II,
Jalan Pinang,
50450 Kuala Lumpur,
Wilayah Persekutuan.
Tel : 03-2166 2303
Fax : 03-2166 8303

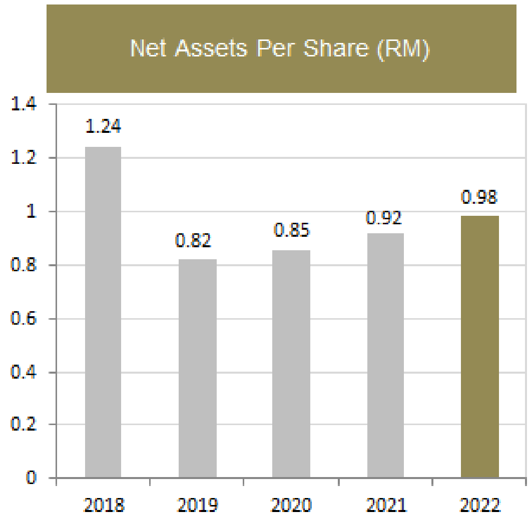
RM'000	2018**	2019***	2020	2021	2022
Revenue	150,588	175,605 *	187,614 *	170,217	**170,127**
Net (Loss)/Profit attributable to owners of the Company	(19,197)	5,336	8,513	16,217	**15,604**
Paid-up Share Capital (number of shares)	116,324	232,648	232,648	232,648	**232,648**
Shareholders' Funds	144,537	189,492	198,006	214,223	**227,500**

Per share	2018**	2019***	2020	2021	2022
Basic Earnings/(Loss) (sen)	(23.77)	3.75	3.66	6.97	**6.71**
Gross Dividend (sen)	–	–	–	1	**1**
Net Assets (RM)	1.24	0.82	0.85	0.92	**0.98**









* Revenue for the financial year 2020 and 2019 have been restated to adjust for understatement of revenue due to recognition of commission of concessionaire sales as a sales and distribution expense.

** During the financial year, the Company issued of 37,206,586 units of ordinary shares on 14/3/2018.

*** During the financial year, the Company issued of 116,323,800 units of ordinary shares on 09/01/2019.

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of **Asia Brands Berhad** for the financial year ended (FYE) 31 March 2022.

Corporate Development

I am pleased to inform that the Group recorded a profit before tax of RM20.8 million in FYE 31 March 2022 compared to RM 18.4 million in FYE 31 March 2021, an increase of 12.9% in its profit before tax despite the retail industry being badly impacted by the Covid-19 pandemic during the period.

Industry Outlook

I believe, as our Country moves into the endemic phase and business activities revert to normal, the Group will continue to recover amidst the challenging economic environment caused by an escalation in cost due to global supply chain disruptions and the spike in commodities prices. Optimizing the usage of our resources, preserving cash, and streamlining our operations will minimize the adverse impact. We will continue to collaborate with our business partners to strengthen the supply chain efficiency and reduce wastage. We have also enhanced our digital retailing sector in adapting to the changes in consumer buying behavior accelerated during the pandemic.

Dividend

The Company paid a final dividend of RM 0.01 for every share on 28 June 2022 prior to the forthcoming Forty-Seventh Annual General Meeting.

Board Commitment

The Board continues to uphold and implement high standards of corporate governance and corporate social responsibility across the Group. Details of the corporate governance disclosure and activities of corporate social responsibility are disclosed in the relevant sections in this Annual Report.

We value the diverse mix of skills, experience, knowledge and competencies of the Board and will continue to drive better performances for the Group.

Acknowledgment and Appreciation

On behalf of the Board of Directors, I would like to express my heartfelt appreciation to the management team and employees of the Group for their contributions towards the improved performance of our Group during the past year. I would also like to take this opportunity to thank my fellow directors, our shareholders, customers, Bursa Malaysia Securities Berhad and other stakeholders for their continuous support, co-operation and confidence in the Group.

Dato' Sri Tan Thian Poh
Chairman

Anakku animation world FIRSTCARE™ Disney baby Anakku KIDDO

Audrey LILIAN cottonshop bras for less

Business Overview

The COVID-19 pandemic that started in 2020 continued to cause great damage in the country resulting in further imposition of the Movement Control Order (MCO) by the Malaysian Government from June 2021 to September 2021. Like most sectors of the economy, the Group's business was just as affected by the MCO lockdown but we managed to respond to the situation and were quick to come up with steps in accordance to the 'new normal' as follows:

- **Supply chain continuity** – working closely with key suppliers to ensure undisrupted supply chain
- **Liquidity assurance** – managing receivables and payables to ensure sufficient cash cover at all times
- **Cost containment** – rigorous cost containment to cut down discretionary expenses

The Group, again, has successfully navigated through many challenges during the year which includes putting in place a host of standard operating procedures (SOPs) not only to keep our staff and customers safe but also to ensure that our business could be operational as much as possible. The prolonged COVID-19 pandemic and numerous containment measures introduced by the Malaysian Government in dealing with resurgence of cases has resulted negative impact on the local economy. However, the primary markets where the Group operates, have achieved high vaccination rate and are expected to recover gradually in the next financial year as the economic activities progressively re-open. Nonetheless, the Group will remain consistent with the stated 'new normal' mandates in managing the operating costs while upholding the quality of our products to enable us to maintain our market position as one of the preferred baby and lingerie brands in the region.

Financial Review

The Group recorded about the same revenue as last year at RM170.1 million. Albeit challenging circumstances, we continued to remain profitable for the fourth year running with a profit before tax (PBT) of RM20.8 million compared to a PBT of RM18.4 million for the corresponding period last year. Profit after tax (PAT) is at RM15.6 million compared to a PAT of RM16.2 million in the last financial year, a slight drop of 3.7% after taking up the full year deferred tax asset realization of RM4.1 million.

Earnings per share stood at 6.71 sen for the current financial year as compared to earnings per share of 6.97 sen in the previous year. The Group recorded a further improved Net Asset per share of RM0.98 compared to RM0.92 recorded in the last financial year.

The following table compares the Group's cash position for the financial year.

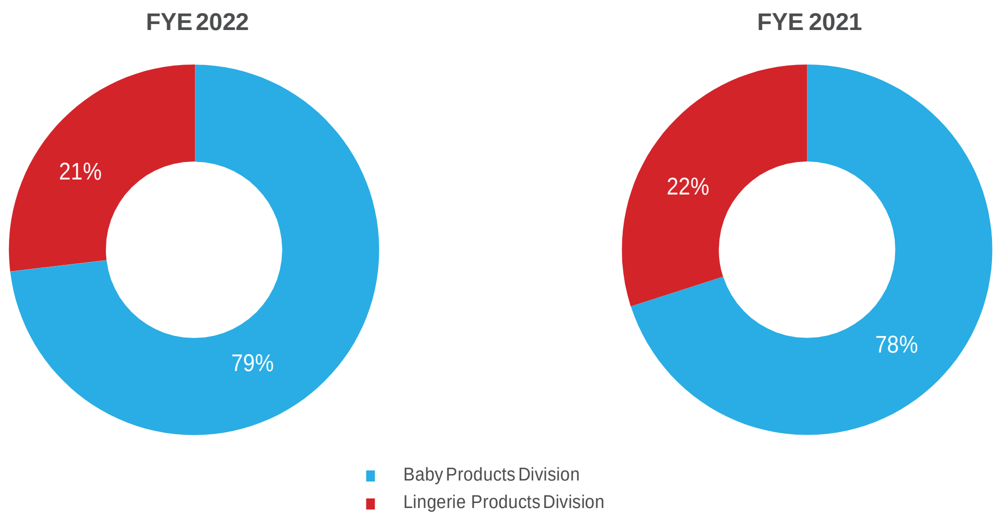
CASH B/F	**14,151,067**
OPERATING ACTIVITIES	23,159,545
INVESTING ACTIVITIES	966,659
▪ *Capex*	*(1,276,890)*
▪ *Changes in Inventories*	*1,166,370*
▪ *Changes in Receivables*	*(601,562)*
▪ *Changes in Payables*	*1,678,741*
FINANCING ACTIVITIES	(21,925,421)
▪ *Changes in Bank Borrowings*	*(19,598,945)*
▪ *Dividend paid*	*(2,326,476)*
CASH C/F	**16,351,850**

At the same time, the Group recorded a closing inventory balance of RM53.3 million as compared to RM58.7 million last financial year, representing a drop of RM5.4 million.

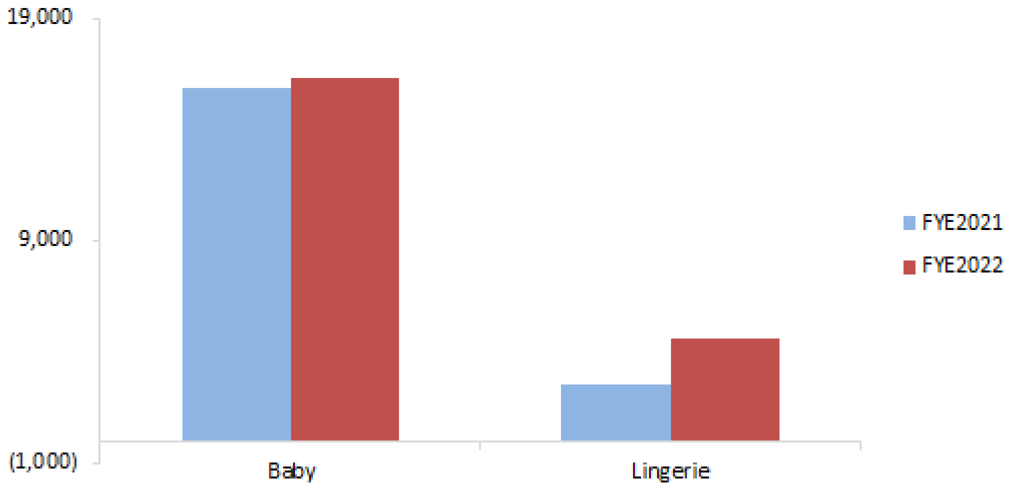
We are also happy to note that the Group has further improved its debt to equity ratio at 0.08 times compared to 0.25 times previously.

Segmental Review

The Group is principally engaged in the operation of retailing and distribution of baby apparels with related products and lingerie with related products.



Revenue* (RM '000)	FYE2022		FYE2021	
Baby Products Division	135,194	79%	133,759	78%
Lingerie Products Division	35,007	21%	36,998	22%
Total	170,201	100%	170,757	100%



Profit before tax (RM'000)	FYE2022 (RM'000)	FYE2021 (RM'000)
Baby Products Division	16,329	15,851
Lingerie Products Division	4,646	2,574
Total	20,975	18,425

Baby Products Division

For the financial year ended 31 March 2022 (FYE2022), revenue increased slightly by 1.1% to RM135.2 million from RM133.8 million last year. Correspondingly, the division registered an increase in profit before tax by 3.0% to RM16.3 million compared to RM15.9 million for the same period last financial year. The increase in earnings was attributed to lower cost of sales as a result of stronger supply chain management and lower overall finance cost following repayment of borrowings.

We have maintained the number of retail outlets and managed to open 6 more consignment counters during the year bringing a total of 231 consignment counters and 93 stand-alone outlets as at 31 March 2022.

We implemented the following measures as part of the business plan to mitigate COVID-19 impact:

- More flexible rental arrangements were made in view of the imposition of MCO
- The successful adoption of e-commerce with enhanced product offerings
- Implemented just-in-time supply chain program to reduce inventory
- Continue to adhere to safety guidelines despite the uplift of COVID-19 restrictions

BABY PRODUCTS DIVISION	Number of Stores
consignment counters	231
stand-alone outlets	85
large format stores	8

The number of stores is as at 31 March 2022

Lingerie Division

For FYE2022, revenue dropped by 5.4% to RM35.0 million compared to last financial year of RM37.0 million. However, the division registered an increased in PBT of 80.5% to RM4.6 million from RM2.6 million for the same period last financial year. The increase in earnings was attributed again to lower cost of sales as a result of stronger supply chain management as well as tight expense control to maintain overall margins.

With this, the PBT margin increased to 13.3% compared to 7.0% in the corresponding period last year. E-commerce adoption for this division was a success and this was largely attributable to the increased acceptance of e-shopping for innerwear due to the imposition of MCO restriction.

We closed 17 consignment counters this year in order to rationalize our resources in the consignment segment. However, this is compensated by 13 new stand-alone outlets bringing in the total of 140 consignment counters and 53 stand-alone outlets as at 31 March 2022.

LINGERIE DIVISION	Number of Stores
consignment counters	140
stand-alone outlets	53

The number of stores is as at 31 March 2022

Risk Exposure and Mitigations

The Group's major business operations are sales, distribution and retailing of consumer goods that are subject to the risks stated below, and changes in these conditions may have material impact on the Group's operations, performance, financial condition and liquidity:

a) General economic condition;
b) Changes in law, by-laws and/or government policy which affect trade, retail and distribution industry;
c) Changes by Bank Negara Malaysia and commercial banks on their credit policy and fluctuation of bank interest rates;
d) Increase in minimum wages;
e) Movement in purchases leading to increasing cost of goods; and
f) Continuous monitoring of COVID-19 developments.

The Management is constantly monitoring changes in the above conditions and its subsequent impact to consumer market of our products. We will plan our product launches and promotions in accordance to such changes in the market and consumer sentiment.

The Management, through analysis of performance of each outlet on a regular basis, identifies the saleable products of each outlet where emphasis is given to the importance of speed and the critical lead time in order to meet market demand and remain competitive. Communication in all areas of the business is vital so that an immediate remedy is introduced for any issue identified.

The Management recognizes that poor supply chain management is a big risk to the survival of the Group. Besides maintaining a strong professional relationship with our existing suppliers, sourcing for new suppliers that are capable of meeting our requirements is equally important. This is a continuous effort by the Management where supplier performance is reviewed on a regular basis.

The Management invested significant effort and time in e-commerce platforms and market places to expand its sales channel to cater for the increasing trend of online shopping. The Management is continuously reviewing its digital marketing strategies to build brand awareness and to generate leads into the products.

Opportunities and Challenges

As we move into the new financial year, we are likely to face new economic challenges from rising inflation, supply chain bottlenecks to labor shortage. These are no less challenging compared to the COVID-19 impact in last two (2) years but the Group remains cognizant to continue identifying new business opportunities. Despite the economic and political uncertainties, we have good reasons to believe that our overall business strategy has worked in putting the Group back on its path of profitability. These include maintaining our pricing, merchandising and promotional plans that are relevant to our customers.

As of 30 September 2021, 85.7% of the adult population in Malaysia has been fully vaccinated as published by the Special Committee on Ensuring Access to COVID-19 Vaccine Supply. With the high vaccination rate, Malaysia has moved into the endemic COVID-19 phase on 1 April 2022 as more sectors were reopened with new COVID-19 norms being practiced.

We remained cautious in the short-term but we expect baby and innerwear products to remain as essential items for consumers in their shopping list. We are optimistic that our investments in e-commerce will continue to bear fruits in the coming year. With our improved gearing, Management can remain focused and vigilant in resolving liquidity challenges in these new normal as we continuously balance the need to be safe and to make a living for all.

Our strategic direction remains unchanged, while execution will be adapted to the specific consumer and market requirements. We will continue to leverage on our brand strength to build bigger market share by being relevant and innovative in our product offerings.

ABOUT THIS STATEMENT

The Board of Directors of Asia Brands Berhad ("Board") is aware and committed to integrate our social responsibilities into our business strategies for the sustainable growth of the Group. As the Group work to increase stakeholders value through our core business, it will not neglect our responsibilities and will strive for the betterment of our employees and the community. Our sustainability practices and preparation of this Sustainability Statement ("this Statement") are guided by the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") Sustainability Reporting Guide and guidelines issued by the Global Reporting Initiative ("GRI") Standards.

This Statement focuses on our Group's sustainability practices focusing on the economic, environmental, and social impacts of our activities and initiatives in accordance with the GRI Standards, prioritizing our focus on reviewing our material issues and mapping out our route forward to embed sustainability throughout our business operations. This Statement covers the reporting period from 1 April 2021 to 31 March 2022 ("FY2022") and based on material topics that we have identified. Our focus for FY 2022 was on reviewing our sustainability approaches which covers economic, environmental and communal other than governance. Our scope and boundaries cover all our entities and operations in Malaysia.

This Statement contains certain forward-looking statements relating to future performance where such statements are premised on current assumptions and circumstances, which could change, hence they necessarily involve uncertainty. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

MATERIALITY

Materiality, in sustainability terms, is not limited to matters that may have a significant financial impact on our Group but also includes matters that may have an effect on our ability to meet present and future needs. Our definition of materiality is drawn from the guidelines provided by Bursa Securities where material issues are defined as such if they reflect an organisation's significant economic, environment, and social impacts; or substantively influence the assessment and decisions of stakeholders.

The materiality assessment will be used in the following ways:

1. To identify the sustainability issues for the Group in terms of business value, risks and opportunities.
2. To understand how sustainability and key business issues intersect.
3. To plan future sustainability commitments and resource allocation
4. To support the Group's engagement with external stakeholders

The key stakeholder groups that have been identified includes our employees, shareholders, business partners, external interest groups and customers, to plan future sustainability commitments and resource allocation. Our goal is to understand and address the different needs of each group in order to build a sustainable and successful business.

