



Diversification & Expansion for Sustainable Development

VERTICE BERHAD

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VERTICE BERHAD

2022 ANNUAL REPORT



2022 Annual Report



OUR **VISION**

TO BE A DIVERSE
CONSTRUCTION
COMPANY THAT WILL
GROW TO BE THE MOST
RESPECTED IN THE
INDUSTRY.



OUR **MISSION**

TO PROVIDE HIGH
QUALITY CONSTRUCTION
SERVICE; A SAFE,
STABLE AND ETHICAL
WORKPLACE; A RETURN
TO OUR SHAREHOLDERS
AND SUPPORT FOR OUR
COMMUNITY.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tun Arifin Bin Zakaria
Chairman / Independent
Non-Executive Director

**Dato' Sri Hj. Wan Adnan
Bin Wan Mamat**
Deputy Chairman/Independent
Non-Executive Director

Mr. Law Ngia Meng
Independent Non-Executive Director

**Dato' Dr. Hj. Shamsul Anwar
Bin Sulaiman**
Independent Non-Executive Director

Mr. Ooi Guan Hoe
Independent Non-Executive Director

Mr. Chai Hann Lin
Independent Non-Executive Director

Mr. Wong Kwai Wah
Non-Independent Non-Executive
Director

Mr. Mohd Hatim Bin Abdullah
Independent Non-Executive Director

AUDIT COMMITTEE

- **Mr. Ooi Guan Hoe**
- **Dato' Dr. Hj. Shamsul Anwar
Bin Sulaiman**
- **Mr. Chai Hann Lin**

NOMINATION COMMITTEE

- **Dato' Dr. Hj. Shamsul Anwar
Bin Sulaiman**
- **Mr. Ooi Guan Hoe**
- **Mr. Chai Hann Lin**

REMUNERATION COMMITTEE

- **Mr. Chai Hann Lin**
- **Dato' Sri Hj. Wan Adnan
Bin Wan Mamat**
- **Dato' Dr. Hj. Shamsul Anwar
Bin Sulaiman**

RISK MANAGEMENT COMMITTEE

- **Mr. Chai Hann Lin**
- **Dato' Dr. Hj. Shamsul Anwar
Bin Sulaiman**
- **Mr. Law Ngia Meng**

REGISTERED OFFICE

B-3-9, 3rd Floor, Block B,
Megan Avenue II,
No. 12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur
Tel : +603-2715 5569
Fax : +603-2714 4412

COMPANY SECRETARY

Ms Chin Li Thing (MAICSA 7044467)
(SSM PC No. 201908000022)

SHARE REGISTRAR

ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur
Tel : +603-6201 1120
Fax : +603-6201 3121

AUDITORS

**Russell Bedford LC PLT
(LLP0030621-LCA & AF1237)**
Chartered Accountants
Suite 37, Level 21, Mercu 3,
No. 3, Jalan Bangsar, KL Eco City,
59200 Kuala Lumpur
Tel : +603-2202 6666
Fax : +603-2202 6699

STOCK EXCHANGE LISTING

**Main Market of
Bursa Malaysia Securities Berhad**
Stock Name : VERTICE / VERTICE-WA
Stock Code : 7240 / 7240WA



CORPORATE STRUCTURE

AS AT 30 JUNE 2022



100%
INFRAHARTA SDN. BHD.
(fka VERTICE CONSTRUCTION SDN. BHD.)

100%
**VERTICE
INFRASTRUCTURE
SDN. BHD.**

50%
**BUILDMARQUE
CONSTRUCTION
SDN. BHD.**

80%
INFRAHARTA BINA SDN. BHD.
(fka INFRAHARTA CONSTRUCTION SDN. BHD.)

100%
WANDE DEVELOPMENT SDN. BHD.

55%
GREENVIEW PAVILION SDN. BHD.

100%
WANDE DEVELOPMENT (SABAH) SDN. BHD.

100%
AMCAP SOLUTIONS SDN. BHD.

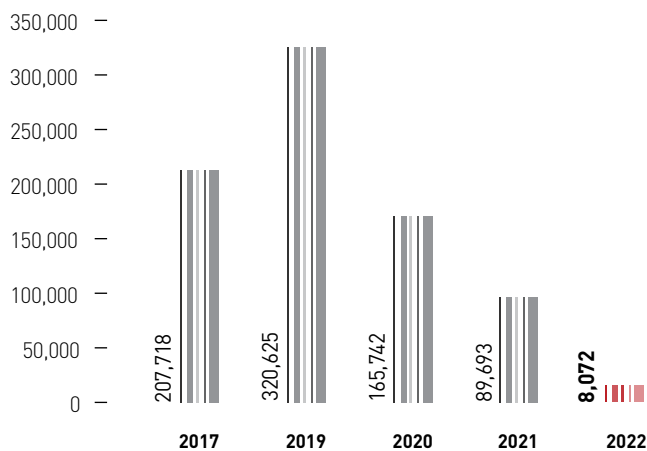
100%
INFRAHARTA GREEN ENERGY SDN. BHD.
(fka VERTICE GREEN ENERGY SDN. BHD.)

FINANCIAL HIGHLIGHTS

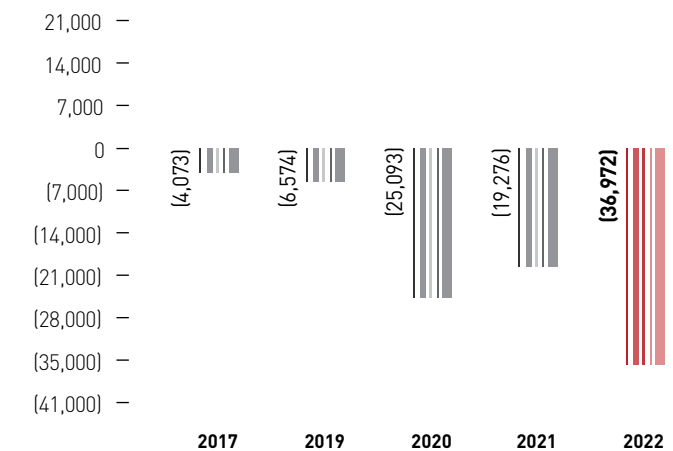
	For Year Ended	For Year Ended			
	31 DECEMBER		31 MARCH		
	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED
	2017	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	207,718	320,625	165,742	89,693	8,072
Profit / (Loss) Before Tax	(4,073)	(6,574)	(25,093)	(19,276)	(36,972)
Profit / (Loss) Attributable To Owners	(4,825)	(6,964)	(24,491)	(19,899)	(35,834)
Equity Attributable To Owners	92,633	127,744	101,253	95,855	67,334

Remark: Above financial highlights include Disposal group, Kumpulan Voir Sdn Bhd until financial year ended 31 March 2021.

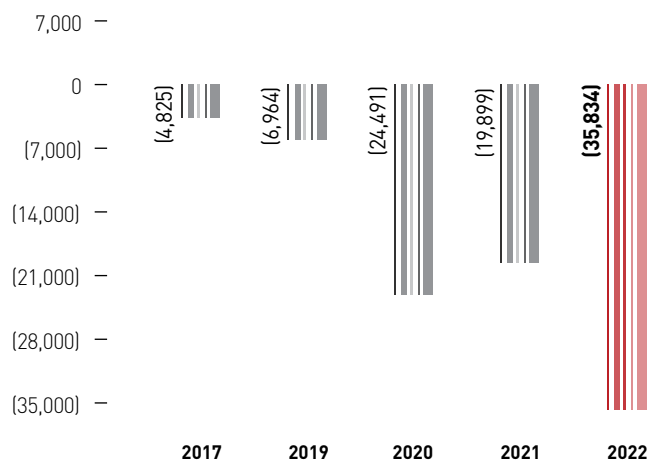
REVENUE (RM'000)



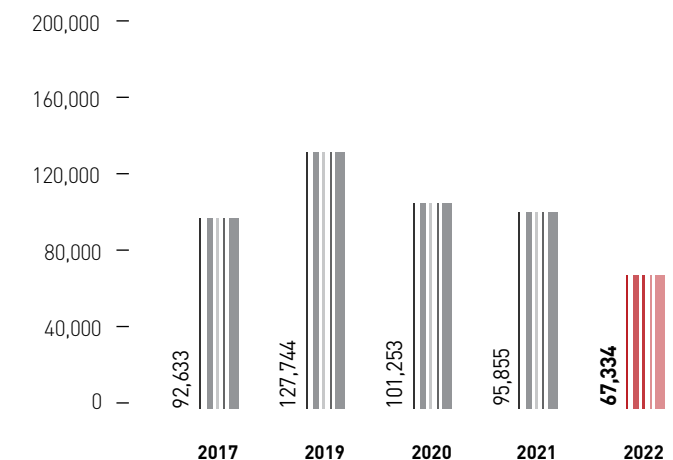
PROFIT/(LOSS) BEFORE TAX (RM'000)



PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS (RM'000)



EQUITY ATTRIBUTABLE TO OWNERS (RM'000)



BOARD OF DIRECTORS

TUN ARIFIN BIN ZAKARIA

SSM, PSM, SPMK, SPSK, SPMS, SPCM, SSAP, DUPN, SPDK, SPMP, DPMK, DPCM
Independent Non-Executive Chairman

Tun Arifin Bin Zakaria, aged 71, Malaysian, was appointed to the Board on 13 February 2018 as Chairman of the Company. Tun Arifin has a long and highly distinguished career in the Judicial and Legal Service, and the last post he held was as the Chief Justice of Malaysia from 2011 to April 2017.

Graduating with LLB (Hons) from the University of Sheffield, UK in 1974 and LLM from the University of College, London in 1979. He was called to the English Bar at Lincoln's Inn in the same year. He is also an Honorary Bencher of Lincoln's Inn. His distinguished legal career began when he joined the Malaysian Judicial and Legal Service, before being posted as Federal Counsel in the Advisory Division of the Attorney General's Chambers and later as Magistrate, Senior Assistant Registrar and Sessions Court Judge. He was elevated to the High Court of Malaya as a Judicial Commissioner in 1992.

Tun Arifin is currently Group Chairman of Permodalan Nasional Berhad (PNB) and Trustee of Yayasan Pelaburan Bumiputra (YPB).

DATO' SRI HJ WAN ADNAN BIN WAN MAMAT

SSAP, SIMP, DSAP, DIMP
Independent Non-Executive Deputy Chairman

Dato' Sri Hj Wan Adnan Bin Wan Mamat, aged 62, Malaysian, was appointed to the Board on 07 October 2021 and is the Deputy Chairman of the Company. He is a member of the Remuneration Committee. He obtained his Bachelor Degree in Business Administration from University of Kyoto, Japan. He began his career as Corporate Manager of Ramada Beach Resort Kuantan from 1986 to 1993 before joining the Pahang Chief Ministers Office as Economic Advisor to the Chief Minister until 1996. From 1996 to 1999, he was appointed as Vice President of the Kuantan Municipal and from 1999 to 2004, was the Political Secretary to the Ministry of Information, Malaysia. During PRU11, he contested and won the P82 seat, Indera Mahkota, and was subsequently elected as a Member of Parliament for the term from 2004 to 2008. He was appointed as a board member of Inno Biologic Sdn Bhd from 2005 until 2012. During PRU12, he was also appointed as a State Executive Committee (EXCO) member, heading the Pahang State Youth and Sports Committee. During his tenure as EXCO Pahang, he had successfully led the State Government to organise Sukan Malaysia (SUKMA) in Kuantan in 2012.

After the 13th General Election, Dato' Sri Wan Adnan focused his path in the corporate world. He was appointed as Chairman for MMN Bina Sdn Bhd, a successful construction company in Pahang until 2015. He was also the chairman of the Malaysia Aviation Training Academy (MATA) which is located in Kuantan. Apart from that, since 2014, he has been one of the directors to Sungei Wang Group, a company based in Kuala Lumpur which is involved in property development, amongst others. He was appointed to the Board of KNM Group Berhad, an Oil and Gas company listed in Bursa, as its Independent Non-Executive Director from 2014 to 2018. He is involved in property development through Casa Inspirasi Sdn Bhd, and in the Smart City and Energy Industry through Kiwi Group, where he was appointed as the Group Chairman in March 2020.

Dato' Sri sits on the board of a few private limited companies involved in property development, construction, agriculture and trading. He is a director of a subsidiary of Royal Pahang Durian Group, having a joint venture with Pahang State Agriculture Development Corporation to restructure and develop the Musang King durians industry in Pahang. Also, he is an independent director of Magna Prima Berhad, an investment holding company which through its subsidiaries, provides a diverse range of property development, building construction, trading and management services.

BOARD OF DIRECTORS' PROFILE (CONT'D)

LAW NGIA MENG

Executive Director

Mr. Law Ngia Meng, aged 48, Malaysian, was appointed to the Board on 07 October 2021. He is a member of Risk Management Committee. He graduated from Lincoln University, Christchurch, New Zealand in 1999 with a Bachelor Degree in Applied Computing and further obtained a Certificate in Horticulture that same year.

In 1999, he was appointed the General Manager at Syarikat Kai Nguong Nursery, one of the largest landscapes and plant nursery in Sabah. He was involved in many landscape beautification projects such as Sutera Harbour Resort, Shangri-La's Rasa Ria Resort, Kota Kinabalu International Airport, as well as the landscape maintenance of prominent buildings such as Dewan Undangan Negeri Sabah and Kementerian Kewangan. In 2003, he incorporated Garden Culture Sdn Bhd, a garden supplies retailer and wholesaler.

Thereafter, he diversified and ventured into the construction and property development industry. Currently, he is also involved in the strategic planning of LL Prospects Sdn Bhd, a company focused on the oil palm plantation industry. Besides, he also oversees the management of Rustic Roof Sdn Bhd, a company involved in the food and beverage industry.

DATO' DR. HJ SHAMSUL ANWAR BIN SULAIMAN

DIMP, DPMP, AMS, PPT

Independent Non-Executive Director

Dato' Dr Hj Shamsul Anwar Bin Sulaiman, aged 61, Malaysian, was appointed to the Board on 25 January 2022. He is the Chairman of the Nomination Committee and a Member of Audit Committee, Risk Management Committee and Remuneration Committee. He obtained his bachelor's degree in medicine from University of Leuven, Belgium. Subsequently, he obtained his Master of Business Administration (Healthcare) from Universiti Teknologi Malaysia (UTM) Skudai, Johor. He is a registered member with the Malaysian Medical Council.

He currently also practices medicine at the Famili Clinic Group. During the COVID-19 pandemic, he was specially invited by Ministry of Health Malaysia (MOH) to serve as a volunteer doctor at the Putrajaya Hospital and Shah Alam Hospital, as well as a few quarantine hotels under MOH.

In the social sphere, he is involved with Lembaga Kooperasi Permodalan Felda 2 Berhad, Yayasan Pembangunan Generasi Felda Malaysia, Gabungan Wawasan Generasi Felda Malaysia, Majlis Belia Felda, Perak, to name a few. He is also the Managing Director of Liga Bolasepak Rakyat (LBR).

He is currently the Managing Director of Kumpulan Klinik Famili, Executive Director of Executive Chairman Office of Puncak Niaga (M) Sdn Bhd, Director of Institut Teknologi Utama Felda and Felda Properties Sdn Bhd.

BOARD OF DIRECTORS' PROFILE (CONT'D)

CHAI HANN LIN

Independent Non-Executive Director

Mr. Chai Hann Lin, aged 46, Malaysian, was appointed to the Board on 07 October 2021. He is the Chairman of both Risk Management Committee and Remuneration Committee and also a member of Audit Committee and Nomination Committee. He obtained his Masters in E-Commerce and Information Technology from University of Central Oklahoma. From 1999 to 2007, he was the Business Intelligence Software Developer for USA-based American Cancer Society. Subsequently, from 2008 to 2011, he was involved in Business Development of CIS Resources, a multi-national company with presence in China, Kazakhstan and Malaysia.

In 2011, he joined OOHM International Holdings Sdn Bhd as the Chief Technology Officer and in 2016, was appointed the Chief Executive Officer. He is currently the IT Director of Borneo Smart Tech Sdn Bhd and Managing Director of Matrix Edge Venture Sdn Bhd. He also serves as the ICT Advisor / IT Consultant to Yayasan Sabah Group, a state sanctioned organisation that was developed to promote educational and economic opportunities for its people.

OOI GUAN HOE

Independent Non-Executive Director

Ooi Guan Hoe, aged 47, Malaysian, he was appointed to our Board on 31 December 2021. He is the Chairman of Audit Committee and a member of Nominating Committee.

He obtained his Bachelor Degree in Accountancy (Honours) from University Putra Malaysia in 1999 and is a member of the Malaysian Institute of Accountants ("MIA") since 2002. In June 2011, Mr. Ooi completed an executive education program co-organized by Harvard Business School and Tsinghua University and obtained a certificate in Private Equity and Venture Capital - China.

He began his career in May 1999 when he joined Arthur Andersen Malaysia as an Audit Assistant. He left the firm in November 2002 to join CIMB Investment Bank as an Executive in the corporate finance department. After several promotions, his last position was Senior Manager in July 2008. During his tenure with the bank, he was responsible for marketing, originating and implementing corporate proposals for various corporate exercises. In October 2009, he left the investment bank and has since been involved in providing financial advisory work to listed companies and companies preparing for listing in his own personal capacity.