Stakeholder Group	Key Areas of Concerns	Addressing these Concerns
Employees	• Career Development • Compensation, welfare and benefits • Work-life balance • Value diversity and equal opportunity • Working enviroment quality and safety	• Virtual Office / Flexi Hours • Staff Welfare Meetings • Talent Pool System • Staff Events and Functions • Provide skills development and training
Community and Public	• Quality products and services • Social Responsibility • Community development • Enviroment Awareness	• Donations and sponsorship • Employee volunteerism • Local employment creation • Education on Product Usage
Customers	• Product Quality • Product Pricing • Service Satisfaction • Customer Appreciation	• Responsible clothing design • Marketing Campaigns • Customer Focus Group • Customer Loyalty Programme
Suppliers	• Procument Process • Strategic Partnership • Suppliers' development • Payment Terms	• Group procurement policy and system • Yearly supplier evalution • Inspection to Supplier Factories • Supply chain management
Investors and Shareholders	• Business direction and prospects • Corporate governance • Company performance • Return on Investment	• Announcements on Bursa Malaysia • Annual general meeting • Annual reports • Corporate website
Government and Regulators	• Regulatory compliance • Annual reporting and disclosure • Sustainability reporting	• Attend seminars • Support and Participation

SUSTAINABILITY GOVERNANCE

All matters related to sustainability in the Group are governed and managed across various levels in the organisation. We strive to maintain the standards of corporate governance best suited to the needs and interests of our Group. Our Board has the ultimate responsibility and works together with the key senior management team to steer the Company's sustainability efforts and performance.

The following policies serve to embed our commitment towards responsible corporate governance across our operations:

Board Policies		Company Policies	
1	Board Charter	1	Anti-Bribery and Corruption ("ABC") Policy
2	Code of Conduct and Ethics	2	Whistleblowing Policy & Procedures
3	Terms of Reference of the Audit and Risk Management Committee	3	Human Resources Policy
		4	Inventory Write off Policy
4	Terms of Reference of the Nomination and Remuneration Committee	5	Procurement Policy
		6	Laptop Policy

The above Policies are communicated to our employees on the Group's intranet/notice board to facilitate awareness, in addition to wider stakeholders including suppliers, contractors, business partners and associates on our corporate website. We require all employees to abide by these policies and our ethical standards as stipulated in our employee handbook as they deliver excellence for the Company. In encouraging high standards of honesty and integrity in decision-making and behaviour, we encourage employees to consider the ethical implications and all other aspects of our ethics programme before giving and receiving gifts, in their dealings with third parties such as stakeholders, partners, vendors, and the general public.

EMPLOYEE

The Group recognises that employees are important asset. The Group shall continue to care for the welfare of all its employees and shall constantly upgrade the employees' skills to meet changing requirements. Constant education and guidance are given to all employees to ensure high level of job satisfaction at all levels. The investment in employee professional development is crucial to enhance overall performances. The Group strives to maintain a safe and healthy working environment for all the employees. Medical and hospitalisation insurance are subscribed annually to cover employees' health screening and medical needs.

For most of the year, employees worked from home and virtual meetings were held whenever possible. The Group continues to practice regular sanitization, deep cleaning and disinfection, temperature checks for both employees and visitors to the offices. We continue to post awareness posters and reminders in our premises to reinforce the message on safety, cleanliness, and wellbeing.

We have ingrained these strict measures in our business practices and operations at our premises and warehouses to deliver the promise of 'First Who Then What' philosophy in ensuring the safety, security, and comfort of our employees while working at Asia Brands Berhad.

COVID-19 Preventive Measures Adopted			
1	Work from home (rotation based)	8	Mandatory registration in MySejahtera application to faciltate close contact
2	Wearing face-mask at all times		
3	Maintaning physical distancing	9	Temperature scanning at all entry points
4	Face- to-face meeting replaced with virtual meetings	10	External visitors to scan QR code to complete health declaration
5	Wash or sanitise hands frequently	11	Avoid crowded places and physical gatherings
6	Adhere to travel restrictions & quarantine procedures	12	Awareness on SOPs information via posters and email
7	Regular deep cleaning & disinfectants		

As part of the Group's continuing support of safety at work, a fire safety seminar and training was conducted for staff by Vision Fire Protection Sdn Bhd, which covered the various classes or types of fire as well as handling fire extinguishers which can be found at various locations around the office and warehouse premises.



Workplace diversity as at 31 March 2022:

Category	Executive 40%	Non-Executive 60%		
Gender	Male 10%	Female 90%		
Age Group	20 to<30 25%	30 to <40 33%	40 to <50 29%	50 and > 13%
Diversity	Malay 44%	Chinese 51%	India 5%	

COMMUNITY

The Group encourages and supports employees' participation in community activities. Support given is mainly in the form of cash donation and products sponsorship by the Group to deserving welfare and charity organizations and children foundations. The Group has been putting a lot of efforts by holding positions and contributing donation to welfare and charity organization as part of the efforts of giving back to the society where the Group operates.

On 16 December 2021, a tropical depression made landfall on the eastern coast of Peninsular Malaysia, bringing torrential downpours throughout the peninsula for four days. On 17 December 2021, four rivers around Kuala Lumpur breached their banks, and by 18 December floods in Taman Sri Muda, Shah Alam had reached hip-level. By 20 December, many single-storey homes in Taman Sri Muda were flooded to their rooftops. Floodwaters reached a height of four meters in some places, a deluge that left 95 percent of the area underwater.

With the help of ANSARA (MRSM ex-students association) volunteers, the Group provided Anakku baby clothes and products to Bentong, Taman Sri Muda, Shah Alam and Kapar flood victims especially families with babies and children. We managed to help about 100 families.

The Group provided financial aid amounting to RM25,000 to 14 of our staff and their families who were also affected by the flood.



CUSTOMER

The Group's approach to meeting customers' needs and satisfaction is driven by serving and responding to the customer efficiently as well as meeting our customers' needs. This became the Group's feedback to keeps us relevant to their requirements and market trends. Our operators and promoters are trained to educate our customers about our products by providing product knowledge and sharing of information and concerns related to those products.

Over the years, the Group has initiated several marketing promotions, campaigns, activities and loyalty programs to increase our customer base and sustain the customer numbers in our outlets and retail boutiques. This year, online campaigns and e-commerce platforms became the predominant choice which helps customers make their product/brand choices.

SUPPLIER

We always value and respect our business partners; our suppliers, vendors, logistic providers and retail operators who helped us achieve our financial objective, and with an emphasis on offering safety, assurance and better quality products and services. We work closely with our business partners, and aspire for success and mutual prosperity. The Group has also initiated a Vendor Management Program which consolidates all of our suppliers across major regions in the country as manufacturing and warehousing hubs to assure speedy delivery and response time to our customers within those regions.

Such initiatives have not changed during the COVID-19 pandemic. In order to overcome supply chain disruption, the Group ensures that our suppliers get paid promptly or earlier on mutually agreed early payment discounts so that better quality products and services are maintained at all times.

ENVIRONMENT

We target to work towards a more environmental friendly production processes and to achieve minimal discharge of hazardous substances through continuous improvement of the supply chain. This means working closely with our vendor partners from design to finished products to reduce consumption and environmental impact as our effort to save both the environment and costs.

The spike of online delivery services, single use plastic packaging, bags and containers from food deliveries and the demand for sanitizers and bottled water have generated massive plastic waste during the lockdown. To address this, we continue to drive "no plastic bag" campaign for all in-store purchases and discourage any use of non-recyclable materials for packaging and transportation of products.

For our office building, we encourage our employees to turn off their computers, laptops and monitors if they are going to be away from their desk for a break or a long period of time. Majority of the office lightings that are not in used will also be switched off during lunch hours and past business hours. Aside from that, regular maintenance and upkeep are also conducted on all office equipment to keep them running efficiently.

During the pandemic, as most of our employees work from home, energy consumption has reduced tremendously. This in turn has positive environmental effects which includes reduction in air pollution, an improvement in air and water quality as well as noise levels, and land surface temperature reductions.

REGULATORY COMPLIANCE

The Group is committed to conducting lawful and ethical business practices and zero tolerance for unethical or illegal conduct. To ensure our behavior and communications are aligned, we encourage employees, suppliers and stakeholders to report any illegal or unacceptable behavior or non-compliance with the Groups Code of Ethics and the Anti-Bribery and Anti-Corruption Policy.

Whistleblowing practice is encouraged and is open to any employees, suppliers or third-parties, with the assurance that any report will be properly investigated and treated with confidentiality.

In FYE 2022, Asia Brands was not subject to any occurrence of non-compliance with any regulatory requirements.

The financial statements of the Group and the Company have been drawn up in accordance with the provisions of the Companies Act 2016, the Malaysian Financial Reporting Standards and International Financing Reporting Standards . The Directors take responsibility in ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year, and of the results and the cash flow position of the Group and the Company for that financial year then ended.

In preparing the financial statements, the Directors have ensured that:-

- the Group and the Company have adopted the appropriate accounting policies and applied them consistently;
- all statements are supported by reasonable and prudent judgments and estimates;
- all applicable accounting standards have been followed; and
- the financial statements are prepared on a going concern basis.

The Directors are also responsible for ensuring that the Group and the Company maintain proper accounting records that disclose the financial position of the Group and of the Company with reasonable accuracy at any time, thus enabling the financial statements to be complied with the regulatory requirements.

The Directors have overall responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

INTRODUCTION

The Board of Directors of Asia Brands Berhad ("ABB" or "Company")("Board") is committed to uphold the high standards of corporate governance in conducting the affairs of the Company and its subsidiaries ("Group") in discharging its responsibilities with integrity, transparency and professionalism as a fundamental part to protect and enhance long-term shareholders value.

The Board is committed to ensure that the applicable principles and recommendations as prescribed in the Malaysian Code on Corporate Governance ("MCCG") are applied throughout the Group so as to protect and enhance long-term shareholders' value and all stakeholders' interest.

This Corporate Governance Overview Statement ("Statement") discloses and affirms the manner and the extent in which the Group has applied the principles and complied with the recommendations set out in the MCCG throughout the financial year ended 31 March 2022 ("FY2022"). The detailed explanation on the application of the corporate governance practices is reported under the Corporate Governance Report which is published on the website of Bursa Malaysia Securities Berhad ("Bursa Securities") at http://www.bursamalaysia.com/market and the Company's website at www.asiabrands.com.my.

This Statement also serves as a compliance with paragraph 15.25 of the Main Market Listing Requirements of Bursa Securities ("Main LR").

In general, the Group has complied with all material aspects of the principles set out in the MCCG throughout FY2022 to achieve the intended outcome. The following are 2 recommended practices which the Company has not applied:
- Practice 5.2 – At least half of the Board comprises of independent directors.
- Practice 5.9 – The Board must have at least 30% women directors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD RESPONSIBILITIES

1. Board 's Responsibilities in Meeting Objectives and Goals

1.1 The Board

The Board is responsible for the stewardship of business and affairs of the Company in order to enhance long-term shareholders' value. The Board is fully aware and understand their collective responsibilities in guiding the business activities of the Group in reaching an optimum balance of a sound and sustainable business operation with an optimal corporate governance framework in order to safeguard shareholders' value.

The Executive Directors of the Group are directly responsible for the day-to-day management of the business and operations, for procuring new business and for the commercial and corporate performance of the Company within the parameters of good governance. Non-Executive Directors play a vital check and balance role by challenging and scrutinising Management recommendations and proposals in an objective manner and bringing independent judgement to the decision-making process at the Board and Board Committee levels.

Reserved matters for Board's decision making includes strategic issues and planning, significant acquisition and disposal, dividend policy, risk management, significant property transactions, review of the financial statements, ensuring regulatory compliance and reviewing the adequacy and integrity of internal controls.

The Board is also responsible for establishing the Group's goals and strategic directions, setting goals and targets for Management and monitoring the achievement of goals and targets. The Board also oversees the process of evaluating the adequacy and effectiveness of the system of internal controls and risk management processes.

Any member of the Board may request for independent professional advice in the discharge of his/her fiduciary duties by forwarding a request to the Group Managing Director who will then direct the same to an external service provider. The expenses incurred in this connection shall be borne by the Company.

All the Directors of the Company has objectively discharged their duties and responsibilities at all times as fiduciaries in the best interests of the Company. During FY2022, the Directors attended the following training, briefing and workshop programmes:-

Directors	Seminars/Briefing/Workshop attended
Dato' Sri Tan Thian Poh	• Transfer Pricing – Regulatory Impact
Ng Chin Huat	• Transfer Pricing – Regulatory Impact
Kong Sau Kian	• Transfer Pricing – Regulatory Impact
Lim Kim Meng	• Transfer Pricing – Regulatory Impact

In addition, the Company Secretary and external auditors update the Board on a regular basis on the respective changes and amendments to regulatory requirements and laws and accounting standards to assist Directors to keep them abreast of such latest changes in the regulatory requirements.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(I) BOARD RESPONSIBILITIES (cont'd)

1. Board 's Responsibilities in Meeting Objectives and Goals (cont'd)

1.2 Chairman of the Board

The Chairman is responsible for:-

- Leadership of the Board;
- Overseeing the effective discharge of the Board's supervisory role;
- Facilitating the effective contribution of all Directors;
- Conducting Board meetings;
- Briefing all the Directors in relation to issues arising at meetings;
- Scheduling regular and effective evaluations of the Board's performance;
- Promoting constructive and respectful relations between Board members and between the Board and the Management;
- Representing the Board to shareholders;
- Ensuring the integrity and effectiveness of the governance process of the Board; and
  Maintaining regular dialogue with the Board over all operational matters and consulting with the Board promptly over any matter that gives him or her cause for concern

1.3 Roles of the Chairman and the Group Managing Director

The position of the Chairman and the Group Managing Director are held by two (2) different individuals. There is a clear division of responsibilities between the Chairman and the Group Managing Director to ensure that the Board remains balanced at all times.

The Chairman acts as the leader of the Board and is responsible for overseeing the effective discharge of the Board's supervisory role and facilitating the effective contribution of all Directors while the Group Managing Director focuses on the business and day-to-day management of the Company with all powers and discretion vested in him, from time to time, by the Board.

1.4 Company Secretary

The Board is supported by a suitable qualified and competent Company Secretary who is a qualified Chartered Secretary under Section 235(2)(a) of the Companies Act 2016 and is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators.

Every Director has ready and unrestricted access to the advice and services of the Company Secretary in ensuring the effective functioning of the Board. The Directors are regularly updated and advised by the Company Secretary on new statutory and regulatory requirements issued by regulatory authorities, and its implications to the Company and the Directors in relation to their duties and responsibilities.

During FY2022, the Company Secretary has discharged her duties and responsibilities accordingly, and will continue to constantly keep herself abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the regulatory environment through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretary in discharging her functions and duties.

1.5 Meetings of Board/ Board Committee

Relevant Board papers were disseminated to all the Directors at least five (5) business days in advance of the meeting so as to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the Management or the Company, or to consult independent advisers, if they deemed necessary. As part of the integrated risk management initiatives, the Board also noted the decisions and salient issues deliberated by Board Committees through minutes of these committees. Board meetings are conducted in accordance to a structured agenda.

Senior Management are invited to attend Board meetings to provide their views and explanation on certain items on the agenda being tabled to the Board and to furnish clarification on issues that may be raised by the Directors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(I) BOARD RESPONSIBILITIES (cont'd)

1. Board 's Responsibilities in Meeting Objectives and Goals (cont'd)

1.5 Meetings of Board/ Board Committee (cont'd)

Minutes of the meetings are properly recorded and accurately reflect the deliberations and decisions of the Board, including whether any director abstained from voting or deliberating on a particular matter.

To facilitate the Directors' time planning, an annual meeting calendar which provides the scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting is prepared and circulated to the Board before the beginning of every financial year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. This is to ensure that the Directors allocate sufficient time to discharge their duties effectively.

The Board meets at least four (4) times a year at quarterly intervals with additional Board meetings convened when necessary. Sufficient notice periods are given to the Board prior to each meeting. During the financial year under review, the Board convened four (4) meetings and the attendance of the Directors are as follows:-

Directors	No. of Meetings attended
Dato' Sri Tan Thian Poh	4/4
Ng Chin Huat	4/4
Kong Sau Kian	4/4
Lim Kim Meng	4/4

All the Directors complied with the minimum 50% attendance requirement in respect of Board meetings held during FY 2022 as stipulated under Paragraph 15.05 of the MMLR.

2. Demarcation of Responsibilities

2.1 Board Charter

In discharging its duties, the Board is guided by its Board Charter which outlines the duties and responsibilities of the Board and the Board Committees. Matters specifically reserved for the Board and those delegated to Board Committees are clearly defined in the Board Charter.

The Board Charter sets out the composition and balance, roles and responsibilities and processes of the Board and to ensure that all Board members acting on behalf of the Group are aware of their duties and responsibilities as Board members. The Board Charter is reviewed by the Board, as and when required, to ensure its relevance in assisting the Board to discharge its duties with the changes in the corporate laws and regulations that may arise from time to time and to remain consistent with the Board's objectives and responsibilities. The Board Charter is published on the Company's website at www.asiabrands.com.my.

3. Good Business Conduct and Healthy Corporate Culture

3.1 Code of Conduct and Ethics

The Directors observe the Company Directors' Code of Ethics promulgated by the Companies Commission of Malaysia, which governs the underlying core ethical values and commitment to lay standards of integrity, transparency, accountability and corporate social responsibility to be followed by the Directors in their business dealings.

The Board will periodically review and reassess the adequacy of the Code, and make such amendments to the Code as the Board may deem appropriate. The Code is available at the Company's website at www.asiabrands.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(I) BOARD RESPONSIBILITIES (cont'd)

3. Good Business Conduct and Healthy Corporate Culture (cont'd)

3.2 Whistleblowing

The Board had established and adopted a Whistleblowing Policy that provides employees with proper reporting channels and guidance to disclose any wrongdoing or improper conduct relating to malpractices, unlawful conducts, any violation of established written policies.

The Whistleblowing Policy is also to ensure that fair treatment is provided to both the whistle-blower and the alleged wrongdoer when a disclosure of improper conduct is made. A disclosure of improper conduct can be made in verbal or in writing.

The implementation of the policy enables better transparency and accessibility to our stakeholders to report any misconduct that may occur within the Group.

3.3 Anti-Bribery and Anti-Corruption Policy

The Group has established an Anti-Bribery and Anti-Corruption Policy which prohibits all forms of bribery and corruption practices.

The Group adopts a zero-tolerance approach to bribery and corruption in all its forms. It is committed to conducting business free from any acts of bribery or corruption in upholding high standards of ethics and integrity.