From 2010 to July 2017, he was the Director and Management Board member of various listed companies in Malaysia and Germany. He was appointed as the Independent Non-Executive Director of Only World Group Holdings Berhad in 2013 and retired in December 2021. He was the Chief Financial Officer of MOG Holdings Limited, which is listed on The Stock Exchange of Hong Kong Limited from 1 January 2019 to 31 March 2022. He also sits on the board of Revenue Group Berhad, Techbond Group Berhad and TCS Group Holdings Berhad as Independent Non- Executive Director since December 2017, January 2018 and May 2019 respectively.

BOARD OF DIRECTORS' PROFILE (CONT'D)

WONG KWAI WAH

Non-Independent Non-Executive Director

Mr. Wong Kwai Wah, aged 65, Malaysian, was appointed to the Board on 19 July 2016. He is a member of Chartered Accountants Australia and New Zealand, a member of Malaysian Institute of Accountants and a member of Chartered Tax Institute of Malaysia.

Mr Wong began his career with Messrs Ernst & Young upon graduating with a Bachelor of Commerce from University of Canterbury, New Zealand. Geared with a proven ability to constantly challenge and improve existing processes and systems, he subsequently moved on to hold several key positions such as Finance Director in the Malaysia Subsidiary of Goodman Fielder Wattie Australia and Senior General Manager of Larut Consolidated Bhd, a company principally involved in the provision of property development and construction activities.

Having excellent communications skills and the ability to communicate professionally with clients and colleagues on detailed financial issues, he subsequently took on the position of Executive Director and Chief Executive Officer of Jackley Holdings Limited, a Hong Kong Public Listed Company.

MOHD HATIM BIN ABDULLAH

Independent Non-Executive Director

Mr. Mohd Hatim Bin Abdullah, aged 69, Malaysian, was appointed to the Board on 15 February 2017. He obtained his Bachelor of Arts (Business Management) from Marymount Manhattan College, New York. He also passed the MFORR Exam from the Malaysian Futures & Options Registered Representative and Federation of Malaysia Unit Trust Managers (FMUTM). He is also a Licensed Member of Financial Market Association Malaysia (formerly known as ACI Malaysia) and a Licensed Member of FMUTM.

He held senior positions in few of MGIC Berhad subsidiaries (1986-2007) and was the Senior Manager of Malaysia Discounts Berhad (1985 - 1986). He also worked for Bank Bumiputra (M) Bhd as Chief Dealer of Kuala Lumpur, Singapore, New York and senior position of London branch (1977-1985). Currently, he is also the Executive Director of Harlow's & MGI Sdn Bhd.

None of the Directors has:-

- (a) any family relationship with director and/or major shareholder of the Company;
- (b) any conflict of interests that the person has with the Company;
- (c) other than traffic offenses, any conviction for offenses within the past 5 years;
- (d) any public sanction or penalty imposed by the relevant regulatory bodies during financial year.

KEY MANAGEMENT PROFILE - CORPORATE

SEOW WEN JUN

Group Head of Corporate Affairs

Seow Wen Jun, aged 37, Malaysian, was appointed as Head of Corporate Affairs on 1 October 2021. Having graduated from University of Melbourne, Australia with a Bachelor Degree in Commerce, he spent most of his career in the financial industry. He started off in the corporate finance department of Public Investment Bank, covering from scheme origination to preparation of submission to the Securities Commission and Bursa Malaysia.

In his career, he has also been exposed to various corporate exercises including Initial Public Offering, secondary fundraising, Mergers & Acquisition ("M&A") and Take-Overs. Working in a venture capital firm as a project manager, he mainly dealt with M&A and due-diligence work. Thereafter, he joined a boutique corporate advisory firm, servicing clients from Malaysia and China. His main job scope was scheme origination and liaison between clients and professionals such as bankers, legal counsels and auditors.

Subsequently, he joined an international financial trading platform, as a speaker exploring and servicing different markets. He was then promoted to the senior management and participated in strategizing the group's direction, branding and human resources. He also joined the Board of a US-OTC listed company, Toga Limited, as an Independent Director chairing the Audit Committee and Nominating Corporate Governance Committee.

He currently oversees all internal and external communications, public affairs, marketing and branding and investor relations, as well as strategizing and planning of corporate exercises.

CHANG CHEE HONG

Head of Contract

Chang Chee Hong, aged 62, Malaysian, was appointed Head of Contract of IHSB on 1 October 2021. He holds a Diploma in Building Technology from Tunku Abdul Rahman College, Malaysia.

He started his career in 1988, initially involved with site works for 3 years. Ever since he diverted his career path towards contract administration, he was exposed to various types of works including building works, civil and structural works, slope stabilization, dredging and reclamation.

He was attached to Ken Grouting Sdn Bhd, a subsidiary of Ken Holdings Bhd for almost 21 years. Ken Holdings Bhd is involved in development and construction. Apart from contract administration, he has exposure in facilities management and managing fit-out works.

Currently, he is also assigned to oversee projects in Sabah and monitoring of development projects.

ERIC BOON CHUAN KIT

Group Financial Controller

Eric Boon Chuan Kit, aged 49, Malaysian, was appointed as the Group Financial Controller of Vertice Berhad on 21 August 2019. He obtained his Bachelor of Business (Accountancy) from Royal Melbourne Institute of Technology (RMIT) and has completed his professional qualification CPA Australia. He is currently a member of the Malaysian Institute of Accountants.

He has over 20 years working experience commencing from a medium sized audit firm followed by key posts in the Finance Department with various companies which include those from trading, manufacturing, education and engineering sectors covering areas on financial reporting requirements of listed issuer, operational controls, funding requirements for sustainability and organizational budget.

He currently oversees all financial related matters of the Group, funding requirements, audit, tax, budgeting, internal controls and risk management, while ensuring compliance with Bursa listing requirements in respect of announcements, financial reporting and corporate exercises.

None of the Key Senior Management has:-

- (a) any family relationship with director and/or major shareholder of the Company;
- (b) any conflict of interests that the person has with the Company;
- (c) other than traffic offenses, any conviction for offenses within the past 5 years;
- (d) any public sanction or penalty imposed by the relevant regulatory bodies during financial year.

KEY MANAGEMENT PROFILE - PROJECT

CHAN WEI KHANG

Project Director

Chan Wei Khang, aged 43, Malaysian, was appointed as the Project Director of IHSB on 3 December 2018. He holds a Degree in Civil Engineering from Prime College, Malaysia.

Since he started his career in 2000, he has been involved in various construction projects and has vast experience in managing construction works, project financing and management. He has notable experience in the construction industry, both in conventional projects and design-build projects.

He was the project manager in Kumpulan Liziz Sdn Bhd for 12 years from March 2005 to June 2016, in

which he was responsible for the planning, monitoring, management, implementation and coordinating of various property development and infrastructure construction projects for the roadworks, bridgeworks and reclamation works. These works amounted to a total of more than RM1 billion. Later, he joined Ekovest Berhad as the project manager for Duta – Ulu Kelang Expressway (DUKE) Phase 2 and Eko Cheras Mall.

He currently oversees all activities related to assigned projects, ensuring their completion to budget and time schedules.

CHE MAT ARIFFIN BIN SULAIMAN

Senior Manager, Project

Che Mat Ariffin Bin Sulaiman, aged 60, was appointed as the Project Director of Buildmarque Construction Sdn Bhd on 18 March 2020. He graduated from University of Glasgow, United Kingdom, England in 1985 and holds a Bachelor of Science (Hons) in Engineering.

Since he started his career in 1986, he has been involved in various mega infrastructure projects in Malaysia. He has vast experience in managing and overseeing various aspects of the projects involving various stages of project development which includes feasibility studies, detailed design development, preconstruction stage, construction works, post construction stage, and, operation and maintenance. He has held various senior management posts for the past 30 years. He was involved in the project management and construction of Coastal Highway Johor Bahru – Nusajaya Johor and Pan Borneo Highway, Sarawak.

He currently responsible for monitoring the quality and timely completion of all engineering deliverables, produced by any contractor of engineering services as well as provides a single point of accountability to deliver the project in accordance with the project commitments.

AHMADI HASNAN BIN LATIB

Senior Manager, Project

Ahmadi Hasnan Bin Latib, aged 44, was appointed as the Senior Project Manager of Buildmarque Construction Sdn Bhd on 15 February 2020. He holds Master Degree in Civil Engineering (Highway & Transportation Engineering) from University of Putra, Malaysia.

Throughout his career, he gained experiences in major infrastructure projects including suspension bridge and elevated highway structure. He has involvements in various construction projects and has a vast experience in managing and overseeing various aspects of construction works, including site preparation, architectural and structural works as well as project financing, management and co-ordination. He was involved in the project management and construction of West Coast Expressway (WCE) and Damansara – Shah Alam Expressway (DASH).

He currently oversee all matters relating to budget, schedule and day to day management of the project as well as to ensure all notification and project reporting to the relevant stakeholders and local authorities are carried out as per requirement and timely.

None of the Key Senior Management has:-

- (a) any family relationship with director and/or major shareholder of the Company;
- (b) any conflict of interests that the person has with the Company;
- (c) other than traffic offenses, any conviction for offenses within the past 5 years;
- (d) any public sanction or penalty imposed by the relevant regulatory bodies during financial year.

MANAGEMENT DISCUSSION & ANALYSIS

“

Our current total order book for both construction and property development stands at approximately RM153 million of which RM105 million is outstanding.

”

OVERVIEW OF BUSINESS OPERATIONS

VERTICE Berhad (“Vertice”, “our”, “we” or “the Group”) announced its diversification into construction, property development and property investment in August 2017. Diversification into construction kicked off through its wholly owned subsidiary, Vertice Construction Sdn Bhd, now known as Infraharta Sdn Bhd focusing on buildings and infrastructure works. During the current financial year 31 March 2022, the Group ventured into property development through the incorporation of Wande Development Sdn Bhd and the subsequent acquisition of Greenview Pavilion Sdn Bhd, marking its presence with the development of a 26 Storey luxury condominium known as Pavilion Residence strategically located in Seberang Prai, Penang, with a total gross development value of approximately RM49 million.

Amidst a challenging financial year of domestic and global uncertainties, we have continued to maintain our position as an upcoming company in construction activities. Our current total order book for both construction and property development stands at approximately RM153 million of which RM105 million is outstanding. Notably, this entire order book came from new projects secured during the second half of the current financial year up to the date of this report. The Penang Mega Infrastructure Project, namely the Major Road from Bandar Baru Ayer Itam connecting to Lebuhraya Tun Dr. Lim Chong Eu worth RM815 million was mutually terminated in December 2021 due to feasibility issues after changes in ownership of the main contractor, Consortium Zenith Construction Sdn Bhd. Discussions with a financial institution to procure project financing, which had been ongoing for more than a year, had also ceased in January 2021, and it had been difficult to secure the same from other financial institutions as well. Without project financing, commencement of major works cannot proceed as collection is based on milestone achievement where the State Government had identified land parcels which is to be released upon achievement of every milestone and subsequently monetised by the main contractor.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

The other 2 major projects, namely the Light Rail Transit Line 3 (LRT3) from Bandar Utama to Johan Setia on the supply of materials, labour, machineries and equipment for Precast Viaduct (U-Trough Girder) and other related works worth RM100 million and the supply and installation of mechanical works on 2 blocks of office suites located at Mukim Semenyih, Selangor worth RM80.42 million were mutually terminated in November 2021. While the progress of the LRT3 project had slowed down significantly due to prolonged periods of Movement Control Order and strict enforcement in carrying out works, the Semenyih project did not commence due to unsuitable market conditions and observation on the potential take up rates. Such delays had inadvertently affected material prices and logistics cost which resulted in feasibility issues to continue undertaking these projects. Besides this, the older projects also had their contracts ended prematurely on grounds of feasibility to continue after prolonged periods of slowdown in work progress.

The new construction projects secured during the current financial year include:

- (i) New road works connecting Felda Bukit Jalor to Gemas, Negeri Sembilan worth RM45.0 million where our main scope of work involve earthworks, drainage works, pavement works, road furniture, geotechnical works, traffic management and control and environmental protection works.
- (ii) Contract works for basement and lower ground slab inclusive retaining wall up to ground level on the development of business premises comprising hotel, condotel and office suites at Jonker Walk 2, Melaka worth RM25.6 million.

Subsequent to the financial year end, we secured another project on slope repair works at Jalan Mesej Timpangoh, Penampang, Sabah worth RM11.0 million focusing on design and build element.



MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Financial Highlights

	FYE 31 March 2022 (12 months) RM'000	FYE 31 March 2021 (12 months) RM'000
Revenue (continuing operations)	8,072	44,656
Gross (loss)/profit (continuing operations)	(2,706)	912
Loss before tax (continuing operations)	(36,972)	(7,575)
Loss after tax (continuing operations)	(37,324)	(8,130)
Loss after tax (discontinued operations)	-	(11,701)
Net assets per share attributable to owners of the Company (sen)	21	36

Revenue

The Group's construction revenue for FYE2022 was RM8.07 million compared to RM44.66 million in FYE2021. The prolonged Movement Control Order since the previous financial year and its reimplementation from 1 June 2021 for approximately 3 months had significantly affected progress of most construction works. Except for the continuation of pavement works at Bandar Baru Kijal (Fasa 2) Kemaman, in which we had been awarded during the previous financial year, works on other projects slowed down drastically amidst tight controls and standard operating procedures in combating the spread of COVID-19. Such delays coupled with rising costs of labour and material had resulted in feasibility issues to continue thus leading to contracts being ended prematurely albeit amicably. The bigger projects which came to their conclusion via mutual termination were Package 2 of the Penang Mega Infrastructure Project, LRT3 project and the Semenyih project. The LRT3 project had downward adjustment to revenue recognised totalling RM4.18 million as a result of final lower billings while the Package 2 project contributed only RM1.35 million revenue during the current financial year due to lower anticipated billings upon mutual termination.

Despite the setback and challenges, the Group managed to secure several new construction projects during the second half of the current financial year and replenish its order book while being constantly on the lookout to acquire new contracts. As the venture into and acquisition of property development segment was completed towards the end of the current financial year, revenue from this segment will only be recognised in the next financial year. With the current structure in place, we remain cautiously optimistic of our future performance with the expected gradual recovery in the overall economic climate.

Loss before tax

The Group recorded loss before tax of RM36.97 million in the current financial year as compared to loss before tax of RM7.57 million in the preceding financial year. The Group's activities are broken down into three segments namely construction segment, property development segment and investment holding & others segment. However, as the acquisition of the property development segment was only completed towards year end, the results from this segment will only be captured in the next financial year.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

(i) Construction segment

This segment recorded loss before tax of RM18.38 million in current financial year as compared to loss before tax of RM7.02 million in the previous financial year. The decline in performance was mainly due to the following:

- Net negative impact of RM3.60 million arising from several projects which include the Package 2 and LRT3 projects where progressive revenue recognised in accordance with the percentage of completion method had exceeded final account billings. This impact also included a project in which the budgeted cost was revised downwards upon final account issued hence reducing the said impact. This project had in the previous financial year revised its budgeted cost upwards due to change of sub-contractor.
- Negative impact of RM6.79 million arising from additional net allowance for expected credit losses which was mostly on trade receivables assessment.
- A further negative impact of RM1.28 million arising from expected credit losses on the recoverability of deposits advanced for the Package 2 project previously. The provision on this amount was made on the basis of its long outstanding situation coupled with the estimated financial assessment.

(iii) Investment holding & others segment

This segment recorded loss before tax of RM18.56 million in current financial year as compared to loss before tax of RM0.56 million in the previous financial year. The decline in performance was mainly due to the following:

- The previous year's results had factored in a net gain of RM4.96 million which comes from recognition of gain of RM7.06 million due to the difference between the sale consideration and the net asset value at the time of completion of disposal, which was offset against the 40% share of losses of Kumpulan Voir Sdn Bhd ("KVSB") under equity accounting treatment effective from 1 January 2021 amounting to RM2.10 million.
- Current year's share of losses in associate amounting to RM3.49 million. The investment in associate was reclassified to other investment upon our loss of significant influence in the associate commencing from the third quarter.
- Write down on investment in KVSB to its recoverable amount of RM9.0 million based on the Share Sale Agreement to dispose the remaining 40% equity interest in KVSB. The negative impact on this write down was RM9.94 million.

Financial Results and Position

The segmental performance:

	Continuing		Discontinued		Total RM'000
	Construction RM'000	Property Development RM'000	Investment holding and others RM'000	Apparels, footwear & accessories RM'000	
FYE 2022 (12 months)					
Revenue	8,070	-	2	-	8,072
Profit/(loss) before tax	(18,382)	(33)	(18,557)	-	(36,972)
Segmental total assets	61,137	20,200	18,489	-	99,826
Segmental total liabilities	12,194	16,277	860	-	29,331
FYE 2021 (12 months)					
Revenue	44,656	-	-	45,037	89,693
Profit/(loss) before tax	(7,020)	-	(555)	(11,701)	(19,276)
Segmental total assets	85,286	-	47,026	-	132,312
Segmental total liabilities	32,052	-	173	-	32,225

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Liquidity

As at 31 March 2022, the Group's cash and bank balances amounted to RM5.86 million, as compared to RM6.40 million as at the end of the preceding financial year. This together with existing tradeline and overdraft banking facilities totalling RM4.0 million enables the Group to sustain its operations at a comfortable level.