3.4 Commitment to Environment, Social and Corporate Governance ("ESG")

The Board is the ultimate authority over the Group‟s sustainability strategy and governance, reviewing and approving all sustainability-related policies and initiatives. The Sustainability Committee reports its progress to the Board on a halfyearly basis in relation to the Group‟s sustainability initiatives and the holistic approach taken to identify and manage the material sustainability matters that represent our ESG risks and opportunities.

(II) BOARD COMPOSITION

4. Objectivity of the Board's Decisions

4.1 Board Composition

The current Board comprises four (4) Directors, out of which, one (1) Executive Director, one (1) Non-Independent Non- Executive Director, one (1) Senior Independent Non-Executive Director and one (1) Independent Non-Executive Director.

The profiles of the Directors are set out in this Annual Report.

The Company has not been able to apply Practices 5.2 and 5.9 of the MCCG 2021 as the Board is of the view that application of both these Practices will require some time. Although less than half of the Board comprises independent directors, however, the Company fulfills the requirement of at least one-third (1/3) of the Board comprises independent directors as stipulated under paragraph 15.02(1) of the Main LR. The Board believes that its current structure is able to discharge the Board's priorities objectively with the balance of power and authority on the Board.

The Board is chaired by a Non-Independent Non-Executive Director. The Non-Executive Directors are independent of management and have no relationships that could materially interfere with the exercise of their independent judgment. Together, the Directors have wide range of experience in business, corporate, banking and financial experience.

The Board is of the opinion that the composition of the current Board has the required mix of skills and experience required to discharge the Board's duties and responsibilities. Collectively, the Directors combine their diverse commercial, regulatory, industry and financial experience to add value to the Board as a whole.

The Board is free to discuss all matters regarding the affairs of the Group, without any restrictions or limitations being imposed on any Director. Where matters discussed involve the interest of the Chairman, he shall state his interest and shall refrain from discussions and decision-making.

No individual or a company of individuals dominates the Board's decision making.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(II) BOARD COMPOSITION (cont'd)

4. Objectivity of the Board's Decisions (cont'd)

4.1 Board Composition (cont'd)

All the Directors have an equal responsibility for the Group's operations and corporate accountability. The Independent Non-Executive Directors play a vital supporting role by contributing their knowledge and experience towards the development of the Group's objectives. They also provide a broader and independent view in the decision-making process.

To assist the Board in carrying out its duties and responsibilities, the Board has established the following Board Committees, each with clearly defined Terms of Reference in order to enhance corporate efficiency and effectiveness:-

(i) Audit and Risk Management Committee; and
(ii) Nomination and Remuneration Committee ("NRC").

4.2 Tenure of Independent Directors

The NRC assesses the independence of the Independent Directors and monitors their tenure annually.

Presently, both Mr. Kong Sau Kian and Mr. Lim Kim Meng are the Independent Non-Executive Directors of the Company who served the Board for a cumulative term of more than nine (9) years.

4.3 Appointment of Board and Senior Management

The NRC is responsible for the nomination and election process of new Directors and to evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in light of this evaluation, prepares a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the NRC shall:-

(i) consider candidates from a wide range of backgrounds;
(ii) consider candidates on merit, against objective criteria with due regard for the benefits of diversity on the Board, including gender; and
(iii) ensure that once appointed, appointees have enough time available to devote to the position of director.

For the appointment of a Chairman, the NRC shall consider the expected time commitment. A proposed Chairman's other significant commitments is also disclosed to the Board before the appointment, and any changes thereto is reported to the Board.

Prior to the appointment of a director, the proposed appointee shall be required to disclose any other business interests that may result in a conflict of interest in relation to the Company, and shall be required to report any future business interests which may develop post-appointment, that could result in a conflict of interest.

During FY2022, the Board has taken into account the assessment by the NRC and is satisfied with the mix of skills and board composition level, therefore, no new Director is sourced and appointed to the Board.

In the event a candidate is required for the appointment of director, the NRC will use variety of approaches and sources to ensure that it identifies that most suitable candidates and will not limit themselves solely on the recommendations from existing Board members, management or major shareholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(II) BOARD COMPOSITION (cont'd)

4. Objectivity of the Board's Decisions (cont'd)

4.4 Board Diversity

The Board acknowledges the recommendation of the MCCG in relation to the establishment of board room gender diversity policy. However, in the process of selection of Board members, the Company practices non-discrimination in any form, whether based on gender, age, ethnicity or religion as all candidates shall be given fair and square opportunity.

When the need arises, the Board would give more weightage on the appointment of female Directors and senior management.

4.5 Nomination and Remuneration Committee ("NRC")

The NRC comprises three (3) members, the majority of whom are Independent Non-Executive Directors of the Company as shown in the table below:

Name	Directorship	Designation
Lim Kim Meng	Independent Non-Executive Director	Chairman
Kong Sau Kian	Senior Independent Non-Executive Director	Member
Dato' Sri Tan Thian Poh	Non-Independent Non-Executive Director	Member

The principal objectives of the NRC are:-

(i) to assist the Board to nominate new nominees to the Board;
(ii) to assist the Board to oversee the selection and assess the performance of the Directors of the Company on an on-going basis; and
(iii) to assist the Board to assess the remuneration packages of the Group Chief Executive Officer.

The NRC also oversees matters relating to the nomination of new Directors, annually reviews the required mix of skills, experience, independence assessment of Independent Directors, reviews succession plans and boardroom diversity; oversees training courses for directors and other requisite qualities of Directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director.

Authority, duties and responsibilities of the NRC

The NRC is governed by its terms of reference ("TOR") which is available on the Company's website at www.asiabrands.com.my.

Summary of Activities of the NRC

During FY2022, the main activities carried out by the NRC included the following:-

(i) Recommended the re-election of retiring Director and retention of Independent Directors at the forthcoming annual general meeting.
(ii) Evaluated the effectiveness of the Board as a whole and of the Board Committees and the contribution and performance of each individual Director and key officers.
(iii) Reviewed the terms of office of ARMC.
(iv) Reviewed the overall composition of the Board.
(v) Reviewed the independence of the Independent Directors and assessed their ability according to the following criteria:-
   - the Independent Directors fulfil the definition of an independent director as set out under Paragraph 1.01
   - of Main LR of Bursa Securities.
   - the Independent Directors are able to exercise independent judgement and act in the best interest of the
   - Company.
   - there must be no potential conflict of interest that the Independent Directors could have with the Company as they had not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the Main LR of Bursa Securities.
   - the Independent Directors have not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Non-Executive Chairman and Group Managing Directors, major shareholders or Management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent with their duties and expected of them to carry out their duties as an Independent Director.
   - the Independent Directors do not derive any remuneration and benefits apart from Directors' fees and meeting allowances.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(II) BOARD COMPOSITION (cont'd)

5. Overall Effectiveness of the Board (cont'd)

5.1 Annual Evaluation of the Board

The NRC conducted an annual assessment of the Board's effectiveness as a whole and the contribution of each individual Directors in respect of FY 2022 using customised questionnaires to be completed by the Directors. The results of the self-assessment by Directors and the Board's effectiveness as a whole were tabled to the NRC and the Board for review.

The criteria for Director's evaluation cover areas such as contributions to interaction, roles and responsibilities and quality of input to enhance the Board's effectiveness. For Board and Board Committee assessment, the criteria include board structure and operations, their roles and responsibilities, succession planning and board governance.

The Board studied the results of evaluation and is generally satisfied with its current size, composition as well as the mix of skill sets and the independence of its Independent Non-Executive Directors.

The Board has also assessed the independence of the Independent Non-Executive Directors, taking into account the individual Director's ability to exercise independent judgment at all times and their contribution to the effective functioning of the Board, and is satisfied with the level of independence demonstrated by all the Independent Non- Executive Directors and their ability to act in the best interest of the Company.

Based on the assessment carried out for FY2022, the Board is satisfied with the level on independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company.

The Independent Directors are not employees and they do not participate in the day-to-day management of the Group. They bring an external perspective, constructively challenge and help to develop proposals on strategy, scrutinise the performance of Management in meeting approved goals and objectives and monitor the risk profile of the Company's business and the reporting of quarterly business performance.

(III) REMUNERATION

6. Remuneration of Directors and Senior Management

6.1 Remuneration Policy

The Board has a formal procedure to determine the remuneration of each Director which is reviewed from time to time against market practices. The Board ensures that the level of remuneration is sufficient to attract and retain Directors needed to run the Group successfully. The component part of remuneration has been structured to link rewards to corporate and individual performance for the Group Chief Executive Officer whilst Non-Executive Directors 'remuneration reflects their experience and level of responsibilities.

6.2 NRC

The NRC also recommends to the Board, the policy framework and remuneration and benefits extended to the Group Managing Director. Non-Executive Directors' remuneration is a matter to be decided by the Board as a whole, with the Directors concerned abstaining from deliberation and voting in respect of their remuneration.

The Terms of Reference of the NRC is available at the Company's website at www.asiabrands.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

(III) REMUNERATION (cont'd)

6. Remuneration of Directors and Senior Management (cont'd)

6.3 Remuneration of Directors

The details of the remuneration package for the Group Managing Director and Directors' fees for the Non-Executive Directors during FY2022 are as follows:

Received from the Company

	Director's fees/ Meeting Allowance (RM)	Salary and Bonus (RM)	Other emoluments (RM)	Total (RM)
Group Managing Director				
Ng Chin Huat	48,000	–	100,056*	148,056
Non-Executive Directors				
Dato' Sri Tan Thian Poh	180,000	–	–	180,000
Kong Sau Kian	48,000	–	–	48,000
Lim Kim Meng	36,000	–	–	36,000
Total	**312,000**	**–**	**100,056**	**412,056**

** Remuneration received from the Group*

6.4 Remuneration of Senior Management

Apart from the remuneration of the Group Managing Director above, the remuneration for the remaining three (3) senior management are as follows:-

Range of Remuneration (RM)	Number of Senior Management
120,000 to 180,000	-
180,001 to 360,000	1
Above 360,000	2
Total	**3**

The Board opined that such disclosure of the key senior management's remuneration on a named basis would have adverse effect on the Company's talent retention in the competitive industry. All senior management's remuneration packages are based on their scope of duty and responsibilities.

The NRC is of the view that the level of remuneration package of the senior management in respect of FY2022 is fair and reasonable to retain and reward the talents.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(I) AUDIT AND RISK MANAGEMENT COMMITTEE

7. Effective and Independent ARMC

7.1 ARMC and the Board are chaired by different individuals

The ARMC is chaired by Mr. Kong Sau Kian while the Chairman of the Board is Dato' Sri Tan Thian Poh.

7.2 Cooling-off Period of at least three (3) years for former Key Audit Partner

None of the ARMC members were former key audit partners within the cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

7.3 Assessment of External Auditors

The ARMC has yet to have a specific policies and procedures to assess the suitability, objectivity and independence of the external auditor.

The ARMC undertakes an annual assessment of the suitability and independence of the external auditors. The ARMC meets with the external auditors to discuss their audit plan, audit findings and the Company's financial statements.

The ARMC noted for FY2022, REANDA LLKG International, the external auditors of the Company and of the Group, have provided their written assurance that they are, and have been, independent through the conduct of the audit engagement in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

Upon completion of the assessment, the ARMC was satisfied with REANDA LLKG International's technical competency in terms of suitability and independence during the financial year under review.

7.4 Financial Literacy of ARMC Members

In compliance with the MCCG, the ARMC members possess a wide range of necessary skills and are financially literate. Their profiles are set out in the Profile of Directors Section of this Annual Report.

(II) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

8.1 Risk Management and Internal Control

The Board has established a risk management framework that outlines the Group's risk management system, defines Management's responsibilities and sets out the risk appetite and risk tolerance of the Group. Details of the framework are set out in the Statement of Risk Management and Internal Control in this Annual Report.

The Board has delegated the overall responsibility for reviewing and monitoring the adequacy and integrity of the Group's risk management and internal control framework to the ARMC. The ARMC is supported by the Risk Management Committee ("**the RMC**") and the Internal Audit Department.

The RMC assists the ARMC to identify, assess, mitigate and monitor critical risks highlighted by business units and implement risk management policies and strategies approved by the Board. The Internal Audit Department, which undertakes the internal audit function, assists the ARMC to review, evaluate and monitor the effectiveness of the Group's governance, risk management and internal control processes.

The risk management framework is regularly reviewed by the Management and relevant recommendations are made to the ARMC and Board for approval.

The internal controls are tested for effectiveness and efficiency in two (2) cycles per financial year by the Internal Audit Department following risk-based approaches.

The Board reviewed the effectiveness of the Group's risk management and internal controls during FY2022 and confirmed that there was an ongoing process for identifying, evaluating and managing the significant risks faced by the Group during FY2022.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

(II) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (cont'd)

9. Effective Governance, Risk Management and Internal Control Framework

9.1 Internal Audit Function

The Directors acknowledged their responsibility in maintaining a reasonable sound system of internal controls covering financial, operational and compliance and risk management. This system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard shareholders' investments and the Group's assets. The Board seeks regular assurance on the continuity and effectiveness of the internal control system through independent review by the internal and external auditors.

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively. The internal auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system. An Internal Audit Planning Memorandum, setting out the internal audit work expected to be carried out is tabled to the ARMC.

The Group's Statement on Risk Management and Internal Control is disclosed in this Annual Report.

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

(I) COMMUNICATION WITH STAKEHOLDERS

10. Continuous Communication between the Company and Stakeholders

10.1 Effective, Transparent and Regular Communication

10.1.1 Dialogue between Companies and Investors

The Board recognises the importance of timely dissemination of information to shareholders and other interested parties to ensure that they are well informed of all major developments of the Group. Such information is communicated through various disclosures and announcements to Bursa Securities, including the quarterly financial results, annual reports and where appropriate, circulars and press releases. This information can be assessed from the website of Bursa Securities at "www.bursamalaysia.com.my". In addition, interviews conducted from time to time by local journalists with the management of the Group are reported in the local newspapers and information on the Group and its business activities is available at the company's website at www.asiabrands.com.my.

The Company's website incorporates an Investor Relations section which provides all relevant information on the Company and is accessible by the public. This Investor Relations section enhances the Investor Relations function by including analyst reports, all announcements made by the Company, annual reports as well as the corporate and governance structure of the Company.

10.1.2 Shareholder Communication Policy

The Board has put in place a Shareholder Communication Policy to facilitate the effective exercise of those rights by ensuring that the Company communicates effectively with its shareholders.

This Policy aims to promote effective communication with shareholders and encourage effective participation by shareholders at the Company's general meetings. To ensure a high quality of communication and level of clarity with all investors and other stakeholders, whilst complying with its statutory disclosure obligations, the Company endeavors to provide shareholders with ready and widespread access on a timely basis to matters that affect their investment in the Company; communicate in a clear, accurate and easy to understand manner with investors and other stakeholders.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

(I) COMMUNICATION WITH STAKEHOLDERS (cont'd)

10. Continuous Communication between the Company and Stakeholders (cont'd)

10.1 Effective, Transparent and Regular Communication (cont'd)

10.1.2 Shareholder Communication Policy (cont'd)

The communication channels for shareholders are as follows:-

(i) Corporate Website

The Company believes that communicating with shareholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner. The Company's website (www.asiabrands.com.my) has a dedicated "Investor Relations" section which carries information available to the shareholders.

The Company will leverage on technology to broaden its channel of dissemination of information and to enhance the quality of engagement with the shareholders.

(ii) Shareholders' Meeting

Annual general meetings and extraordinary general meetings of the Company are ideal opportunities to communicate with shareholders. Shareholders are encouraged to participate in general meetings.

(iii) Shareholders' Enquiries

Shareholders and investors may at any time request for the Company's public information. The Company provides a designated email address (info@asiabrands.com.my) for shareholders to make any enquiry.

(iv) Annual Reports

Annual Report remains a major channel of communication disclosing information not only on the Group's businesses, financials but also additional information such as the Company's mission and vision, operational performance, outlook and senior management team. The Board constantly improves the contents of the Annual Report to incorporate developments among others, in corporate governance and reports of Board Committees and ensure accuracy of the information as the Annual Report is a vital and convenience source of essential information for investors, shareholders and other stakeholders.

The Company aims to adopt integrated reporting based on the globally recognised framework in future in stages.

The Shareholders Communication Policy will be reviewed regularly by management to ensure that it reflects current regulatory, community and investor requirements.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

(II) CONDUCT OF GENERAL MEETINGS

11. Shareholders' Participation at General Meetings

11.1 Annual General Meeting ("AGM")

The main forum of dialogue with shareholders of the Company is the Company's AGM. The AGM represents the primary platform for direct two-way interactions between shareholders, Directors and senior management of the Company.

In compliance with the MCCG, the Company gives its shareholders at least 28 days' notice prior to the AGM, so as to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The notice of AGM also provides detailed explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.

In line with the Main LR, the Company had implemented poll voting for all the resolutions set out in the notices of general meetings. An independent scrutineer is appointed to observe the polling process and to tabulate the polling results.

In part due to the Covid-19 pandemic, the Company has held its 46th AGM virtually. Shareholders have been able to participate remotely via live streaming webcast and vote in absentia using remote participation and voting facilities. The Company will continue to monitor developments in the market for more cost effective technology to enable shareholders to participate and vote at AGMs remotely.

11.2 Attendance of Directors at General Meetings

All Directors and the external auditors are expected to attend all shareholders' meetings to take questions raised by shareholders.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board dated 29 June 2022.

The Audit and Risk Management Committee ("ARMC") comprises three (3) members as follows:-

Kong Sau Kian	*Chairman/ Senior Independent Non-Executive Director*
Lim Kim Meng	*Member/ Independent Non-Executive Director*
Dato' Sri Tan Thian Poh	*Member/ Non-Independent Non-Executive Director*

MEETINGS

The ARMC held four (4) meetings during the financial year ended 31 March 2022 ("FY2022"). The attendance of each ARMC member is as follows:-

Name of Member	Attendance
Kong Sau Kian	4/4
Lim Kim Meng	4/4
Dato' Sri Tan Thian Poh	4/4

The Group Managing Director, Group Chief Executive Officer, Group Chief Operating Officer, Chief Financial Officer, and the Finance Manager are invited to attend all the ARMC meetings. The external auditors are also invited to attend the ARMC meetings to present their audit plan and audit findings, and to assist the ARMC in its review of the year-end financial statements.