Capital expenditure requirements, capital structure and capital resources

The Group's capital expenditure consists mainly of assets required in the ordinary course of business such as motor vehicles, since generally our projects are sub-contracted out.

As at 31 March 2022, the Group's share capital is RM139,808,637 comprising 319,179,719 number of shares with a net asset value per share of RM0.21.

Anticipated or known risks

The Group is generally exposed to risks associated with reducing works in construction and infrastructure projects under the operating economic environment and has always been mindful of the risk management practices that drive our performance. On the Group's venture into property development, market risk or support for the development project is identified as a critical factor for success and therefore proper due diligence and feasibility analysis would be mainly based on detailed market and location study. Risk management processes are embedded in our operating and business management processes as we actively identify major risks with the appropriate mitigating controls in place, and continuously monitor the effectiveness of such controls. The identified risks are classified by type and rating which is based on likelihood of occurrence and its corresponding impact on the financials in the event of occurrence. Those risks with higher likelihood and greater impact will be closely monitored together with their existing control in place. From the enterprise risk management report concluded in May 2022, a total of 23 risks were identified out of which the following 3 strategic risks were rated as high risk.

- (i) Market risk. Our business is essentially project based and therefore, there must always be new projects coming on stream for sustainability. To mitigate this, the Group is encouraged to set up a marketing plan for next one year which will help to track and monitor the progress and the development of the marketing plan.
- (ii) Economic environmental risk. This relates to the unfavourable and challenging overall economic environment. To mitigate this, the Group may need to set up a core team from tender or business development and operations to track economies environment and updates in the market, and report to the Board of Directors. The management would monitor the milestone to ensure the roadmap has been realistically achieved and review the effectiveness of the plan constantly.
- (iii) Concentration risk. This relates to dependency on key projects or customers. To mitigate this, the Group needs to make best efforts to tender new projects to be established in the construction sector. There must be continuous effort to expand the customer base so that there are no key dependency on certain projects for future sustainability.

Besides strategic risk, the other risk categories are human resource risk, operational risk, financial risk and information technology risk, all of which were within manageable levels and having appropriate control measures. There were also no fundamental weaknesses which could not be rectified, and which have significant impact on the Group.

Forward Looking Statement

We foresee ongoing opportunities for the Group and are confident on building an upward trajectory as the Malaysian economy grew by 5.0% in the first quarter of 2022 (4Q 2021: 3.6%). The construction sector contracted at a smaller pace of 6.2% (4Q 2021: -12.2%). Progress in new and existing commercial and industrial projects continued to support activity in the non-residential subsector. Growth in the civil engineering and residential subsectors improved but remained subdued.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

The Group has been actively and continuously looking out for new opportunities for both its construction and property development segments. On the construction segment, besides securing the Timpangoh project worth RM11.0 million after the financial year end, we are tendering for another project also related to slope works worth approximately RM19.0 million located in Kota Belud. As for the property development segment, we are looking at two new acquisitions to potentially boost up earnings, which are as follows:

- Proposed acquisition of the entire equity interests in Mammoth East West Sdn Bhd for a purchase consideration to be determined based on an independent valuation to be finalised and to be satisfied via issuance of new Vertice shares.
- Proposed acquisition of the development rights for a 14-storey condominium on a parcel of leasehold land with a 999 years tenure in Luyang, Kota Kinabalu, Sabah for a purchase consideration to be determined based on an independent valuation to be finalised and to be satisfied via issuance of new Vertice shares.

Based on the above, together with existing order book on hand, the Group is cautiously optimistic on its future outlook and sustainability for both segments with the financial capacity to raise funds as and when required through corporate exercises.

Economic Outlook

The Malaysian economy grew by 5.0% in the first quarter of 2022 (4Q 2021: 3.6%). Growth was mainly supported by higher domestic demand as economic activity continued to normalise with the easing of containment measures. The improvement also reflects the recovery in the labour market and continued policy support as unemployment rate declined further to 4.1% (4Q 2021: 4.3%). In addition, strong external demand, amid the continued upcycle in global technology, provided a further lift to growth. In terms of economic activity, the services and manufacturing sectors continued to drive growth at 6.5% (4Q 2021: 3.2%) and 6.6% (4Q 2021: 9.1%) respectively. On a quarter-on-quarter seasonally-adjusted basis, the economy registered an increase of 3.9% (4Q 2021: 4.6%).

Headline inflation moderated to 2.2% during the quarter (4Q 2021: 3.2%). Lower headline inflation during the quarter mainly reflected the smaller contribution from the dissipating base effect from lower domestic retail fuel prices last year, and the absence of the base effect from electricity tariff rebates implemented in 2020. Core inflation increased to 1.7% during the quarter (4Q 2021: 0.8%), reflecting a combination of normalisation after a period of subdued prices, and continued price adjustments amid the high-cost environment and improving demand conditions. The increase was largely contributed by higher core services inflation while core goods inflation also rose.

On a more recent note, S&P Global Ratings revised upward its rating outlook on Malaysia's long term sovereign credit ratings to stable from negative, reflecting its expectation that the country's steady growth momentum and strong external position will remain in place for the next two years. On GDP, S&P is projecting a strong pick up in Malaysia's GDP growth to hit 6.1% for 2022, which is at the higher end of Bank Negara Malaysia's official estimate of 5.3%-6.3%. The strong growth momentum is expected to persist in the second half of the year, as Malaysia is a net energy exporter and major producer of crude palm oil.

*(Source 1 : Bank Negara Malaysia, Quarterly Bulletin First Quarter 2022, Developments in the Malaysian Economy)
(Source 2 : The Edge CEO Morning Brief, June 28, 2022)*

Construction Outlook

Growth in the construction sector is expected to rebound in 2022 following the reopening of the economy. Ongoing construction activity in large infrastructure projects and implementation of small-scale projects under the 2022 Budget measures will support growth in the civil engineering and special trade subsectors. Meanwhile, the residential subsector will benefit from new housing projects and launches, in tandem with the expected recovery in demand as income and employment prospects improve. Growth in the non-residential subsector is expected to be lifted by both existing and new commercial and industrial projects.

Monetary policy in 2022 will continue to support a sustainable economic recovery while preserving price stability. Going forward, the policy will focus on ensuring that the degree of monetary accommodativeness is consistent with the expected improvement in economic conditions amid moderate upward price pressures and well-anchored inflation expectations.

(Source: Bank Negara Malaysia, Outlook and Policy in 2022)

SUSTAINABILITY REPORT

Sustainability at Vertice Group

We underwent a year of significant transition in 2018, along with the changes forthcoming in our corporate leadership and transformation of our organisational structure. The experience taught valuable lessons that helped us obtain a deeper understanding of how sustainability was perceived in the organisation, which sustainability practices were already being adopted and implemented, and what areas could be further improved.

We perceive sustainability as a never-ending quest that requires the participation of all stakeholders, internally and externally, at every level in efforts to contribute to global and national initiatives towards sustainable development. As we venture in the construction industry, we strategize our business plans taking into consideration not only profitability and liquidity but also our responsibilities in terms of the impact relating to economic issues, environmental problem (for example, construction waste and social responsibility). Over the past years, we carried out the process of identifying, refining, and assessing material issues that could affect our businesses and stakeholders, such as:-

- (i) Financial stability;
- (ii) Compliance with regulatory authorities;
- (iii) Product responsibility;
- (iv) Occupational health and safety; and
- (v) Construction waste management.

While we acknowledge that certain materiality issues may be more important than others, we are equally concerned with each and every materiality issue. We rank financial stability as the most important materiality issue because we believe adequate financial strength of a company allows it to resolve all other materiality issues with precision, ease and without any financial hindrances. As a good corporate citizen, compliance with regulatory authorities is essential and also brings good corporate values. We support the initiatives taken by the regulatory authorities in improvising the reporting requirements as well as corporate governance.

Other materiality issues that relates directly to business processes are dealt with in an on-going basis and revisions are made as and when required.

Below are the qualitative comments which cover the three (3) main aspects:-

Economic

Civil and construction works for basic infrastructure underpin the progress of society and are always high on any government agenda, even during period of economic uncertainty. Growth in the Malaysian construction sector is expected to rebound in 2022 following the reopening of the economy, underpinned by stronger domestic demand, continued expansion in external demand and improving labour market. Malaysia has also made important progress in enhancing measures to promote high quality investments through the adoption of National Investment Aspirations (NIA) into national strategies. At Vertice, we aim to deliver on-time, on-budget infrastructure projects that ease the traffic congestion to create a highly liveable, economically vibrant and socially inclusive community. New roads, better infrastructure and other projects will alleviate the problems of rapid urbanization such as wastewater management, water supply and so on. The country's present transportation system can be improved by adopting a balanced approach in relation to the public transport and highway, which ultimately boost socio-economic growth.

1. Procurement practices

Integrity and transparency are essential to our procurement endeavours and we have strict protocols in place to safeguard critical information in the interests of fair play and competitiveness. We demand and enforce compliance with contractual standards and where possible, we favour local suppliers and sub-contractors.

2. Community investment

We have always taken the stand that success can only be measured in the context of creating a positive impact on our community. Vertice believes strongly in 'giving back' and supporting charities events.

SUSTAINABILITY REPORT (CONT'D)

3. Indirect economic impact

We understand that commercial decisions we make, impact other players in the industry. We currently have a pool of sub-contractors and suppliers and we endeavour to ensure our decisions have a positive flow on effect. We support our sub-contractors with credit lines, assistance with material purchases, machineries and etc to enable them to develop their capabilities and capacity. We work with suppliers to ensure timely project delivery and fair business dealings for mutual benefit.

Meaningful engagements with various stakeholders is critical to understand their interests and needs. We encourage stakeholders to communicate with us through our corporate website as well as other social events. We practise equality and do not discriminate based on creed, colour, or culture. The Group has zero tolerance on sex discrimination and sexual harassment. Our goal is providing a conducive, fair, and hazard-free working environment for all our employees. We believe our employees will thrive in such working environment as it breeds good corporate culture and values.

Environment

We are passionate about caring for our planet and preserving the environment for future generations. We are constantly striving to promote green practices and to lead the way in environmentally responsible practices which prevent or mitigate environmental impacts that occurs as a result of construction projects.

1. Emissions

At Vertice, we are vigilant with regard to any potentially polluting effects of our activities. The use of cars, lorries, heavy machinery and other plant and equipment that run on fossil fuel remains essential to our business. However, we do monitor the maintenance and efficiency of these. On site, we ensure dust control and proper disposal of oil, batteries and other potential polluting items.

2. Waste and effluent

Hazardous waste is governed by local environmental regulations i.e. the Environmental Quality (Scheduled Wastes) Regulations 2005 and non-hazardous waste includes general waste such as paper and plastic or effluent that is disposed as wastewater.

At Vertice, we abide by all environmental regulations in relation to waste disposal. Our team, lead by the Environmental Officer will conduct routine inspections at project sites to ensure compliances and address environmental impact aspects of its operations along with our existing suppliers and sub-contractors.

In office and at project site, all employees are encouraged to promote the 'reduce, reuse, recycle' ethos.

3. Water/Energy

We are always looking for efficiency gains. Reducing consumption of utilities is a responsibility of all businesses and we support policies on renewables.

Diversity

1. Vertice promotes diversity across all levels of operations. However, a gender balance on site is difficult to achieve and the construction industry in general remains male dominated.

At Board level we have a fair diversity of ethnicities and ages, but continue to lack gender diversity. In filling the vacancies that have arisen on the Board, the candidates with valuable background in the industry were male.

The Board comprises Chinese, Malay members with age ranging from 46 to 71 years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board believes that the principles of good corporate governance such as integrity, transparency, accountability and responsible conduct are important to achieve a sustainable growth. Such principles must be supported by a comprehensive framework of policies, guidelines and internal controls.

The Group's corporate governance framework is set based on the following guidelines:

- the principles and recommendations of the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia in April 2021;
- the corporate governance requirements of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities");
- Corporate Governance Guide: 4th Edition in April 2021.

This Corporate Governance Overview Statement ("Statement") sets out the manner in which the Group has applied its corporate governance framework, in particular, the principles and recommendations articulated in the MCCG. The Board approved this Statement on 7 July 2022 and believes that it has in all material aspects complied with the principles and recommendations outlined in the MCCG. Where the recommendations relating to any principle have not been complied with, the non-compliance is clearly stated and reasons given. However, if alternatives have been adopted, it will be disclosed accordingly.

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear Function of the Board and Management

The Board's Terms of Reference clearly set out the framework of functions, roles and responsibilities of the Board. It serves as a guide for good corporate governance practice and to ensure that there is a clear separation of functions between the Board and the Management.

The Management executes the corporate and business plans formulated by the Board and conduct meetings on a regular basis to discuss and review matters such as:

- Business strategies in line with the corporate direction;
- Strategies adopted in business operations;

- Important issues happening in operations; and
- Highlight important issues on effectiveness and efficiency of the system of risk management and internal control that has impact to the financial results.

Clear Roles and Responsibilities

The Board must ensure that the Directors are aware of their roles and responsibilities as outlined by the Terms of Reference. The principal responsibilities of the Board are as follows:

- review and adopt the strategic plan for the Group, including goal-setting, determine the Group's business strategies to promote sustainability;
- approve management major proposal and monitoring the implementation of strategic plan by management;
- review and evaluate key policies adopted by the Group;
- appoint Chief Officers and work closely with them to formalize and focus on business and operational strategies; review the results from time to time to achieve the intended results;
- oversee the conduct of the Group's business and operations and evaluate whether the businesses are being properly managed;
- identify principal business risks faced by the Group and ensure the implementation of appropriate risk management and internal control framework and mitigating measures to address such risks;
- ensure that all candidates appointed to the Board are of sufficient caliber, including succession and diversity of the members of the Board;
- establish Board committees and be responsible for all decisions made by the committees;
- review the adequacy and integrity of the Group's internal control and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines on a quarterly basis;
- deliberate on proposals presented and recommended, including those proposed by its committees on a quarterly basis;
- reviewing the Group's performance on a quarterly basis;
- receiving updates on various business operations from the Management;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

- bringing independent judgment and scrutiny to decisions taken by the Board and providing objective challenges to the Management; and
- approving the declaration of dividends and approval of financial statements, including accounting policies of the Group.

The Board will also involve in deliberation and decision making process to ensure the direction and control of the Group's businesses and resources are in good hands. Amongst others:

- reviewing and approval of Group's strategic plan and annual budget;
- acquisition and disposal or closure of businesses;
- declaration of dividends and approval of financial statements;
- establishment of new or diversified businesses;
- material capital investment and disposal of tangible assets from existing businesses to third parties;
- increase or reduction of subsidiaries issued capital; and
- any corporate restructuring not covered by the abovementioned paragraphs.

The Board monitors progress of Group's strategies and performance, ensures key management continuity with proper succession plan and reviews internal control and risk management system. The Board delegates some of these responsibilities to Board Committees such as the Audit Committee, the Nomination Committee and the Remuneration Committee.

The Board's activities for the Financial Year Ended 31 March 2022 comprised the following:

- review and approve the 2022 quarterly results;
- approve the Directors' Report and Audited Accounts for the financial year ended 31 March 2022;
- approve the reports of the Audit, Nomination and Remuneration Committees and to note the minutes of the Board Committees meetings on a quarterly basis;
- review the Group's strategies and plans;
- receive quarterly updates from the Executive Director on significant changes in the business and the external environment which affects the businesses and operations;
- approve the General Budget and Capital Expenditure Budget;
- review the risk management framework of the Group and update on management of major business risks by the Group on a quarterly basis;

- approve the re-appointment of the Group's external auditors and ensure that the external auditors meet the criteria provided by Paragraph 15.21 of the Listing Requirements;
- approve the Annual Report 2022;
- approve the draft Circular to Shareholders in relation to the proposed Renewal of Shareholders' Mandates for Recurrent Related Party Transactions of revenue or trading nature;
- note the semi-annual returns of the Company;
- note the amendments to the Bursa Securities Listing Requirements; and
- review of the effectiveness of the Board meetings.

The Group have various departments and management teams to manage the businesses. Their roles and responsibilities are clearly defined. For example, in the event of resignation from any key management personnel, replacement will be sought within and outside of the Group during the notice period. Failing which, internal coordination will be carried out to mitigate the risk of short-handed and miss-match of skilled personnel.

The same applies to the Board. The Board is made up of members from different skill sets and professions that will contribute to the Group's growth. Nomination Committee will take responsibility to source for replacements in succession planning for the Board members.

Shareholders are encouraged to provide their views and expectations to the Board. The Board conducts dialogues with some major shareholders from time to time. Shareholders are also given opportunities to express their views during Annual General Meetings. They can also exchange their point of views through our official website.

Formalizing Ethical Standard through a Code of Conduct

The Board has a collective responsibility for the management of the Group. The Non-Executive Directors are responsible for bringing independent judgment and scrutiny to decisions taken by the Board and providing objective challenges to the Management Team.

The Company assesses the independence of the Directors in accordance with the criteria stipulated in paragraph 1.01 of the Listing Requirements, which states that a director needs to be independent from management and free from any business or other relationship which could interfere with his independent judgment or ability to act objectively and in the best interest of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

All Independent, Non-Executive Directors do not participate in the day-to-day management of the Group and do not engage in any business dealings or other relationships with the Group. This is to ensure that they are capable of exercising judgment objectively whilst acting in the best interest of the Group, its stakeholders and shareholders, including minority shareholders.