The ARMC Chairman engages on a continuous basis with Senior Management, and the external and internal auditors to keep abreast of matters affecting the Company and its subsidiaries ("the Group"). Where significant issues are noted, the ARMC Chairman communicates and confers with the other members, either through emails or in meetings.

AUTHORITY, DUTIES AND RESPONSIBILITIES OF THE ARMC

The ARMC is governed by its Terms of Reference ("TOR") which is available on the Company's website at www.asiabrands.com.my.

SUMMARY OF WORK

The main work carried out by the ARMC for FY2022 in discharging its functions and duties in accordance with its TOR is summarised as follows:-

(a) Financial Reporting

- Reviewed the unaudited quarterly results for the financial quarters ended 31 March 2021, 30 June 2021, September 2021, 31 December 2021 and 31 March 2022 before they were presented to the Board for approval.
- Reviewed the audited financial statements, directors' reports and other significant accounting issues arising from the audit for FY2022 with the external auditors before they were presented to the Board for approval.
- In its review of the quarterly financial reports and year-end financial statements, discussed with management and the external auditors on the financial reporting standards applied, including the judgments exercised in the application of those standards and the critical accounting estimates and assumptions used in arriving at the reported amounts of items in the quarterly financial reports and year-end financial statements.
- Reviewed the financial performance and financial highlights of the Company and of the Group on a quarterly basis.
- Reviewed and recommended all the reports and statements for inclusion in the Company's 2022 Annual Report to the Board for approval.
- Reviewed and was satisfied with the solvency test prepared by management prior to the declaration and payment of final dividend for FY2022.

(b) External Audit

- Reviewed the external auditors' audit planning memorandum in respect of the audit for the financial statements of the Company and the Group for FY2022.
- Reviewed and discussed the external auditors' audit report, key audit matters and the significant audit findings underlying their report.

SUMMARY OF WORK (cont'd)

(b) External Audit (cont'd)

- Noted that the external auditors did not report any actual, suspected or alleged fraud affecting the Group, and also there were no non-compliances.
- Evaluated the performance of the external auditors including suitability, objectivity and independence, taking into consideration their technical competencies, audit quality and manpower resource sufficiency to perform the audit of the Group. Also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group, and made recommendations to the Board on their reappointment and remuneration.
- Reviewed the audit services and non-audit services provided by the external auditors and their corresponding fees incurred. The ARMC had concluded that the external auditors had remained independent during FY2022.

(c) Internal Audit

- Reviewed the internal audit plan, programme of resource requirement for the year and assessed the performance of the internal auditors, reviewed the internal audit reports, which highlighted the audit issues, recommendations and the Management's responses and directed action to be taken by the Management to rectify and improve the system of internal control.
- Monitored the implementation of recommendations made by the internal auditors arising from its audits in order to obtain assurances that all key risks and control concerns have been fully addressed.
- Evaluated the performance of the internal audit department during FY2022 as well as their capability and competency to serve the Group in terms of technical competencies and manpower resource sufficiency.

(d) Matters relating to related party transaction

- Took note of all the recurrent related party transactions ("RRPTs") reported on a quarterly basis.
- Reviewed and deliberated on all proposed RRPTs to be entered into by the Group to ensure that the proposed transactions to be entered into were in the best interest of the Group, fair, reasonable and on normal commercial terms, and not detrimental to the interests of the minority shareholders of the Company.
- Reviewed the circular to shareholders in relation to the proposed shareholders' mandate for RRPTs prior to its approval by the Board.

(e) Matters relating to risk management and internal control

Reviewed the report on risk management comprising risk identification, risk management, key risk factors and liquidity risk prepared by the Risk Management Committee.

(f) Other matters

- Reviewed and recommended the Statement on Risk Management and Internal Control, Corporate Governance Report, Corporate Governance Overview Statement incorporating the ARMC Report, the Nomination and Remuneration Committee as well as Additional Compliance Information to the Board for approval and inclusion in the 2022 Annual Report.
- Reviewed the statement to shareholders in relation to the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company, prior to the submission to the Board for approval.
- Recommended to the Board to propose to shareholders the re-appointment of the external auditors at the annual general meeting of the Company.

EVALUATION OF THE ARMC

For FY2022, an evaluation was carried out on the term of office, competency and performance of the ARMC.

TRAINING

Details of training programmes and seminars attended by each ARMC member during FY2022 are set out in this Annual Report.

INTERNAL AUDIT FUNCTION

The ARMC is aware that an adequately resourced internal audit function is essential to provide independent and objective advice on the effectiveness of the Group's internal controls to the ARMC and thereafter, to the Management.

The Group's internal audit function was performed in-house by the Internal Audit Department, which reports directly to the ARMC, and assists the ARMC in monitoring and evaluating the adequacy, efficiency and effectiveness of the risk management, the Group's internal control and governance processes in anticipating key business process exposure to risk.

During FY2022, the ARMC carried out its annual evaluation of the work of the Internal Audit Department and was satisfied with the overall performance of the Internal Audit Department.

A summary of work of the internal audit function for FY2022 are as follows:-

- Assessed and evaluated the adequacy of the risk management practices, operational controls, compliance with regulatory requirements, management efficiency to ensure that the internal control system is sound and satisfactory.
- Performed testing on the Group's User Access Management and Data Management.
- Carried out audits in accordance with the internal audit plan approved by the ARMC and other significant areas recommended by the management to the ARMC.
- Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and correction actions on reported weaknesses were taken appropriately within the timeframe by the management.
- Presented the audit findings and corrective actions to be taken by management in the ARMC meetings.
- Reviewed RRPTs on a quarterly basis in accordance with the guidelines set out in the circular to shareholders for RRPTs of a revenue or trading nature.

The total costs incurred for the internal audit function in respect of FY2022 including staff costs and overheads amounted to RM10,000/-, which was the same as the previous financial year.

This report is made in accordance with a resolution of the Board dated 29 June 2022.

The Board of Directors of Asia Brands Berhad ("Board") is pleased to present its Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31 March 2022 ("FY2022"). The disclosure in this Statement is presented pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. This Statement outlines the nature and state of risk management and internal controls of the Group (comprising the Company and its subsidiary companies) during FY2022.

BOARD'S RESPONSIBILITIES

The Board acknowledges that proper risk management and internal control are important aspects of a company's governance, management and operations, and therefore, the Board is responsible for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets, in addition to setting the quality at the top and a culture towards effective risk management and internal control.

The Board also acknowledges its responsibilities for the adequacy and integrity of the system of internal controls of the Company and its subsidiary companies ("Group") and are fully aware that the system of internal control cannot totally eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit and Risk Management Committee ("ARMC"), which is empowered by its terms of reference, is to ensure that there is independent oversight of internal control and risk management. However, the Board remains responsible for the governance of risk and for all the actions of the Board Committees with regard to the execution of delegated oversight responsibilities.

MANAGEMENT RESPONSIBILITY

Management assists the Board in implementing the Group's approved policies and procedures on risk and control by identifying, evaluating, measuring, monitoring and reporting risks as well as the effectiveness of the internal control systems, taking appropriate and timely remedial actions as required. The management also assists in embedding risk management and internal control system in all aspects of the Group's activities.

RISK MANAGEMENT FRAMEWORK

There is an ongoing process of risk identification which involves identifying possible risk exposures arising from changes in the internal and external environment as well as operational conditions. The process, which was in place for the financial year under review and up to the date of issuance of this Annual Report, is supported by procedures, methodologies and evaluation criteria to ensure clarity and consistency of application across the Group. The Board has delegated its authority to the Risk Management Committee (RMC) to formulate, review and determine the level of risk tolerance.

A briefing is presented to the ARMC on the significant risks impacting the Group and the measures taken by the RMC and management to address and manage such risks. It also highlights residual exposures along with an appropriate management action plan to manage or mitigate such exposures. Any internal or external changes that may significantly impact the risks and controls spectrum is also highlighted.

The Board annually reviews and discuss the potential risk and risk tolerance with the RMC and management at Board meetings. The risk management control processes are reviewed by the RMC on an ongoing basis for identification and mitigation of the major risks within the Group.

RISK MANAGEMENT PROFILE

The risk measurement guidelines consist of qualitative measures to determine the financial and non-financial consequences of different risks based on their likelihood and impact. The risk control actions are designed and implemented based on the priority sequence articulated in the following three (3) large areas that define the positioning of which management is required to adopt or maintain in the operation of its business:

- The minimum **liquidity** position that the Group wants to have.
- The **collection** or credit position that the Group wants to maintain.
- The maximum levels of **supply chain** that the Group considers reasonable to accept.

KEY RISKS

The Group's financial performance and operations are influenced by a vast range of risk factors. The Group aims to mitigate the exposure through appropriate risk management strategies and internal controls. Principally, the key risks of the Group are as follows:

1. Liquidity Risk

The Group's exposure to liquidity risk arises primarily from the mismatches of the maturities of financial assets and liabilities.

The Group's funding requirement and liquidity risks are managed with the objectives of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimizes liquidity risk by keeping committed credit lines available.

Liquidity risk is managed on both the Group and entity basis. The primary objective of liquidity risk management is to ensure that the Group has sufficient access to funding, to support business activities and to meet contingencies. The Group uses several liquidity risk indicators/ratios for monitoring purposes. The management reviews the Group's liquidity ratios and deposit gathering activities regularly and maintain sufficient liquidity buffer as well as exploring alternative funding sources which would provide the Group with additional avenues to manage costs, volumes and maturities.

2. Collection Risk

Collection risk is defined as the risk of a counterparty failing to complete its contractual obligations when they fall due. The consequent loss is either the amount of the debt not paid back or the loss incurred when the counterparty delays payment. Based on management's risk assessment, the Group's consignment business segment has a higher risk of receiving late payments compared to the outright and retail business segment.

The Group sell goods on trade credit, invoicing customers for payment at a later date. Collection risk management involves decisions based upon their customers' financial health, which can indicate their ability to pay on time. Extending the appropriate amount of credit (credit limit) to qualified customers may reduce the risk of late payments or defaults, both of which can expose the Group to financial challenges.

Collection risk management is the practice of determining creditworthiness – assessing new and returning customers for risk of late or non- payment. The Group performs due diligence to manage the risks that come with extending business credit. The Collection team maintains a framework for the identification, analysis and monitoring of collection risks arising within each business model.

In order to establish the status of the customer, the Group will use a combination of financial and non-financial variables. Some of the methods adapted by the Group are subjective in approach whilst others are more systematic as in the use of quantitative techniques to evaluate a credit against objective benchmark.

3. Supply Chain Risk

Risks to the supply chain range from unpredictable natural threats to counterfeit products, and reaches across quality, security, to resiliency and product integrity. Mitigation plans to manage these risks can involve logistics, cybersecurity, finance and risk management disciplines; the ultimate goal being to ensure supply chain continuity in the event of a scenario which otherwise would have interrupted normal business and so profitability.

Supply chain risk management attempts to reduce supply-chain vulnerability via a coordinated approach, involving all supply-chain stakeholders, which identifies and analyses the risk of failure points within the supply chain.

4. Market Risk

Market risk is closely linked to the liquidity risk. If the market is bad, there would only be outflow of cash with very minimum in flow. This risk is very dependent on the sales and marketing effectiveness, financing availability, market segment targeting, income level of the customers, general economy conditions, etc. This risk is very difficult to quantify and at best, is a judgemental call by the management.

STATEMENT OF INTERNAL CONTROL

Key elements of internal control which provides effective governance and oversight of internal control includes:

- **Organisation Structure**

  The current organisation structure enables a clear reporting line from lower management level up to the Board. Job functions and areas of responsibilities of certain employees are outlined in the job description and authority charts. The Group practices an "open- door" policy that allows matters to be identified and resolved in a timely and efficiently manner. The Board and its various Board Committees are all governed by clearly defined terms of references.

- **Strategic Business Direction**

  The Group's business objectives are communicated throughout the organisation through its business plan, management meetings and interaction between the Group Chief Executive Officer, management and employees.

- **Risk Identification**

  The Board is fully aware of the principal risks faced by the Company and the Group and has put in place the appropriate controls to identify, evaluate and manage these risks through the involvement of the Group Chief Executive Officer in the day-to-day operations of the Group. The performance of the Company and the Group is monitored through strategic, management and operational level meetings. Significant matters identified during these meetings are highlighted to the Board on a timely basis.

- **Board Committees**

  The Board has established several board committees to assist in discharging its duties. These include the Audit and Risk Management Committee and the Nomination and Remuneration Committee. These Board Committees have been delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective terms of reference.

- **Limits of Authority**

  The Group has clear limits of authority which defines the approving limits that have been assigned and delegated to each approving authority within the Group. The limits of authority will continue to be reviewed periodically and updated in line with changes in the organisation.

- **Financial Budgeting**

  Annual budgets are prepared in advance for the following financial year and the budgets are subject to review by the senior management prior to tabling to the Board for approval. Actual performance is reviewed against the budget with detailed explanations provided for material variances.

- **Performance Review**

  Senior management meetings are held to discuss the Group's financial performance, business development, operational and corporate issues. Additionally, comprehensive information on financial performance, achievement of key performance indicators and progress of key projects are communicated by Senior Management to the Board on a quarterly basis.

- **Information TechnologyManagement**

  Comprehensive management information systems exist throughout the Group. Relevant data is captured, compiled, analysed and reported. These systems enable Management to make decisions in an accurate and timely manner towards meeting the business objectives. The Group is proactively monitoring and implementing layers of new controls to protect its critical business systems against the ever-evolving cyber threat landscape and challenges.

STATEMENT OF INTERNAL CONTROL (cont'd)

- **Internal Audit Function**

  The internal audit function of the Group is performed in-house and undertaken by the Internal Audit Department that reports to the ARMC. The ARMC reviews the annual internal audit plan co-developed by the Internal Audit Department and the management. Applying a risk-based approach, periodic internal audit visits have been carried out to review the adequacy and integrity of key internal controls of the Group's business to provide an independent assurance on the systems of internal control. The Internal Audit Department reports to the ARMC on the adequacy and effectiveness of the Group's governance, risk management and internal control systems.

  The activities of the Internal Audit Department during FY2022 are disclosed in the Audit and Risk Management Committee Report included in this Annual Report.

- **Policies and Procedures**

  Elements of internal control have been embedded and documented in the form of policies and operating procedures which are continuously reviewed and updated to reflect changes in the business environment. Accountability and responsibility for key processes have been established in the standard operating procedures.

- **Whistleblowing Policy**

  The Group has put in place a Whistleblowing Policy which allows, supports and encourages its employees and third parties to report and disclose any improper or illegal activities within the Group. The Group is committed to investigate any suspected misconduct or breach reported, as well as to protect those who come forward to report such activities.

- **Anti-Bribery and Anti-Corruption Policy**

  The Group adopts a zero-tolerance approach to bribery and corruption in all its forms. It is committed to conducting business free from any acts of bribery or corruption in upholding high standards of ethics and integrity. The Group has established an Anti-Bribery and Anti-Corruption Policy which prohibits all forms of bribery and corruption practices.

Additional key features of the Group's system of internal controls include the following:

➢ Internal control procedures are set out in a series of standard operating policies and procedures. These procedures are the subject of regular reviews and improvements to reflect changing risks or to resolve operational deficiencies.
➢ ARMC holds regular meetings with management on the actions taken on internal control issues identified through reports prepared by the internal auditors, external auditors and/or management.
➢ Preparation of quarterly and yearly financial results; and key business indicators, as announced or otherwise published to shareholders.
➢ Meetings involving the Group Chief Executive Officer, senior management and heads of department are regularly held and any significant matters are escalated to the Board.

The Board together with the management will continuously assess the suitability, adequacy and effectiveness of the Group's system of internal controls and will take corrective measures to enhance the system, as and when necessary.

Assurance Provided by the Group Chief Executive Officer and Chief Financial Officer

In line with the Guidelines, the Group Chief Executive Officer and Chief Financial Officer have provided assurance to the Board, where, to the best of their knowledge, the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, based on the Risk Management and Internal Control Framework adopted by the Group, to meet the Group's objectives during the financial year under review.

Review by the External Auditors

The External Auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3") *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the FY 2022, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report of the Group, in all material respects :

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problem disclosed in the Annual Report will, in fact, remedy the problems.

Conclusion

The Board is satisfied with the adequacy and effectiveness of the risk management and internal control system to safeguard shareholders' investments and the Group's assets, and confirms that there is a continuous process in place to identify, evaluate and manage the significant risks that may affect the achievement of business objectives. The process which has been instituted throughout the Group is updated and reviewed from time to time to suit the changes in the business environment, and this ongoing process has been in place for the whole FY2022 and up to the date of issuance of this Annual Report.

This Statement is made in respect of FY2022 and in accordance with a resolution of the Board passed on 29 June 2022.

Status of utilisation of proceeds from any corporate proposal

The Company did not undertake any fund raising corporate exercise during the financial period.

Audit and Non-audit fees paid to external auditors for the financial year

During FY2022, the amount of audit and non-audit fees paid/payable by the Group and the Company to the external auditors and its affiliate for services rendered to the Company and its subsidiaries were as follows:

	Group (RM)	Company (RM)
Audit services	149,000	39,000
Non-Audit services	50,800	9,500

Recurrent Related Party Transactions

The details of the recurrent related party transactions are disclosed under Note 28 of the financial statements in this Annual Report.

Material Contracts

Save as disclosed under Note 28 of the financial statements in this Annual Report, there were no material contracts entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial year.

FINANCIAL STATEMENTS

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

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Subsidiaries

The details of the subsidiaries are disclosed in Note 6 to the financial statements.

Financial Results

	Group RM	Company RM
Profit for the financial year attribute to:		
Owners of the Company	15,603,541	12,152,041
Non-controlling interests	18,695	-
	15,622,236	12,152,041

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year.

Dividends

Since the end of the previous financial year, the Company paid a final single-tier dividend of 1 sen per ordinary share totaling RM2,326,476 in respect of the financial year ended 31 March 2021 on 30 July 2021. On 25 May 2022, the Board of Directors has approved a final single-tier dividend of 1 sen per ordinary share totalling RM2,326,476 for the financial year ended 31 March 2022. The final dividend was paid on 28 June 2022. The final dividend will be accounted for in the shareholders' equity as appropriation of retained profits in the financial year ending 31 March 2023.

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Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors

The Directors in office during the financial year until the date of this report are:

Ng Chin Huat*
Dato' Sri Tan Thian Poh*
Kong Sau Kian
Lim Kim Meng
David Tan Chin Wee (Alternate Director to Dato' Sri Tan Thian Poh)

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

Lee Yean Fung
Kok Tai Meng
Wong Hing Ming

*   Director of the Company and its subsidiaries

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.4.2021	**Bought**	**Sold**	**At 31.3.2022**
Interests in the Company				
Direct interests :				
Dato' Sri Tan Thian Poh	59,000	–	–	59,000
Ng Chin Huat	1,300,000	–	–	1,300,000
Indirect interests :				
Ng Chin Huat [(a)]	77,114,954	–	–	77,114,954
Dato' Sri Tan Thian Poh [(b)]	74,413,172	–	–	74,413,172

Notes:

[(a)] *Deemed interest by virtue of his interests held in Everest Hectare Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

[(b)] *Deemed interest by virtue of his interests held in Trackland Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

By virtue of their interests in the shares of the Company, Ng Chin Huat and Dato' Sri Tan Thian Poh are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors in office at the end of the financial year had any interest in shares of the Company and of its related corporations during the financial year.

The interests and deemed interests in the shares of the Company and of its related corporations of those who were Directors of the subsidiaries of the Company at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.4.2021	**Bought**	**Sold**	**At 31.3.2022**
Interests in the Company				
Direct interests :				
Kok Tai Meng	300,000	–	–	300,000
Lee Yean Fung	600,000	–	–	600,000

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 28 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares of the Company or any other body corporate.

Indemnity and Insurance Costs

During the financial year, Directors and officers of Asia Brands Berhad, together with its subsidiaries, are covered under the Directors and Officers Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group subject to the terms of the policy. The total amount of Directors and Officers Liability Insurance effected for the Directors and officers of the Group was RM3,000,000. The total amount of premium paid for the Directors and Officers Liability Insurance by the Group was RM9,020.

There was no indemnity given to or insurance effected for the auditors of the Company.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ascertain that:

  (i) all known bad debts have been written off and adequate provision made for doubtful debts, and

  (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

  (ii) that would render the values attributed to current assets in the financial statements of the Group and of the Company misleading, or

  (iii) which have arisen which render adherence to the existing method 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 in the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

  (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or

  (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

(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;

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

  (iii) 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 financial year in which this report is made.

Significant Event During The Financial Year

Significant event during the financial year is disclosed in Note 33 to the financial statements.

Auditor's Remuneration

The details of auditor's remuneration are set out in Note 24 to the financial statements

Auditors

The auditors, Messrs Reanda LLKG International, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 June 2022.

NG CHIN HUAT

KONG SAU KIAN

KUALA LUMPUR

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 55 to 104 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 29 June 2022.

NG CHIN HUAT

KONG SAU KIAN

KUALA LUMPUR

STATUTORY DECLARATION
Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Kok Tai Meng (MIA Membership No. CA30027), being the Officer primarily responsible for the financial management of Asia Brands Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 55 to 104 are 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 Kuala Lumpur in the)
Federal Territory on 29 June 2022)

KOK TAI MENG

Before me,

AMIR BIN ISMAIL (NO. W800)
Commissioner for Oaths

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Asia Brands Berhad, which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 55 to 104.

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

Basis for Opinion

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

Key audit matters	How our audit addressed the key audit matters
Impairment assessment on goodwill and trademarks Please refer to Note 2(d) for Significant Accounting Judgements, Estimates and Assumptions, Note 3(f) for accounting policies of intangible assets and Note 7 for Intangible Assets. The carrying values of goodwill and trademarks of the Group as at 31 March 2022 are RM26.7 million and RM131 million respectively. Goodwill and trademarks with indefinite life are subject to annual impairment testing. We focused on these areas as the determination of recoverable amounts of cash-generating-unit based on value-in-use calculations by management involved a significant degree of judgement and assumptions.	Our audit procedures included, amongst others: • Assessed reliability of management's forecast through the review of past trends of actual financial performances against previous forecasted results; • Assessed key assumptions on which the cash flow projections are based, by amongst others, comparing them against business plans, historical results and market data; • Evaluated appropriateness of discount rate used to determine present value of cash flows and whether the rate used reflects current market assessments of time value of money and risks specific to the asset; • Performed sensitivity analysis on key assumptions to evaluate impact on the impairment assessment; and • Assessed adequacy and reasonableness of disclosures in the financial statements.

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

Key Audit Matters (Cont'd)

Key audit matters (Cont'd)	How our audit addressed the key audit matters (Cont'd)
<u>Inventories valuation</u> The carrying amount of finished goods of the Group as at 31 March 2022 is RM53.4 million. As described in the accounting policies in Note 3(g) to the financial statements, inventories are carried at the lower of cost and net realizable value. Assessing valuation of inventories is an area of significant judgement as there is a risk in estimating the net realisable value of the inventories, as well as assessing which items may be slow-moving or obsolete. Due to the significance of inventories and the corresponding uncertainty inherent in such an estimate, we considered this as a key audit matter. Please refer to Note 2(d) for Significant Accounting Judgements, Estimates and Assumptions and the disclosures of inventories in Note 9 to the financial statements.	Our audit procedures included, amongst others: • Reviewed historical ageing of inventories; • Checked effectiveness of controls associated with existence and condition of inventories by attending inventory counts at financial year end in selected locations; • Identified and assessed a sample of aged and obsolete inventories; • Analysed level of slow-moving inventories and the associated provision; • Tested expected volume and price of future sales of inventories by reviewing price of a sample of inventories sold after the reporting date; • Reviewed historical accuracy of inventory provisioning and level of inventory write-offs during the financial year; and • Assessed adequacy and reasonableness of disclosures in the financial statements.
<u>Recognition of right-of-use assets and lease liabilities</u> As at 31 March 2022, the Group had recognised right-of-use assets and lease liabilities for leases of Group with carrying amounts of RM10.5 million and RM10.7 million respectively. We determined this to be a key audit matter because it requires management to exercise significant judgements for specific assumptions applied in determining right-of-use assets and lease liabilities. The specific assumptions include the determination of appropriate discount rates and assessment of lease terms, including renewal and termination options of the leases. Please refer to Note 3(e) for accounting policies of leases, Note 5 for Right-of-use Assets and Note 16 for Lease Liabilities.	Our audit procedures included, amongst others: • Obtained an understanding of design and implementation of key controls pertaining to recognition of right-of-use assets and lease liabilities; • Assessed appropriateness of the discount rates applied in determining lease liabilities based on the lease contracts and relevant inputs; • Assessed appropriateness of the assumptions applied in determining the lease terms of the lease liabilities, including renewal and termination options of the leases; and • Verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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 skepticism 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, misrepresentation, 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.

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements 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.

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.

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.

REANDA LLKG INTERNATIONAL
Firm Number: AF 1082
Chartered Accountant

LAI WONG CHUNG
Approved Number: 03277/08/2022 J
Chartered Accountant

KUALA LUMPUR

29 June 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
ASSETS					
Non-Current Assets					
Plant and equipment	4	10,544,745	11,230,133	–	–
Right-of-use assets	5	10,543,092	12,633,177	–	–
Investments in subsidiaries	6	–	–	251,285,067	241,285,066
Intangible assets	7	157,704,868	157,704,868	–	–
Deferred tax assets	8	6,347,000	10,428,000	–	–
		185,139,705	191,996,178	251,285,067	241,285,066
Current Assets					
Inventories	9	53,397,674	58,729,235	–	–
Trade receivables	10	25,767,958	24,242,221	–	–
Other receivables	11	4,240,495	4,781,099	1,500	1,500
Amounts due from subsidiaries	12	–	–	512	29,290
Tax recoverable		10,296	12,206	16	300
Short term investments	13	–	11,910,967	–	–
Deposits with a licensed bank		540,470	–	–	–
Cash and bank balances	14	15,811,480	2,241,242	3,157	3,980
		99,768,373	101,916,970	5,185	35,070
Total Assets		284,908,078	293,913,148	251,290,252	241,320,136
EQUITY					
Share capital	15	198,278,656	198,278,656	198,278,656	198,278,656
Retained earnings/(Accumulated losses)		29,221,756	15,944,691	45,428,957	35,603,392
Equity attributable to owners of the Company		227,500,412	214,223,347	243,707,613	233,882,048
Non-controlling interests		18,744	49	–	–
Total Equity		227,519,156	214,223,396	243,707,613	233,882,048
LIABILITIES					
Non–Current Liabilities					
Lease liabilities	16	5,802,509	7,935,109	–	–
Hire purchase liabilities	17	209,727	315,274	–	–
Islamic medium term notes	18	10,000,000	20,000,000	–	–
Deferred tax liabilities	8	30,000	449	–	–
		16,042,236	28,250,832	–	–
Current Liabilities					
Trade payables	19	15,225,078	11,969,586	–	–
Other payables	20	7,323,588	11,620,700	363,037	183,897
Amounts due to subsidiaries	12	–	–	7,219,602	7,254,191
Lease liabilities	16	4,946,104	4,687,603	–	–
Hire purchase liabilities	17	105,547	100,945	–	–
Islamic medium term notes	18	10,000,000	10,000,000	–	–
Bank borrowings	21	3,345,000	12,843,000	–	–
Tax payable		401,369	217,086	–	–
		41,346,686	51,438,920	7,582,639	7,438,088
Total Liabilities		57,388,922	79,689,752	7,582,639	7,438,088
Total Equity and Liabilities		284,908,078	293,913,148	251,290,252	241,320,136

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

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue	22	170,127,210	170,217,235	12,337,000	–
Cost of sales		(75,517,491)	(77,866,867)	–	–
Gross profit		94,609,719	92,350,368	12,337,000	–
Other income		1,163,906	1,365,212	–	–
Selling and distribution expenses		(69,351,638)	(69,743,097)	–	–
Administrative expenses		(3,614,639)	(2,150,019)	(450,712)	(278,091)
Net gain/(loss) on impairment of financial instruments		441,414	51,760	265,753	(3,402)
Profit/(Loss) from operations		23,248,762	21,874,224	12,152,041	(281,493)
Finance costs		(2,460,222)	(3,458,600)	–	–
Profit/(Loss) before tax		20,788,540	18,415,624	12,152,041	(281,493)
Taxation	23	(5,166,304)	(2,198,380)	–	–
Profit/(Loss) for the financial year representing total comprehensive income/ (loss) for the financial year	24	15,622,236	16,217,244	12,152,041	(281,493)
Profit/(Loss) for the financial year representing total comprehensive income/ (loss) for the financial year attributable to:					
Owners of the Company		15,603,541	16,217,244	12,152,041	(281,493)
Non-controlling interests		18,695	–	–	–
		15,622,236	16,217,244	12,152,041	(281,493)
Earnings per share					
Basic and diluted earnings per ordinary share (sen):	25	6.71	6.97		

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

		Attributable to Owners of the Company				
		<Non-Distributable>	<Distributable>			
Group	**Note**	**Share Capital RM**	**Retained Earnings/ (Accumulated Losses) RM**	**Total RM**	**Non-controlling Interests RM**	**Total Equity RM**
At 1 April 2021		198,278,656	15,944,691	214,223,347	49	214,223,396
Profit for the financial year, representing total comprehensive income for the financial year		-	15,603,541	15,603,541	18,695	15,622,236
Transactions with owners:						
Dividends to owners of the Company	27	-	(2,326,476)	(2,326,476)	-	(2,326,476)
At 31 March 2022		198,278,656	29,221,756	227,500,412	18,744	227,519,156

		Attributable to Owners of the Company				
		<Non-Distributable>	<Distributable>			
Group	**Note**	**Share Capital RM**	**Retained Earnings/ (Accumulated Losses) RM**	**Total RM**	**Non-controlling Interests RM**	**Total Equity RM**
At 1 April 2020		198,278,656	(272,553)	198,006,103	-	198,006,103
Profit for the financial year, representing total comprehensive income for the financial year		-	16,217,244	16,217,244	-	16,217,244
Transactions with owners:						
Incorporation of a subsidiary		-	-	-	49	49
At 31 March 2021		198,278,656	15,944,691	214,223,347	49	214,223,396

		Attributable to Owners of the Company		
		<Non-Distributable>	<Distributable>	
Company	**Note**	**Share Capital RM**	**Retained Earnings RM**	**Total Equity RM**
At 1 April 2021		198,278,656	35,603,392	233,882,048
Profit for the financial year, representing total comprehensive income for the financial year		-	12,152,041	12,152,041
Transactions with owners:				
Dividends to owners of the Company	27	-	(2,326,476)	(2,326,476)
At 31 March 2022		198,278,656	45,428,957	243,707,613
At 1 April 2020		198,278,656	35,884,885	234,163,541
Loss for the financial year, representing total comprehensive loss for the financial year		-	(281,493)	(281,493)
At 31 March 2021		198,278,656	35,603,392	233,882,048

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

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash Flows From Operating Activities					
Profit/(Loss) before tax		20,788,540	18,415,624	12,152,041	(281,493)
Adjustments for:					
Bad debts written off on:					
- Trade receivables		57,842	–	–	–
Depreciation of plant and equipment		1,886,333	1,754,865	–	–
Depreciation of right-of-use assets		6,213,036	6,416,960	–	–
Fair value (gain)/loss on short term investments		(96,734)	40,367	–	–
Impairment losses on:					
- Amounts due from subsidiaries		–	–	–	3,402
Interest expense		2,460,222	3,458,600	–	–
Inventories written down		1,122,878	1,247,894	–	–
Inventories written off		3,042,678	1,796,601	–	–
Plant and equipment written off		75,945	1	–	–
Covid-19 related rent concessions		(735,207)	(860,620)	–	–
Dividend Income		–	–	(12,337,000)	–
Gain on disposal of plant and equipment		–	(999)	–	–
Gain on disposal of a subsidiary		–	(261)	–	–
Gain on lease modification		(33,751)	(1,021)	–	–
Interest income		(217,005)	(307,208)	–	–
Reversal of impairment loss on:					
- Trade receivables		(441,414)	(51,760)	–	–
- Amount due from subsidiaries		–	–	(265,753)	–
Operating profit/(loss) before working capital changes		34,123,363	31,909,043	(450,712)	(278,091)
Changes in working capital:					
Inventories		1,166,005	6,322,660	-	-
Receivables		(601,561)	(5,446,505)	-	1,431
Payables		1,678,740	(4,695,644)	179,140	(1,706)
		2,243,184	(3,819,489)	179,140	(275)
Cash generated from/(used in) operations		36,366,547	28,089,554	(271,572)	(278,366)
Interest paid		(2,460,222)	(3,458,600)	–	–
Tax (paid)/ refund		(869,560)	(375,097)	284	(16)
		(3,329,782)	(3,833,697)	284	(16)
Net cash from/(used in) operating activities		33,036,765	24,255,857	(271,288)	(278,382)
Cash Flows From Investing Activities					
Net repayments from subsidiaries		–	–	294,531	287,360
Interest received		217,005	307,208	–	–
Dividend received		–	–	12,337,000	
Acquisition of plant and equipment		(1,276,890)	(1,296,852)	–	–
Net cash outflow arising from acquisition of subsidiaries		–	(100)	(1)	(151)
Net redemptions/(purchase) of short term investments		12,007,701	(5,564,819)	–	–
Proceeds from disposal of plant and equipment		–	1,000	–	–
Placement of deposits with tenure more than 3 months		(540,470)	–	–	–
Net cash inflow arising from disposal of a subsidiary		–	–	–	100
Additional investment in subsidiary		–	–	(10,000,000)	–
Net cash from/(used in) investing activities		10,407,346	(6,553,563)	2,631,530	287,309

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash Flows From Financing Activities					
Changes in bank balance pledged		1,042	252,885	–	–
Dividends paid to owners of the Company	27	(2,326,476)	–	(2,326,476)	–
Net advances from a related party		(2,720,360)	1,220,191	–	–
Net repayment to subsidiaries		–	–	(34,589)	(17,963)
Equity contribution from non-controlling interests		–	49	–	–
Repayment of Islamic medium term notes		(10,000,000)	(10,000,000)	–	–
Payment of lease liabilities		(5,228,092)	(5,263,834)	–	–
Payment of hire purchase liabilities		(100,945)	(84,852)	–	–
Net changes in bankers' acceptance		(9,498,000)	(2,070,000)	–	–
Net cash used in financing activities		(29,872,831)	(15,945,561)	(2,361,065)	(17,963)
Changes in cash and cash equivalents		13,571,280	1,756,733	(823)	(9,036)
Cash and cash equivalents at the beginning of the financial year		2,240,100	483,367	3,980	13,016
Cash and cash equivalents at the end of the financial year		15,811,380	2,240,100	3,157	3,980
Cash and cash equivalents at the end of the financial year comprise:					
Cash and bank balances		15,811,480	2,241,242	3,157	3,980
Less: Bank balance pledged for Islamic medium term notes		(100)	(1,142)	–	–
		15,811,380	2,240,100	3,157	3,980
Cash Outflows For Leases As A Lessee					
Included in net cash from operating activities:					
Payment relating to short term leases	24	2,528,551	2,481,638	–	–
Payment relating to variable lease payments not included in measurement of lease liabilities	24	881,746	1,051,022	–	–
Interest paid in relation to lease liabilities	24	653,059	684,380	–	–
Interest paid in relation to hire purchase liabilities	24	15,732	17,334	–	–
Included in net cash from financing activities:					
Payment of lease liabilities		5,228,092	5,263,834	–	–
Payment of hire purchase liabilities		100,945	84,852	–	–
Total cash outflows for leases		9,408,125	9,583,060	–	–

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

1. Corporate Information

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 principal place of business and registered office of the Company are located at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan.