Whistleblowing

Whistleblowing Policy and Procedure is available for the employees to raise their concerns on any illegal, unethical or fraudulent activities being committed against the Group, without the risk of reprisal. This will assist the Group to generate and enhance a healthy system of reporting undesired and unwanted activities while encouraging the employees to protect and preserve the prosperity and growth of the Group.

Strategies Promoting Sustainability

The Group promote sustainability through its efforts on producing high quality products; rejects harmful material and ingredients; participates in charitable events; improving customers' satisfaction; diversifying business segments and channels; reviewing segmental business performance on a periodic basis; strategize business plans; improving employees' welfare and retaining programs. With policies mentioned above, the Group will be able to work towards better results and improve on sustainability.

Access to Information and Advice

The Directors have individual, unrestricted and independent access to Management staff in order to obtain relevant information on issues under their respective portfolios.

The Board may also seek independent professional advice when necessary, under company expense to discharge their duties when necessary. Prior to engaging an independent adviser, approval must be obtained from the Chairman and, where applicable, the Chairman may bring up the request for the Board's evaluation on the need for external advice.

Management reports are submitted to Executive Directors for review on fixed intervals. Draft quarterly results are provided to Board members prior to the Board meetings in order for them to comment and deliberate, and prepare themselves for the Board meetings.

Support from Qualified and Competent Company Secretary

The Board is satisfied with the performance and support provided by the Company Secretary. As a professional Company Secretary, she provides valuable and relevant advice to the Directors on compliance and maintaining good corporate governance within the Group.

All Directors have unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Company Secretary, who is qualified, experienced and competent, ensure compliance of relevant regulatory requirements and best practices and advises the Board on updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of the Directors, their impact and implication to the Group, including fiduciary duties and responsibilities.

The Company Secretary organizes and attends all Board and Board Committee meetings and ensures that these meetings are properly convened; follow-up on matters arising; ensure accurate and proper records of the proceedings and resolutions passed. Such documentations are properly maintained at the registered office of the Company.

The Company Secretary is also responsible to maintain the documentations of the Board such as meeting papers and minutes. These documentations of the Board and its Committees will be produced for inspection, if required.

Board Charter

The Board Charter provides clarity on Board practices in upholding corporate governance and serves as a reference point for Board activities, which include the following key areas:

- The Board principal role and responsibilities;
- The Board structure, including Board balance and Directors' tenure;
- The Board members, Board committees, key management officers and company secretary roles and responsibilities;
- The Board governance processes, including meetings, appointment, re-appointment and removal of Directors;
- The Board Committees, including the terms and references of the Audit, Nomination and Remuneration Committees.

The last review was conducted on 5 April 2018.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Strengthen Composition

The Board has established the following Committees to assist the Board in discharging its duties and responsibilities:-

The **Audit Committee** during the financial year ended 31 March 2022 comprises:-

Ooi Guan Hoe (Chairman)
Independent, Non-Executive Director

Dato' Dr. Hj. Shamsul Anwar Bin Sulaiman
Independent, Non-Executive Director

Chai Hann Lin
Independent, Non-Executive Director

The summary terms of reference of the Audit Committee (including its key function, roles and responsibilities) have been approved by the Board and the summary of Audit Committee's activities for the financial year ended 31 March 2022 can be found in the Audit Committee Report.

The **Nomination Committee** during the financial year ended 31 March 2022 comprises:-

Dato' Dr. Hj. Shamsul Anwar Bin Sulaiman (Chairman)
Independent, Non-Executive Director

Ooi Guan Hoe
Independent, Non-Executive Director

Chai Hann Lin
Independent, Non-Executive Director

The Nomination Committee, under its terms of reference, performs annual review on the required mix of competencies, commitment and performance of Board members and the effectiveness of the Board and Committees as a whole and reviews Board succession plan.

When selecting new Directors, the Nomination Committee is responsible for assessing the candidates for the proposed directorship and submits their recommendations to the Board for decision. When the candidate is approved by the Nomination Committee, the candidate will then be proposed to the Board. The Board will assess the skills set requirements and discuss through the fitness based on the selection factors and skills of the candidate and make the final decision for approval of the candidate.

Board and Committees Assessment

The Committee has established a formal evaluation process to assess the effectiveness of the Board and Board Committees in terms of their composition, independency, effectiveness and accountability, and the contribution and performance of individual Directors and Chief Executive including their roles and responsibilities, competency and expertise.

The main activities carried out by the Nomination Committee in 2022 are as follow:

- reviewed the required mix of skills and experience and other qualities of the Directors and to assess the effectiveness of the Board as a whole;
- discussed and determine the directors retiring by rotation in accordance with the Articles of Association of the Company;
- reviewed trainings attended by the Directors, assess the training needs and recommend suitable orientation, education, training programme for the continuous development of each Director.

Chairman

The Company's Chairman is an independent director. The Chairman plays an important role for the Group with his leadership skills which allows him to give the right judgment and recommendations that benefits the Company's functions and operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Gender diversity

The Board currently does not adopt any policy on boardroom diversity, such as gender and age. The Board is of the view that while it is important to promote diversity, the normal selection criteria of a Director based on effective blend of competency, skills, experiences and knowledge in areas identified by the Board should remain a priority.

The Board will monitor the Company's performance in meeting the target and shall review the policy and target set to achieve gender diversity in the boardroom as and when needed.

The **Remuneration Committee** members are:-

Chai Hann Lin (Chairman)	Independent Non-Executive Director
Dato' Sri Hj. Wan Adnan Bin Wan Mamat	Independent Non-Executive Director
Dato' Dr. Hj. Shamsul Anwar Bin Sulaiman	Independent Non-Executive Director

The Remuneration Committee is responsible for establishing a formal and transparent policy on Executive Directors remunerations and to fix the remuneration of individual directors. The Executive Directors abstain from participating in discussions and decisions on matters directly involving them to avoid any conflict of interest.

The range and aggregate remuneration received by Directors for the financial year ended 31 March 2022 is set out in the Notes 31.3 to the Financial Statements.

The range and aggregate remunerations received by Directors for the financial year ended 31 March 2022 are categorized as follows:-

Group		Fees RM	Salaries RM	Other Emoluments RM	Total RM
Law Ngia Meng	current	-	45,000	6,750	51,750
Wong Kwai Wah	resigned	-	570,000	111,579	681,579
Ibrahim Bin Sahari	resigned	-	540,000	105,150	645,150
Subtotal for Executive Directors		-	1,155,000	223,479	1,378,479
Tun Arifin Bin Zakaria	current	188,100	-	12,610	200,710
Dato' Sri Hj Wan Adnan Bin Wan Mamat	current	46,000	-	800	46,800
Law Ngia Meng	resigned	10,000	-	-	10,000
Chai Hann Lin	current	25,000	-	1,600	26,600
Ooi Guan Hoe	current	24,000	-	1,600	25,600
Dato' Dr. Hj Shamsul Anwar Bin Sulaiman	current	10,000	-	800	10,800
Wong Kwai Wah	current	5,000	-	2,371	7,371
Mohd Hatim Bin Abdullah	current	60,000	-	3,800	63,800
Dato' Dr. Azirul Salihin Bin Anuar	resigned	30,000	-	3,500	33,500
Yee Yit Yang	resigned	55,000	-	6,600	61,600
Dato' Mah Siew Kwok	retired	30,000	-	3,000	33,000
Ham Hon Kit	resigned	10,000	-	2,000	12,000
Subtotal for Non-Executive Directors		493,100	-	38,681	531,781
TOTAL		493,100	1,155,000	262,160	1,910,260

Note : Other emoluments include meeting allowances and statutory contributions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The range and aggregate remunerations received by Directors for the financial year ended 31 March 2022 are categorized as follows:-

Company		Fees RM	Salaries RM	Other Emoluments RM	Total RM
Law Ngia Meng	current	-	45,000	6,750	51,750
Wong Kwai Wah	resigned	-	570,000	85,500	655,500
Ibrahim Bin Sahari	resigned	-	540,000	81,000	621,000
Subtotal for Executive Directors		-	1,155,000	173,250	1,328,250
Tun Arifin Bin Zakaria	current	188,100	-	12,610	200,710
Dato' Sri Hj Wan Adnan Bin Wan Mamat	current	46,000	-	800	46,800
Law Ngia Meng	resigned	10,000	-	-	10,000
Chai Hann Lin	current	25,000	-	1,600	26,600
Ooi Guan Hoe	current	24,000	-	1,600	25,600
Dato' Dr. Hj Shamsul Anwar Bin Sulaiman	current	10,000	-	800	10,800
Wong Kwai Wah	current	5,000	-	-	5,000
Mohd Hatim Bin Abdullah	current	60,000	-	3,800	63,800
Dato' Dr. Azirul Salihin Bin Anuar	resigned	30,000	-	3,500	33,500
Yee Yit Yang	resigned	55,000	-	6,600	61,600
Dato' Mah Siew Kwok	retired	30,000	-	3,000	33,000
Ham Hon Kit	resigned	10,000	-	2,000	12,000
Subtotal for Non-Executive Directors		493,100	-	36,310	529,410
TOTAL		493,100	1,155,000	209,560	1,857,660

Note : Other emoluments include meeting allowances and statutory contributions.