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 March 2022 do not include other entities.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 6.

These financial statements were authorised for issue by the Board of Directors on 29 June 2022.

2. Basis of Preparation

(a) Statement of compliance

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

The following are accounting standards and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

		Effective for annual periods beginning on or after
Amendments to MFRS 116 *Property, Plant and Equipment*	Property, Plant & Equipment - Proceeds before Intended Use	1 January 2022
Annual Improvements to MFRS Standards 2018–2020		1 January 2022
Amendments to MFRS 137 *Provisions, Contingent Liabilities Contingent Assets*	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 3 *Business Combinations*	Reference to the Conceptual Framework	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101 *Presentation of Financial Statement*	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 *Presentation of Financial Statement*	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 *Income Taxes*	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 17 *Insurance Contracts*	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
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	Deferred until further notice

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The Group and the Company intend to adopt the abovementioned accounting standards and amendments, if applicable, when they become effective.

The initial application of the abovementioned accounting standards and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 3.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM.

(d) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with MFRSs 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 estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed below:

<u>Extension options and incremental borrowing rate in relation to leases (Note 5)</u>

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

<u>Impairment of goodwill and trademarks (Note 7)</u>

The Group tests annually whether goodwill and trademarks have suffered any impairment. When value in use calculations are undertaken, management estimates the expected future cash flows from the cash generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows. The impact of COVID-19 pandemic has been reflected in the cash flow projections. The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment losses.

<u>Deferred tax assets (Note 8)</u>

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgements, estimates and assumptions (Cont'd)

Inventories valuation (Note 9)

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories.

Measurement of expected credit losses ("ECL") (Note 31(b)(i))

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on historical credit losses and adjusts for qualitative and quantitative reasonable and supportable forward-looking information.

Other than trade receivables, the Group and the Company assess the credit risk of other receivables at each reporting date on an individual basis, to determine whether or not there have been significant increases in credit risk since the initial recognition of these assets. To determine whether there is a significant increase in credit risks, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments. Where there is a significant increase in credit risk, the Group and the Company determine the lifetime expected credit loss by considering the loss given default and the probability of default assigned to each counterparty customer.

In assessing credit risks for purposes of applying the ECL model, the Group considers the need to incorporate forward-looking factors and to estimate the probability of default, which are likely to be judgmental and subject to estimation uncertainties.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) 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.

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

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Business combinations

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.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests 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 (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either 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.

(iii) Acquisitions of non-controlling interests

The Group accounts for 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 reserves.

(iv) Loss of control

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

(v) 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 consolidated statement of financial position and statement 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 statement of profit or loss and other 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.

(vi) 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 gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. Significant Accounting Policies (Cont'd)

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities 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 retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur 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 foreign currency translation reserve (" FCTR ") in equity.

(c) Financial instruments

(i) Recognition and initial measurement

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

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

a) Amortised cost

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

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 3(i)(i)) where the effective interest rate is applied to the amortised cost.

3. Significant Accounting Policies (Cont'd)

(c) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

b) Fair value through profit or loss

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

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

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 3(i)(i)).

Financial liabilities

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

Amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Financial guarantee contracts

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

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

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

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

(iv) Derecognition

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

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

3. Significant Accounting Policies (Cont'd)

(c) Financial instruments (Cont'd)

(v) Offsetting

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

(d) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use.

Plant and equipment are depreciated based on the principal annual rates as follows:

Computer equipment	30%
Display counters	10%
Office equipment	10%
Renovation	20%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

3. Significant Accounting Policies (Cont'd)

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision- making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee;

- the exercise price under a purchase option that the Group is reasonably certain to exercise; and

- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

3. Significant Accounting Policies (Cont'd)

(e) Leases (Cont'd)

(ii) Recognition and initial measurement (Cont'd)

(a) As a lessee (Cont'd)

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right- of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(e) Leases (Cont'd)

(iii) Subsequent measurement (Cont'd)

(a) As a lessee (Cont'd)

Covid-19-related rent concessions

The Group and the Company have applied *Covid-19-Related Rent Concessions* (Amendment to MFRS 16 Leases) and *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to MFRS 16 Leases)*. The Group and the Company apply the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The Group and the Company apply the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group and the Company choose not to apply the practical expedient, or that do not qualify for the practical expedient, the Group and the Company assess whether there is a lease modification.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

(f) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses.

(ii) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

3. Significant Accounting Policies (Cont'd)

(g) Inventories

Finished goods are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average basis and comprises the purchase price and incidental costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(i) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses 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 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 is exposed to credit risk.

The Group and the Company estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss 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 financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the 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 subject to the write-off. 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 of amounts due.

3. Significant Accounting Policies (Cont'd)

(i) Impairment (Cont'd)

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash- generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

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

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

3. Significant Accounting Policies (Cont'd)

(k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.The unwinding of the discount is recognised as finance cost.

(m) Revenue and other income

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group and the Company recognise revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

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

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

(ii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(iv) Dividend income

Dividend income is recognized in profit or loss on the date that the Group's or the Company's right to received payment is established.

(v) Income from money market fund

Income from money market fund is recognised when the right to receive payment is established.

3. Significant Accounting Policies (Cont'd)

(n) Borrowing costs

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

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

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

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

(o) 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 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 financial years.

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

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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 assets and liabilities 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.

(p) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

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

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

3. Significant Accounting Policies (Cont'd)

(q) Operating segments

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

(r) Contingencies

(i) Contingent liabilities

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

(ii) Contingent assets

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

(s) Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. Plant and Equipment

Group 2022 Cost	Computer Equipment RM	Display Counters RM	Office Equipment RM	Renovation RM	Motor Vehicles RM	Total RM
At 1 April 2021	1,474,250	30,125,211	352,142	4,032,898	201,007	36,185,508
Additions	32,439	1,238,989	5,462	–	–	1,276,890
Written off	(1,620)	(84,782)	–	–	–	(86,402)
At 31 March 2022	1,505,069	31,279,418	357,604	4,032,898	201,007	37,375,996
Accumulated depreciation						
At 1 April 2021	1,365,080	19,229,907	211,374	3,966,010	183,004	24,955,375
Charge for the financial year	48,548	1,781,296	34,529	16,854	5,106	1,886,333
Written off	(769)	(9,688)	–	–	–	(10,457)
At 31 March 2022	1,412,859	21,001,515	245,903	3,982,864	188,110	26,831,251
Carrying amount						
At 31 March 2022	92,210	10,277,903	111,701	50,034	12,897	10,544,745

4. Plant and Equipment (Cont'd)

Group	Computer Equipment RM	Display Counters RM	Office Equipment RM	Renovation RM	Motor Vehicles RM	Total RM
2021						
Cost						
At 1 April 2020	1,421,041	28,909,140	344,570	4,012,898	210,172	34,897,821
Additions	53,209	1,216,071	7,572	20,000	–	1,296,852
Disposals	–	–	–	–	(5,479)	(5,479)
Written off	–	–	–	–	(3,686)	(3,686)
At 31 March 2021	1,474,250	30,125,211	352,142	4,032,898	201,007	36,185,508
Accumulated depreciation						
At 1 April 2020	1,326,110	17,568,161	177,183	3,951,157	187,062	23,209,673
Charge for the financial year	38,970	1,661,746	34,191	14,853	5,105	1,754,865
Disposals	–	–	–	–	(5,478)	(5,478)
Written off					(3,685)	(3,685)
At 31 March 2021	1,365,080	19,229,907	211,374	3,966,010	183,004	24,955,375
Carrying amount						
At 31 March 2021	109,170	10,895,304	140,768	66,888	18,003	11,230,133

5. Right-of-use Assets

Group	Buildings RM	Motor vehicles RM	Total RM
Cost			
At 1 April 2020	16,898,713	741,575	17,640,288
Additions	8,176,473	–	8,176,473
Modification	(34,869)	–	(34,869)
At 31 March 2021 / 1 April 2021	25,040,317	741,575	25,781,892
Additions	4,912,450	–	4,912,450
Modification	(789,499)	–	(789,499)
At 31 March 2022	29,163,268	741,575	29,904,843
Accumulated depreciation			
At 1 April 2020	6,544,003	187,752	6,731,755
Depreciation for the financial year	6,268,644	148,316	6,416,960
At 31 March 2021 / 1 April 2021	12,812,647	336,068	13,148,715
Depreciation for the financial year	6,064,721	148,315	6,213,036
At 31 March 2022	18,877,368	484,383	19,361,751
Carrying amount			
At 31 March 2021	12,227,670	405,507	12,633,177
Carrying amount			
At 31 March 2022	10,285,900	257,192	10,543,092

5. Right-of-use Assets (Cont'd)

The Group leases its retail stores, warehouse and office building. The leases typically run for a period of two to three years, with an option to renew the lease after that dates.

6. Investments in Subsidiaries

	Company	
	2022 RM	2021 RM
Unquoted shares, at cost	327,098,150	317,098,149
Less: Accumulated impairment losses	(75,813,083)	(75,813,083)
	251,285,067	241,285,066

Movements in allowances for impairment losses on investments in subsidiaries are as follows:

	Company	
	2022 RM	2021 RM
At 1 April / At 31 March	75,813,083	75,813,083

During the financial year, the Company:

a) subscribed for 10,000,000 ordinary shares in AKSB at RM1.00 per ordinary share for a total cash consideration of RM10,000,000.
b) acquired 100% equity in BPSB, comprising 2 ordinary shares for a cash consideration of RM1 from AKSB. Consequently, BPSB became a wholly owned subsidiary of the Company.

During the financial year, the Company conducted a review of the recoverable amounts of its investments in subsidiaries and the review concluded that no further impairment was required as the recoverable amounts were higher than the carrying value.

During previous financial year, the Company acquired 100% equity interest in Storm 360 Sdn. Bhd for a cash consideration of RM100 and disposed off its entire 100% equity interest for a cash consideration of RM100 subsequently.

On 3 March 2021, the Company incorporated a private company limited by shares under Companies Act 2016 known as Generasi Global Gemilang Sdn. Bhd. The share capital of GGGSB is RM100 comprising 100 ordinary shares which have been issued to the Company and a non-controlling interest of 51% and 49% respectively

Investments in subsidiaries at carrying amount of RM229,300,000 (2021: RM229,300,000) were pledged as security for credit facilities granted to a subsidiary as disclosed in Note 18.

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2022 %	2021 %	Principal activities
Direct holding:				
Diesel Marketing Sdn. Bhd. ("Diesel Marketing")	Malaysia	100	100	Dormant.
Ubay Marketing Sdn. Bhd. ("Ubay Marketing")	Malaysia	100	100	Dormant.

6. Investments in Subsidiaries (Cont'd)

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest 2022 %	2021 %	Principal activities
Direct holding:				
Audrey Sdn. Bhd. ("AUSB")	Malaysia	100	100	Trading and retailing in lingerie and ladies wear, care and related products through Heavy Traffic Outlets ("HTO"),distributors as well as retailing boutique outlets.
Anakku Sdn. Bhd. ("AKSB")	Malaysia	100	100	Trading and retailing in baby wear, care and related products through HTO, distributors as well as retailing boutique outlets.
Asia Brands Global Sdn. Bhd. ("ABG")	Malaysia	100	100	Dormant.
Antioni Sdn. Bhd. ("Antioni")	Malaysia	100	100	Dormant.
Asia Brands Assets Management Sdn. Bhd. ("ABAM")	Malaysia	100	100	Dormant.
Asia Brands HR Services Sdn. Bhd. ("ABHR")	Malaysia	100	100	Providing share services function including finance, human resources, IT, administrative and others.
Bumcity Sdn. Bhd. ("Bumcity")	Malaysia	100	100	Dormant.
Mickey Junior Sdn. Bhd. ("MJSB")	Malaysia	100	100	Dormant.
Generasi Prestasi Sdn. Bhd. ("GPSB")	Malaysia	100	100	Trading and retailing in baby and children wear, care and related products through HTO, distributors as well as retailing boutique outlets.
Generasi Global Gemilang Sdn. Bhd. ("GGGSB")	Malaysia	51	51	Trading and retailing in clothings.
Baby Palace Sdn. Bhd. ("BPSB")	Malaysia	100	-	Trading and retailing in baby wear, care and related products through HTO, distributors as well as retailing boutique outlets and providing sub-licensing services.
Indirect Holding:				
Held through BPSB Astra Brands Sdn. Bhd. ("ABSB")	Malaysia	100	-	Wholesale distribution of baby and infant products as well as trading and retail in household, hygiene, health or cosmetic products.

6. Investments in Subsidiaries (Cont'd)

Held through AKSB Baby Palace Sdn. Bhd. ("BPSB")	Malaysia	-	100	Trading and retailing in baby wear, care and related products through HTO, distributors as well as retailing boutique outlets and providing sub-licensing services.
Held through BPSB Astra Brands Sdn. Bhd. ("ABSB")	Malaysia	-	100	Wholesale distribution of baby and infant products as well as trading and retail in household, hygiene, health or cosmetic products.
Held through AUSB Generasi Dinasti Sdn. Bhd. ("GDSB")	Malaysia	100	100	Providing sub-licensing.

7. Intangible Assets

Group	**Goodwill RM**	**Trademarks RM**	**Total RM**
Cost			
At 1 April 2020/31 March 2021/31 March 2022	36,068,397	131,000,000	167,068,397
Accumulated impairment losses			
At 1 April 2020/31 March 2021/31 March 2022	9,363,529	–	9,363,529
Carrying amount			
At 1 April 2020/31 March 2021 /31 March 2022	26,704,868	131,000,000	157,704,868

(a) **Description of material intangible assets**

Intangible assets represent the trademarks for the brands of "Anakku" and "Audrey" for the Group's specialised wear, care and related products through HTO that were acquired in business combinations. The useful lives of the trademarks are estimated to be indefinite because management believes there is no foreseeable limit to the period over which brands are expected to generate net cash inflow for the Group.

(b) **Impairment testing for cash-generating unit ("CGU") containing goodwill and trademarks**

For purpose of impairment testing, goodwill and trademarks are allocated to the Group's operating divisions which represent the lowest CGU level within the Group at which the goodwill and trademarks are monitored for internal management purposes.

The aggregate carrying amounts of goodwill and trademarks allocated to each CGU are as follows:

	2022		**2021**	
	Goodwill RM	**Trademarks RM**	**Goodwill RM**	**Trademarks RM**
Group				
Baby wear	13,237,911	113,000,000	13,237,911	113,000,000
Lingerie wear	13,466,957	18,000,000	13,466,957	18,000,000
	26,704,868	131,000,000	26,704,868	131,000,000

7. Intangible Assets (Cont'd)

(b) Impairment testing for cash-generating unit ("CGU") containing goodwill and trademarks (Cont'd)

Key assumptions used in value in use calculations

The recoverable amounts of the CGUs in respect of goodwill and trademarks were determined using the value in use approach. Cash flow projections used were based on financial budgets approved by the management covering a 15-year period (2021: 10-year period) for baby wear CGU and 25-year period (2021: 20- year period) for lingerie wear CGU. The constant growth rate used to extrapolate cash flows projections beyond 5-year period is 7% (2021: 8%) for baby wear and 2.5% (2021: 2.5%) for lingerie wear and it does not exceed long-term average growth rate of the industry. Management believes that a forecast period greater than 5 years was justified due to the long-term nature of the baby and lingerie wear business..

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

	Gross Margin		Growth Rate		Discount Rate	
	2022	2021	2022	2021	2022	2021
Baby wear	52% to 54%	53% to 55%	5.0% to 7.0%	3.0% to 8.0%	8.0%	5.5%
Lingerie wear	68%	67% to 68%	2.5% to 15%	0% to 23%	7.3%	4.1%

(i) Budgeted gross margin

The basis used to determine the budgeted gross margin is the average gross margins achieved in recent years immediately before the budgeted year and after incorporating the effects of merchandising improvement and new marketing strategies.

(ii) Growth rate

The basis used to determine the growth rate is the revenue growth achieved in recent years and after taking into account the impact of COVID-19 pandemic.

(iii) Discount rate (pre-tax)

Reflects risks specific to each CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal sources (historical data).

Based on the impairment assessment performed by the Group, there is no impairment losses recognised for goodwill and trademarks during current financial year.

A reasonable possible change in the key assumptions would not result in any impairment.

8. Deferred Tax Assets/(Liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	**2022 RM**	**2021 RM**	**2022 RM**	**2021 RM**	**2022 RM**	**2021 RM**
Plant and equipment	–	–	(864,256)	(733,655)	(864,256)	(733,655)
Right-of-use assets	–	–	(2,469,362)	(2,938,584)	(2,469,362)	(2,938,584)
Inventories	180,414	189,846	–	–	180,414	189,846
Trade receivables	110,797	216,736	–	–	110,797	216,736
Accruals	708,470	916,505	–	–	708,470	916,505
Lease liabilities	2,579,667	3,029,451	–	–	2,579,667	3,029,451
Unutilised tax losses	6,071,270	9,747,252	–	–	6,071,270	9,747,252
Tax assets/(liabilities)	9,650,618	14,099,790	(3,333,618)	(3,672,239)	6,317,000	10,427,551
Set off of tax	(3,303,618)	(3,671,790)	3,303,618	3,671,790	–	–
Net tax assets/ (liabilities)	6,347,000	10,428,000	(30,000)	(449)	6,317,000	10,427,551

Movement in temporary differences during the year:

Group	**At 1 April 2020 RM**	**Recognised in profit or loss (Note 23) RM**	**At 31 March 2021 RM**	**Recognised in profit or loss (Note 23) RM**	**At 31 March 2022 RM**
Plant and equipment	(488,521)	(245,134)	(733,655)	(130,601)	(864,256)
Right-of-use assets	(2,492,783)	(445,801)	(2,938,584)	469,222	(2,469,362)
Inventories	180,489	9,357	189,846	(9,432)	180,414
Trade receivables	216,736	–	216,736	(105,939)	110,797
Accruals	401,911	514,594	916,505	(208,035)	708,470
Lease liabilities	2,545,580	483,871	3,029,451	(449,784)	2,579,667
Unutilised tax losses	11,551,139	(1,803,887)	9,747,252	(3,675,982)	6,071,270
	11,914,551	(1,487,000)	10,427,551	(4,110,551)	6,317,000

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Unutilised tax losses	15,659,347	15,600,462	366,293	366,293
Unabsorbed capital allowances	876,812	876,812	–	–
	16,536,159	16,477,274	366,293	366,293

In accordance with the provision of Finance Act 2021 which was gazetted on 31 December 2021, the time period for carrying forward unutilised tax losses has been extended from seven (7) years to ten (10) years, for which, any excess at the end of the tenth (10th) year, will be disregarded. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries and the Company can utilise the benefits.

8. Deferred Tax Assets/(Liabilities) (Con'd)

The expiry of the unutilised tax losses is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial year 2028	15,546,940	15,536,145	366,293	366,293
Financial year 2029	18,358	6,638	–	–
Financial year 2030	4,814	4,814	–	–
Financial year 2031	52,865	52,865	–	–
Financial year 2032	36,370	–	–	–
	15,659,347	15,600,462	366,293	366,293

9. Inventories

	Group	
	2022 RM	2021 RM
Finished goods	53,397,674	58,729,235
Recognised in profit or loss:		
Inventories recognised as cost of sales	75,517,491	77,866,867
Inventories written down	1,122,878	1,247,894
Inventories written off	3,042,678	1,796,601

10. Trade Receivables

	Group	
	2022 RM	2021 RM
Trade receivables	26,229,611	25,145,288
Less: Allowance for impairment losses	(461,653)	(903,067)
	25,767,958	24,242,221

11. Other Receivables

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables	13,381	176,093	–	–
Deposits	4,123,448	4,497,843	1,500	1,500
Prepayments	103,666	107,163	–	–
	4,240,495	4,781,099	1,500	1,500

12. Amounts Due from/(to) Subsidiaries

	Company	
	2022 RM	2021 RM
Amount due from subsidiaries		
Non-trade related		
Non-interest bearing	5,863,729	6,158,260
Less: Accumulated impairment losses	(5,863,217)	(6,128,970)
	512	29,290
Amount due to subsidiaries		
Non-trade related		
Non-interest bearing	7,219,602	7,254,191

The amounts due from/(to) subsidiaries are unsecured and repayable on demand.

13. Short Term Investments

Short-term investment represents investment in money market fund and is categorised as financial assets at fair value through profit or loss.

14. Cash and Bank Balances

Included in the cash and bank balances of the Group amounting to RM 144 (2021: RM 1,255) is pledged as security for credit facilities granted to a subsidiary as disclosed in Note 18.

15. Share Capital

	Group and Company			
	Number of Shares		Amount	
	2022	2021	2022 RM	2021 RM
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares At 1 April/31 March	232,647,600	232,647,600	198,278,656	198,278,656

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

16. Lease Liabilities

	Group	
	2022 RM	2021 RM
Non-current		
Lease liabilities	5,802,509	7,935,109
Current		
Lease liabilities	4,946,104	4,687,603
Total lease liabilities	10,748,613	12,622,712

16. Lease Liabilities (Cont'd)

The movement of lease liabilities during the financial year is as follows:

		Group	
	Note	2022 RM	2021 RM
At 1 April		12,622,712	10,606,583
Additions		4,912,450	8,176,473
Modifications		(823,250)	(35,890)
Interest expenses	24	653,059	684,380
Covid-19 related rent concessions	24	(735,207)	(860,620)
Payments of principal		(5,228,092)	(5,263,834)
Payments of interest expense		(653,059)	(684,380)
At 31 March		10,748,613	12,622,712

The maturities of the lease liabilities as at the end of the reporting period are as follows:

	Group	
	2022 RM	2021 RM
Within 1 year	4,946,104	4,687,603
More than 1 year but not later than 2 years	3,127,987	3,565,971
More than 2 years but not later than 5 years	2,674,522	4,341,935
More than 5 years	-	27,203
	10,748,613	12,622,712

17. Hire Purchase Liabilities

	Group	
	2022 RM	2021 RM
Minimum lease payments		
Within 1 year	116,676	116,676
More than 1 year but not later than 2 years	116,676	116,676
More than 2 years but not later than 5 years	101,748	218,424
Total minimum lease payments	335,100	451,776
Less: Amounts representing finance charges	(19,826)	(35,557)
Present value of minimum lease payments	315,274	416,219
Present value of payments		
Within 1 year	105,547	100,945
More than 1 year but not later than 2 years	110,151	105,547
More than 2 years but not later than 5 years	99,576	209,727
Present value of minimum lease payments	315,274	416,219
Non-current	209,727	315,274
Current	105,547	100,945
	315,274	416,219

18. Islamic Medium Term Notes ("IMTN")

	Group 2022 RM	2021 RM
Secured		
IMTN	20,000,000	30,000,000
Non-current		
IMTN	10,000,000	20,000,000
Current		
IMTN	10,000,000	10,000,000

Details of the IMTN repayment schedule at the end of the reporting period are as follows:

Tranche	Series	Nominal value (RM million)	Issue Date	Maturity Date	Tenure
5	10	10	10 March 2020	10 March 2023	3
5	11	10	10 March 2020	11 March 2024	4

The IMTN bore a weighted average effective interest rate of 5.30% (2021: 5.28%) per annum at the end of the reporting period and are secured by:

(a) a security trustdeed;

(b) corporate guarantee by the Company and AUSB;

(c) a first party first ranking debenture on the assets of AKSB;

(d) a third party first ranking debenture on the assets of AUSB;

(e) a first party first ranking legal charge and assignment over the Finance Service Reserve Account of AKSB;

(f) a first party first ranking legal charge and assignment over the Disbursement Account of AKSB;

(g) a first party legal assignment of Master Inter-Company Financing Agreement of AKSB;

(h) memorandum of Deposit of Shares in relation to the following:-

- 57,000,000 issued and fully paid up ordinary shares in the issued share capital of AKSB comprising 85% of the issued share capital of AKSB which are legally and beneficially owned by the Company;

- 2,500,000 issued and fully paid up ordinary shares in the issued share capital of AUSB comprising 100% of the issued share capital of AUSB which are legally and beneficially owned by the Company; and

(i) third party first ranking legal charge over a land of a company in which a Director has substantial interest and third party legal assignment over the insurance policies/takaful contracts in relation to the land.

The IMTN contained the following financial covenants which the Group need to comply with:

(i) Finance to Equity Ratio ("F:E Ratio") shall not exceed 0.9 times; and

(ii) Finance Service Cover Ratio ("FSCR") of at least 1.5 times.

19. Trade Payables

Credit terms of trade payables of the Group ranging from 0 to 60 days (2021: 30 to 60 days) from date of invoice.

Included in trade payables of the Group is an amount of RM1,303,023 (2021: RM560,103) due to a company controlled by close members of the family of a Director and an amount of RM75,936 (2021: RM145,330) due to subsidiaries of a company with significant influence over the Company.

20. Other Payables

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables	1,827,859	994,987	6,837	7,697
Related party	–	2,720,360	–	–
Accruals	5,108,646	7,555,146	356,200	176,200
Deposits received	387,083	328,633	–	–
GST payable	–	21,574	–	–
	7,323,588	11,620,700	363,037	183,897

The related party is a company controlled by close members of the family of a Director. Amount due to a related party is unsecured, interest free and repayable on demand.

21. Bank Borrowings

	Group	
	2022 RM	2021 RM
Current		
Secured		
Bankers' acceptance	3,345,000	12,843,000

The bankers' acceptance is secured by the following:

(a) negative pledge over certain subsidiaries' present and future assets; and

(b) corporate guarantee by the Company.

22. Revenue

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue from contracts with customers:				
Sales of goods	170,127,210	170,217,235	–	–
Other revenue:				
Dividend income from subsidiaries	–	–	12,337,000	–
Total Revenue	170,127,210	170,217,235	12,337,000	–

Revenue from sale of goods is recognised at a point in time when the goods have been transferred to the customers and coincides with the delivery of products and acceptance by customer. The general credit terms granted to customers range from 0 to 90 days. (2021: 0 to 90 days).

23. Taxation

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Current tax expenses:				
Current year	1,095,120	761,689	–	–
Over provision in prior year	(39,367)	(50,309)	–	–
Total current tax recognised in profit or loss	1,055,753	711,380	–	–
Deferred tax expenses:				
Relating to origination and reversal of temporary differences	4,270,624	1,487,000	–	–
Over provision in prior year	(160,073)	–	–	–
Total deferred tax recognised in profit or loss (Note 8)	4,110,551	1,487,000	–	–
	5,166,304	2,198,380	–	–

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

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory tax rate to income tax expenses at the effective tax rate of the Group and of the Company is as follows:

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Profit/(Loss) before tax	20,788,540	18,415,624	12,152,041	(281,493)
At statutory tax rate of 24%	4,989,250	4,419,750	2,916,490	(67,558)
Income not subject to tax	(85,896)	(70,074)	(3,024,660)	–
Expenses not deductible for tax purposes	448,258	392,870	108,170	67,558
Deferred tax assets not recognised during the financial year	15,182	16,247	–	–
Utilisation of deferred tax assets previously not recognised	(1,050)	(2,510,104)	–	–
Over provision of deferred tax in prior year	(160,073)	–	–	–
Over provision of current tax in prior year	(39,367)	(50,309)	–	–
	5,166,304	2,198,380	–	–

24. Profit/(Loss) for the Financial Year

Profit/(Loss) for the financial year is determined after charging/(crediting):

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Auditors' remuneration				
- statutory audit	149,000	145,000	39,000	39,000
- other services	50,800	48,000	9,500	9,500
Bad debts written off				
- trade receivables	57,842	–	–	–
Depreciation of plant and equipment	1,886,333	1,754,865	–	–
Depreciation of right-of-use assets	6,213,036	6,416,960	–	–
Fair value (gain)/loss on short term investments	(96,734)	40,367	–	–
Impairment losses on:				
- Amounts due from subsidiaries	–	–	–	3,402
Interest expense on:				
- Bankers' acceptance	348,545	522,589	–	–
- Lease liabilities	653,059	684,380	–	–
- Hire purchase liabilities	15,732	17,334	–	–
- Islamic medium term notes	1,442,886	2,234,297	–	–
Inventories written down	1,122,878	1,247,894	–	–
Inventories written off	3,042,678	1,796,601	–	–
Plant and equipment written off	75,945	1	–	–
Royalty expense	493,345	382,950	–	–
Realised gain on foreign exchange	(2,091)	(6,549)	–	–
Gain on disposal of plant and equipment	–	(999)	–	–
Gain on disposal of a subsidiary	–	(261)	–	–
Gain on lease modification	(33,751)	(1,021)	–	–
Interest income	(217,005)	(307,208)	–	–
Reversal of impairment loss on:				
- Trade receivables	(441,414)	(51,760)	–	–
- Amounts due from subsidiaries	–	–	(265,753)	–
Expenses/(income) arising from leases				
Expenses relating to short-term leases (Note a)	2,528,551	2,481,638	–	–
Expenses relating to variable leases payments not included in the measurement of lease liabilities	881,746	1,051,022	–	–
Income from subleasing right-of-use assets	–	(148,980)	–	–
Covid-19 related rent concessions	(735,207)	(860,620)	–	–

Note a

The Group leases retail stores with contract terms of 1 year or less. These leases are short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

25. Earnings per Share

Basic earnings per ordinary share

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

	Group	
	2022 RM	**2021 RM**
Profit for the financial year attributable to owners of the Company	15,603,541	16,217,244
Weighted average number of ordinary shares at 31 March	232,647,600	232,647,600
Basic earnings per ordinary share (in sen)	6.71	6.97

Diluted earnings per ordinary share

The diluted earnings per ordinary share is the same as the basic earnings per ordinary share, as the Group has no dilutive potential ordinary shares during the current and prior financial years.

26. Employee Benefit Expenses

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Salaries, wages and others	8,972,725	10,049,860	312,000	132,000
EPF	1,101,253	1,284,089	–	–
	10,073,978	11,333,949	312,000	132,000

The employee benefits expenses including key management personnel are disclosed in Note 28(c).

27. Dividend

Dividends recognised by the Company:

	Sen per share	**Total Amount RM**	**Date of payment**
2022			
Final 2021 ordinary share	1.0	2,326,476	30 July 2021

On 25 May 2022, the Board of Directors has approved a final single-tier dividend of 1 sen per ordinary share totalling RM2,326,476 for the financial year ended 31 March 2022. The final dividend was paid on 28 June 2022. The final dividend will be accounted for in the shareholders' equity as appropriation of retained profits in the financial year ending 31 March 2023.

28. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors of the Company and certain members of senior management of the Group.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group	
	2022 RM	2021 RM
Transactions with a company in which one of the Directors of the Company has substantial financial interest		
Rental of warehouse	420,480	357,408
Rental of office	155,880	132,498
Transactions with a company controlled by close members of the family of a director		
Purchase of goods	9,063,517	7,604,922
Transactions with subsidiaries of a company with significant influence over the Company		
Purchase of goods	666,637	1,359,841

(c) Compensation of key management personnel

The key management personnel compensation is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	93,556	58,339	–	–
Fees	48,000	48,000	48,000	48,000
Benefits in kind	6,500	6,297	–	–
	148,056	112,636	48,000	48,000
Non-Executive:				
Fees	264,000	84,000	264,000	84,000
	412,056	196,636	312,000	132,000
Other Directors (on board of subsidiaries)				
Executive:				
Salaries and other emoluments	487,848	642,309	–	–
EPF	58,320	76,935	–	–
	546,168	719,244	–	–
Benefits in kind	27,300	36,000	–	–
	573,468	755,244	–	–

28. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel (Cont'd)

The key management personnel compensation is as follows (Cont'd):

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other key management personnel				
Salaries and other emoluments	420,770	180,461	–	–
EPF	36,000	21,600	–	–
	456,770	202,061	–	–
Benefits in kind	14,500	8,700	–	–
	471,270	210,761	–	–
	1,456,794	1,162,641	312,000	132,000

29. Operating Segments

(a) Operating segments information is not provided as the Group is principally engaged in wholesale, retail and distribution of ready-made casual wear, baby and children wear, lingerie and ladies wear and their related accessories which are substantially within a single business segment.

(b) Geographical information:
The Group operates predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

(c) Major customer:
There is no single customer that contributed 10% or more to the Group's revenue.

30. Reconciliation of liabilities arising from financing activities

Group	At 1 April RM	Net changes from financing cash flows RM	Acquisition of new lease RM	Covid-19 related rent concessions RM	Lease modification RM	At 31 March RM
2022						
Amount due to a related party	2,720,360	(2,720,360)	–	–	–	–
Lease liabilities	12,622,712	(5,228,092)	4,912,450	(735,207)	(823,250)	10,748,613
Hire purchase liabilities	416,219	(100,945)	–	–	–	315,274
Islamic medium term notes	30,000,000	(10,000,000)	–	–	–	20,000,000
Bankers' acceptance	12,843,000	(9,498,000)	–	–	–	3,345,000
	58,602,291	(27,547,397)	4,912,450	(735,207)	(823,250)	34,408,887
2021						
Amount due to a related party	1,500,169	1,220,191	–	–	–	2,720,360
Lease liabilities	10,606,583	(5,263,834)	8,176,473	(860,620)	(35,890)	12,622,712
Hire purchase liabilities	501,071	(84,852)	–	–	–	416,219
Islamic medium term notes	40,000,000	(10,000,000)	–	–	–	30,000,000
Bankers' acceptance	14,913,000	(2,070,000)	–	–	–	12,843,000
	67,520,823	(16,198,495)	8,176,473	(860,620)	(35,890)	58,602,291

30. Reconciliation of liabilities arising from financing activities (Cont'd)

Company	At 1 April RM	Net changes from financing cash flows RM	At 31 March RM
2022			
Amounts due to subsidiaries	7,254,191	(34,589)	7,219,602
2021			
Amounts due to subsidiaries	7,272,154	(17,963)	7,254,191

31. Financial Instruments

(a) Categories of financial instruments

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

- Fair value through profit or loss (" FVTPL")
  - Mandatorily required by MFRS 9
- Amortised cost ("AC")

Group	Carrying amount RM	AC RM	FVPTL RM
2022			
Financial Assets			
Trade receivables	25,767,958	25,767,958	–
Other receivables	13,381	13,381	–
Deposits with a licensed bank	540,470	540,470	–
Cash and bank balances	15,811,480	15,811,480	–
	42,133,289	42,133,289	–
Financial Liabilities			
Trade payables	(15,225,078)	(15,225,078)	–
Other payables	(6,936,505)	(6,936,505)	–
Islamic medium term notes	(20,000,000)	(20,000,000)	–
Bank borrowings	(3,345,000)	(3,345,000)	–
	(45,506,583)	(45,506,583)	–

31. Financial Instruments (Cont'd)

(a) Categories of financial instruments (Cont'd)

Group	Carrying amount RM	AC RM	FVPTL RM
2021			
Financial Assets			
Trade receivables	24,242,221	24,242,221	–
Other receivables	176,093	176,093	–
Short term investments	11,910,967	–	11,910,967
Cash and bank balances	2,241,242	2,241,242	–
	38,570,523	26,659,556	11,910,967
Financial Liabilities			
Trade payables	(11,969,586)	(11,969,586)	–
Other payables	(11,270,493)	(11,270,493)	–
Islamic medium term notes	(30,000,000)	(30,000,000)	–
Bank borrowings	(12,843,000)	(12,843,000)	–
	(66,083,079)	(66,083,079)	–

Company	Carrying amount RM	AC RM
2022		
Financial Assets		
Amounts due from subsidiaries	512	512
Cash and bank balances	3,157	3,157
	3,669	3,669
Financial Liabilities		
Other payables	(363,037)	(363,037)
Amounts due to subsidiaries	(7,219,602)	(7,219,602)
	(7,582,639)	(7,582,639)
2021		
Financial Assets		
Amounts due from subsidiaries	29,290	29,290
Cash and bank balances	3,980	3,980
	33,270	33,270
Financial Liabilities		
Other payables	(183,897)	(183,897)
Amounts due to subsidiaries	(7,254,191)	(7,254,191)
	(7,438,088)	(7,438,088)

31. Financial Instruments (Cont'd)

(b) Financial risk management

The Group has exposure to the following risks from its financial instruments:-

- Credit risk
- Liquidity risk
- Market risk

(i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer, short term investments and cash and cash equivalents. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

<u>Trade receivables</u>

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. Certain customers based on initial assessment are required to provide payment assurances such bank guarantees or transact on cash basis until creditability is established before credit is extended or provided.

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

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

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

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

Concentration of credit risk

The Group's major concentration of credit risk related to the amounts owing by 5 customers (2021: 5 customers) which constituted approximately 66% (2021: 68%) of its trade receivables as at the end of the reporting period.

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 to 90 days based on credit terms granted.

The Group uses an allowance matrix to measure ECLs of trade receivables.

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

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

		Group	
	Gross amount RM	Loss allowance RM	Net balance RM
2022			
Current (not past due)	13,497,694	(117,082)	13,380,612
1-30 days past due	8,567,919	(91,899)	8,476,020
31-60 days past due	2,426,810	(79,063)	2,347,747
61-90 days past due	1,316,792	(100,954)	1,215,838
More than 90 days past due	420,396	(72,655)	347,741
	26,229,611	(461,653)	25,767,958
2021			
Current (not past due)	15,694,083	(201,172)	15,492,911
1-30 days past due	5,310,216	(108,288)	5,201,928
31-60 days past due	2,206,280	(108,190)	2,098,090
61-90 days past due	963,847	(119,035)	844,812
More than 90 days past due	970,862	(366,382)	604,480
	25,145,288	(903,067)	24,242,221

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

	Lifetime ECL RM	Credit impaired RM	Total RM
Balance at 1 April 2020	903,067	51,760	954,827
Net remeasurement of loss allowance	–	(51,760)	(51,760)
Balance at 31 March 2021 / 1 April 2021	903,067	–	903,067
Net remeasurement of loss allowance	(441,414)	–	(441,414)
Balance at 31 March 2022	461,653	–	461,653

Short-term investments

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

As at the end of the reporting period, the Group has only invested in money market fund. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

There is no history of default on the money market fund and there are no indicators that this fund may default. The Group is of the view that the loss allowance is not material and hence, it is not provided for.

Cash and cash equivalents

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

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

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks and financial institutions in respect of credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM23,345,000 (2021: RM42,843,000) representing the outstanding credit facilities of the subsidiaries as at the end of the reporting period.
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The financial guarantees are provided as credit enhancements to the subsidiaries' secured loan.

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Financial guarantees (Cont'd)

Recognition and measurement of impairment loss

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

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

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

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers advances to its subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payables, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when:

- The subsidiary is unlikely to repay its advance to the Company in full;
- The subsidiary's advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Inter-company advances (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances.

Company	Gross carrying amount RM	Impairment loss allowances RM	Net balances RM
2022			
Low credit risk	512	–	512
Credit impaired	5,863,217	(5,863,217)	–
	5,863,729	(5,863,217)	512
2021			
Low credit risk	29,290	–	29,290
Credit impaired	6,128,970	(6,128,970)	–
	6,158,260	(6,128,970)	29,290

The movement in the allowance for impairment in respect of subsidiaries' advances during the year is as follows:

	Company 2022 RM	Company 2021 RM
Lifetime ECL		
At 1 April	6,128,970	6,125,568
Net remeasurement of loss allowance	(265,753)	3,402
At 31 March	5,863,217	6,128,970

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting its financial obligation as they fall due. The Group's exposure to liquidity risk arises primarily from the mismatches of the maturities of financial assets and liabilities.

The Group's funding requirement and liquidity risks are managed with the objectives of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimizes liquidity risk by keeping committed credit lines available.

Liquidity risk is managed on both the Group and entity basis. The primary objective of liquidity risk management is to ensure that the Group has sufficient access to funding, to support business activities and to meet contingencies. The Group uses several liquidity risk indicators/ratios for monitoring purposes. The management reviews the Group's liquidity ratios and deposit gathering activities regularly and maintain sufficient liquidity buffer as well as exploring alternative funding sources which would provide the Group with additional avenues to manage costs, volumes and maturities.

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis: 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 undiscounted contractual payments.

Group	Carrying amount RM	Contractual interest rate/ Discount rate	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
2022							
Non-derivative financial liabilities							
Trade payables	15,225,078	–	15,225,078	15,225,078	–	–	–
Other payables	6,936,505	–	6,936,505	6,936,505	–	–	–
Lease liabilities	10,748,613	4.45%-5.20%	11,448,177	5,348,827	3,328,909	2,770,441	–
Hire purchase liabilities	315,274	4.24%-4.35%	335,100	116,676	116,676	101,748	–
Islamic medium term notes	20,000,000	5.30%	21,736,471	11,128,296	10,608,175	–	–
Bankers' acceptance	3,345,000	3.59%	3,345,000	3,345,000	–	–	–
	56,570,470		59,026,331	42,100,382	14,053,760	2,872,189	–
2021							
Non-derivative financial liabilities							
Trade payables	11,969,586	–	11,969,586	11,969,586	–	–	–
Other payables	11,270,493	–	11,270,493	11,270,493	–	–	–
Lease liabilities	12,622,712	4.45%-5.20%	13,693,032	5,210,084	3,874,831	4,580,712	27,405
Hire purchase liabilities	416,219	4.24%-4.35%	451,776	116,676	116,676	218,424	–
Islamic medium term notes	30,000,000	5.28%	33,263,057	11,555,355	11,151,773	10,555,929	–
Bankers' acceptance	12,843,000	3.45%-3.59%	12,843,000	12,843,000	–	–	–
	79,122,010		83,490,944	52,965,194	15,143,280	15,355,065	27,405

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM	Contractual interest rate/ Discount rate	Contractual cash flows RM	On demand or within 1 year RM
Company				
2022				
Non-derivative financial liabilities				
Other payables	363,037	–	363,037	363,037
Amounts due to subsidiaries	7,219,602	–	7,219,602	7,219,602
Financial guarantees*	–	–	23,345,000	23,345,000
	7,582,639		30,927,639	30,927,639
2021				
Non-derivative financial liabilities				
Other payables	183,897	–	183,897	183,897
Amounts due to subsidiaries	7,254,191	–	7,254,191	7,254,191
Financial guarantees*	–	–	42,843,000	42,843,000
	7,438,088		50,281,088	50,281,088

* Being corporate guarantees granted for credit facilities of certain subsidiaries which will only be encashed in the event of default by the subsidiaries.

(iii) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

(a) Currency risk

The Group is exposed to foreign currency risk on sales that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

Foreign currency risk is monitored closely on an ongoing basis to ensure the net exposure is at an acceptable level.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

	Denominated in USD RM
Group	
2022	
Trade receivables	123,557
2021	
Trade receivables	–

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risks (Cont'd)

(a) Currency risk (Cont'd)

Currency risk sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax/equity to a reasonably possible change in the USD exchange rate against RM, with all other variables in particular interest rates, remained constant and ignores any impact of forecasted transactions.

		Effect on profit before tax/equity	
	Change in currency rate	**2022**	**2021**
Group		**RM**	**RM**
USD	Strengthened 5%	6,178	–
	Weakened 5%	(6,178)	–

(b) Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in market interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in market interest rates. Short term investment is not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilize interest swap contracts or other derivative instruments for trading or speculative purposes.

Exposure to interest rate risk

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

	2022	**2021**
	RM	**RM**
Group		
Floating rate instruments		
Financial Liabilities		
- Islamic medium term notes	(20,000,000)	(30,000,000)
- Bank borrowings	(3,345,000)	(12,843,000)
	(23,345,000)	(42,843,000)
Fixed rate instruments		
Financial Asset		
- Deposits with a licensed bank	540,470	–
Financial Liabilities		
- Lease liabilities	(10,748,613)	(12,622,712)
- Hire purchase liabilities	(315,274)	(416,219)
	(11,063,887)	(13,038,931)
	(10,523,417)	(13,038,931)

31. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change in 0.50% (2021: 0.50%) interest rate at the end of the reporting period would have increased/(decreased) the Group' profit before tax/equity by RM116,725 (2021: RM214,215) respectively, arising mainly as a result of lower/higher interest expense on floating rate financial instruments. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate/profit yield risk or currency risk), regardless whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting similar financial instruments traded in the market.

The Group's price risk exposure relates to financial assets whose values will fluctuate as a result of changes in market prices.

The Group is exposed to price risk arising from investments in money market fund held by the Group. The Group's exposure to price risk is immaterial as all investments are invested in money market fund. Hence, sensitivity analysis is not presented.

(c) Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The tables below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value Level 2 RM	Total fair value RM	Carrying amount RM
Group			
2022			
Financial assets			
Short term investments	–	–	–
Group			
2021			
Financial assets			
Short term investments	11,910,967	11,910,967	11,910,967

31. Financial Instruments (Cont'd)

(c) Fair value information (Cont'd)

Level 2 fair value

Short term investments

The fair value of short term investments is calculated based on net assets value of the money market fund.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2021: no transfer in either directions).

32. Capital Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximize shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group monitors capital using debt-to-equity ratio. The Group's policy is to maintain a prudent level of debt-to-equity ratio that complies with regulatory requirements. The debt-to-equity ratios at end of the reporting period are as follows:

	Group	
	2022 RM	**2021 RM**
Lease liabilities	10,748,613	12,622,712
Hire purchase liabilities	315,274	416,219
Islamic medium term notes	20,000,000	30,000,000
Bank borrowings	3,345,000	12,843,000
	34,408,887	55,881,931
Less: Cash and bank balances	(15,811,480)	(2,241,242)
Deposits with a licensed bank	(540,470)	–
Net debt	18,056,937	53,640,689
Total equity	227,519,156	214,223,396
Debt-to-equity ratio	8%	25%

There were no changes in the Group's approach to capital management during the financial year.

The Group complies with Bursa Malaysia Securities Berhad Main Market Listing Requirement to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) of more than 25% of the share capital (excluding treasury shares) of the Company and maintain such shareholders' equity at not less than RM40 million.

33. Significant Event During The Financial Year

Following the declaration of the COVID-19 pandemic in March 2020 by the World Health organisation and subsequent control measures undertaken by the Malaysian Government to curb and contain the spread of COVID-19, a nation-wide MCO was reimposed in Malaysia from June 2021 to August 2021. These orders have caused disruptions to business activities nationwide and have affected the Group's business operations.

The Group had performed assessments on its operations and financial implications, including the recoverability of the carrying amount of assets, and concluded that there was no material adverse effect on the financial statements for the financial year ended 31 March 2022.

Total Number of Issued Shares	:	232,647,600
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF ISSUED CAPITAL
1 - 99	403	32.09	12,602	0.01
100 – 1,000	147	11.70	80,109	0.03
1,001 - 10,000	508	40.45	2,101,748	0.90
10,001 – 100,000	153	12.18	4,830,840	2.08
100,001 –11,632,379*	42	3.34	53,408,659	22.96
11,632,380 and above**	3	0.24	172,213,642	74.02
TOTAL	**1,256**	**100.00**	**232,647,600**	**100.00**

* Less than 5% of Issued Holdings
** 5% and above of Issued Holdings

DIRECTORS' SHAREHOLDINGS

The Directors' shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

Name of Directors	Nationality	No. of shares beneficially held Direct	%	Indirect	%
Dato' Sri Tan Thian Poh	Malaysian	59,000	0.03	74,413,172^	31.99
Ng Chin Huat	Malaysian	1,300,000	0.56	77,114,954#	33.15
Kong Sau Kian	Malaysian	–	–	–	–
Lim Kim Meng	Malaysian	–	–	–	–
David Tan Chin Wee *(Alternate Director to Dato' Sri Tan Thian Poh)*	Malaysian	–	–	–	–

^ Indirect interest by virtue of his interest of more than 20% of the total voting shares in Trackland Sdn. Bhd.
# Indirect interest by virtue of his interest of more than 20% of the total voting shares in Everest Hectare Sdn. Bhd.

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

Name of Shareholders	Nationality/ Incorporated in	No. of shares beneficially held Direct	%	Indirect	%
Everest Hectare Sdn. Bhd.	Malaysia	77,114,954	33.15	–	–
Ng Chin Huat	Malaysian	1,300,000	0.56	77,114,954*	33.15
Yap Su P'ing	Malaysian	–	–	77,114,954*	33.15
Trackland Sdn. Bhd.	Malaysia	74,413,172	31.99	–	–
Dato' Sri Tan Thian Poh	Malaysian	59,000	0.03	74,413,172^	31.99
Ng Tiong Seng Corporation Sdn. Bhd.	Malaysia	20,685,516	8.89	–	–

* Deemed interested by virtue of his/ her direct interest in Everest Hectare Sdn. Bhd. via Section 8 of the Companies Act 2016
^ Deemed interested by virtue of his direct interest in Trackland Sdn. Bhd. via Section 8 of the Companies Act 2016

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

NO.	NAME	NO. OF SHARES HELD	%
1.	Kenanga Nominees (Tempatan) Sdn. Bhd. *pledged securities account for Everest Hectare Sdn. Bhd.*	77,114,954	33.15
2.	Trackland Sdn. Bhd.	74,413,172	31.99
3.	Ng Tiong Seng Corporation Sdn. Bhd.	20,685,516	8.89
4.	Pembinaan Teknikhas Sdn. Bhd.	11,560,000	4.97
5.	Choo Bay See	10,360,000	4.45
6.	Haba Entity Sdn. Bhd.	4,663,000	2.00
7.	Cimsec Nominees (Tempatan) Sdn. Bhd. *CIMB for Soo Heng Chin*	3,600,000	1.55
8.	Chang Wai Pong	2,818,000	1.21
9.	Regina Leong	2,602,699	1.12
10.	CIMB Group Nominees (Tempatan) Sdn. Bhd *CIMB Commerce Trustee Berhad for Affin Hwang Multi-Asset Fund 3*	2,500,000	1.07
11.	Ng Kien Ann	2,000,000	0.86
12.	Ng Pooi Cheng	1,428,000	0.61
13.	Hon Siew Chin	1,300,000	0.56
14.	Ng Chin Huat	1,300,000	0.56
15.	Yap Fat	1,000,000	0.43
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Rakuten Trade Sdn. Bhd. for Regina Leong*	945,700	0.41
17.	Chong Chea Chea	907,600	0.39
18.	Lembaga Tabung Amanah Warisan Negeri Terengganu	636,300	0.27
19.	Lee Yean Fung	600,000	0.26
20.	Ng Hui Hui	518,900	0.22
21.	Wong Wai Kong	500,000	0.21
22.	Kok Tai Meng	300,000	0.13
23.	Teo Kwee Hock	270,100	0.12
24.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Rakuten Trade Sdn. Bhd. for Kuan Geng Lin*	261,000	0.11
25.	Phang Wah Seng	243,000	0.10
26.	Chong Teck Seng	215,600	0.09

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS (cont'd)

NO.	NAME	NO. OF SHARES BENEFICIALLY HELD	%
27.	MERCSEC Nominees (Tempatan) Sdn. Bhd. *pledged securities account for Ho Lih Meng*	210,000	0.09
28.	Maybank Nominees (Tempatan) Sdn. Bhd. *Looi Boon Ping*	209,800	0.09
29.	Chiang Siew Eng @ Le Yu Ak Ee	201,300	0.09
30.	Maybank Nominees (Tempatan) Sdn. Bhd. *Law Kiung Siong*	200,000	0.09

ASIA BRANDS

ASIA BRANDS BERHAD [Company No : 197501000740 (22414-V)]
(Incorporated in Malaysia)

PROXY FORM

(Please refer to the notes below before completing this form)

Number of shares held	
CDS Account No.	

*I/We ....
(FULL NAME IN BLOCK LETTERS)

NRIC / Passport / Company No. ....

Of ....
(FULL ADDRESS)

being a member of **ASIA BRANDS BERHAD** ("**Company**"), hereby appoint:

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

*and/ or failing *him/ her,

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

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us and on *my/our behalf at the Forty-Seventh Annual General Meeting of the Company to be held at the Conference Room of the Company at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan on Monday, 29 August 2022 at 9:00 a.m. or at any adjournment thereof.

My/ Our proxy(ies) is / are to vote as indicated below:

ORDINARY BUSINESS	Resolution	FOR	AGAINST
Approval for payment of Directors' fees and benefits	1		
Re-election of Kong Sau Kian as Director	2		
Re-appointment of Messrs Reanda LLKG International as Auditors of the Company.	3		
Ordinary Resolution 1 Authority to issue and allot shares pursuant to the Companies Act 2016.	4		
Ordinary Resolution 2 Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature	5		
Ordinary Resolution 3 Proposed Renewal of Share buy Back Authority of up to 10% of the total number of issued shares of the Company	6		
Special Resolution Proposed Amendments to the Constitution of the Company	7		

(Please indicate with an "X" in the appropriate spaces how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit or, at his/her discretion.)

Dated this .... day of 2022

....
Signature of Shareholder

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

Fold this flap for sealing

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 22 August 2022 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at this Meeting.*

2. *A member entitled to attend and vote at this Meeting is entitled to appoint any person as his proxy to attend and vote instead of him. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.*

3. *A member may appoint more than one (1) proxy to attend at the same meeting. Where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

4. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

5. *Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds*

6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised.*

7. *The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of attorney or authority, shall be deposited at the registered office of the Company at Lot 10449, Jalan Nenas, Batu 4½, Kampung Jawa, 41000 Klang, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.*

Then fold here

Affix
Stamp
Here

ASIA BRANDS BERHAD

[Company No: 197501000740 (22414-V)]

Lot 10449, Jalan Nenas
Batu 4½, Kampung Jawa
41000 Klang, Selangor Darul Ehsan

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