The aggregate remunerations of the top six (6) Senior Management staff of the Group for the financial year ended 31 March 2022 are categorized as follows:-

Senior Management		Range of Remuneration				
		RM50,001 - RM100,000	RM100,001 - RM150,000	RM150,001 - RM200,000	RM200,001 - RM250,000	RM250,001 - RM300,000
SM 1	current	√	-	-	-	-
SM 2	current	-	-	-	√	-
SM 3	current	√	-	-	-	-
SM 4	current	-	-	-	-	√
SM 5	current	-	-	-	√	-
SM 6	current	-	-	√	-	-

The Board determines the Directors' remunerations including fees to the Directors, which is subject to shareholders' approval during the Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The attendances of Directors who are members of Board Committee during the financial year ended 31 March 2022 are as follow:

Directors	Designation	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee
Tun Arifin Bin Zakaria	Chairman Independent Non-Executive Director	Non member	(-/-) Resigned on 27 July 2021	Non member	Non member
Dato' Sri Hj. Wan Adnan Bin Wan Mamat (Appointed on 7 October 2021)	Independent Non-Executive Director	Non member	(-/-) Resigned on 28 February 2022	(-/-) Appointed on 7 October 2021	Non member
Dato' Dr. Hj. Shamsul Anwar Bin Sulaiman (Appointed on 25 January 2022)	Independent Non-Executive Director	(-/-) Appointed on 28 February 2022	(-/-) Appointed on 28 February 2022	(-/-) Appointed on 28 February 2022	(-/-) Appointed on 28 February 2022
Mr. Law Ngia Meng (Appointed on 7 October 2021)	Executive Director	(1/1) Resigned on 31 December 2021	(-/-) Resigned on 31 December 2021	(-/-) Resigned on 31 December 2021	1/1
Mr. Chai Hann Lin (Appointed on 7 October 2021)	Independent Non-Executive Director	2/2	(-/-) Appointed on 17 November 2021	(-/-) Appointed on 31 December 2021	1/1
Mr. Ooi Guan Hoe (Appointed on 31 December 2021)	Independent Non-Executive Director	1 /1	(-/-) Appointed on 31 December 2021	Non member	Non member
Mr. Wong Kwai Wah	Non-Independent Non-Executive Director	Non member	Non member	Non member	Non member
Mr. Mohd Hatim Bin Abdullah	Independent Non-Executive Director	(3/3) Resigned on 17 November 2021	(1/1) Resigned on 17 November 2021	(-/-) Resigned on 31 December 2021	Non member
Dato Mah Siew Kwok (Retired on 28 September 2021)	Independent Non-Executive Director	Non member	Non member	(1/1) Ceased on 28 September 2021	(2/2) Ceased on 28 February 2022
Dato' Dr Azirul Salihin Bin Anuar (Retired on 28 September 2021)	Independent Non-Executive Director	(3/3) Ceased on 28 September 2021	(1/1) Ceased on 28 September 2021	(1/1) Ceased on 28 September 2021	(2/2) Ceased on 28 February 2022
Mr. Ham Hon Kit (Retired on 28 September 2021)	Non-Independent Non-Executive Director	Non member	Non member	Non member	(2/2) Ceased on 28 February 2022
Mr. Ibrahim Bin Sahari (Resigned on 31 December 2021)	Executive Director	Non member	Non member	Non member	Non member
Mr. Yee Yit Yang (Resigned on 28 February 2022)	Independent Non-Executive Director	(5/5) Ceased on 28 February 2022	(1/1) Resigned on 17 November 2021	(1/1) Resigned on 17 November 2021	(1/1) Resigned on 28 February 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

For the financial year ended 31 March 2022, the Board was satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively. The Board was also satisfied that the Board composition in terms of size, the balance between executive, non-executive and independent Directors and mix of skills were adequate.

REINFORCE INDEPENDENCE

Annual Assessment of Independence

The Board assesses the independence of Independent Non-Executive Directors annually. The Board takes into account the individual Director's ability to exercise independent judgment and deliberations as well as the effective functioning of the Board as a whole.

The Board does not have term limit for its Independent Directors and is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their tenure of service. The Board believes that continuous contributions from the Independent Directors will provide invaluable benefits to the Board and the Group as a whole, especially through their immense knowledge of the Group's financial and operations policies which they gained throughout the years. The caliber, qualification, experience and personal traits, particularly of the Independent Directors' integrity and objectivity in discharging their responsibilities in the best interest of the Group, predominantly determines the ability of them serving effectively and impartially.

Composition of Board and Independence

The Board has 8 members, 6 of them are independent non-executive members. The composition of the Board complied with paragraph 15.02 of the Bursa Securities Listing Requirements. The Chairman of the Board is Tun Arifin bin Zakaria, an independent non-executive Director, who is objective and upholds his intellectual integrity in leading the Board.

In accordance with the Company's Constitution, at least one-third (1/3), or the number nearest one-third (1/3) of the remaining directors including Managing Directors shall retire from office and be eligible for re-election at each Annual General Meeting provided that all Directors shall retire from office at least once in every three years but shall be eligible for re-election. Directors who are over the age of seventy years shall retire at every AGM and may offer themselves for re-appointment to hold office until the conclusion of the next AGM.

Independence – tenure of Independent Director who serves more than 9 years

As recommended in Practice 5.3 of MCCG, the tenure of an independent director should not exceed cumulative term limit of nine (9) years. Upon completion of the 9 years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond 9 years, it should justify and seek annual shareholders' approval through a two-tier voting process.

Relationship with the Auditors

The Audit Committee maintains a formal and transparent relationship with the Group's auditors, both internal and external. The Audit Committee has explicit authority to communicate directly with the external and internal auditors. Where required, the external and internal auditors are invited to be present at the Audit Committee meetings.

FOSTER COMMITMENT

Time Commitment

The Board and Board Committee meetings are scheduled well in advance, i.e. in the last quarter of the preceding financial year, to facilitate the Directors in planning ahead and to ensure that the dates of the Board and Board Committees meetings are booked in their respective schedules. Additional meetings are convened when urgent and important decisions need to be made in between scheduled meetings.

The Board is satisfied with the level of time commitment contributed by the Directors in discharging their roles and responsibilities as Directors of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

During the financial year ended 31 March 2022, six (6) Board meetings were held. The details of the Directors' attendances are as follows:

Directors	Designation	Meetings Attended	%
Tun Arifin Bin Zakaria	Chairman Independent Non-Executive Chairman	6/6	100
Dato' Sri Hj. Wan Adnan Bin Wan Mamat (Appointed on 7 October 2021)	Independent Non-Executive Director	2/2	100
Dato' Dr. Hj. Shamsul Anwar Bin Sulaiman (Appointed on 25 January 2022)	Independent Non-Executive Director	1/1	100
Mr. Law Ngia Meng (Appointed on 7 October 2021)	Executive Director	2/2	100
Mr. Chai Hann Lin (Appointed on 7 October 2021)	Independent Non-Executive Director	2/2	100
Mr. Ooi Guan Hoe (Appointed on 31 December 2021)	Independent Non-Executive Director	1/1	100
Mr. Wong Kwai Wah	Non-Independent Non-Executive Director	6/6	100
Mr. Mohd Hatim Bin Abdullah	Independent Non-Executive Director	5/6	83.3
Dato Mah Siew Kwok (Retired on 28 September 2021)	Independent Non-Executive Director	3/3	100
Dato' Dr Azirul Salihin Bin Anuar (Retired on 28 September 2021)	Independent Non-Executive Director	3/3	100
Mr. Ham Hon Kit (Retired on 28 September 2021)	Non-Independent Non-Executive Director	3/3	100
Mr. Ibrahim Bin Sahari (Resigned on 31 December 2021)	Executive Director	5/5	100
Mr. Yee Yit Yang (Resigned on 28 February 2022)	Independent Non-Executive Director	6/6	100

Training

In order for the Directors to enhance their business acumen and professionalism in discharging their duties to the Group, all the Directors are encouraged to attend courses, whether in-house or external as part of the continuing development in gaining relevant knowledge and updates. During the financial year ended 31 March 2022, the Company provides internal briefings to the Directors on key corporate governance developments and salient changes to the Listing Requirements of Bursa, and other relevant laws and regulations. The Directors are also briefed on matters relevant to the operations and activities of the Company.

From time to time, the Directors are provided with hard copies of reading materials pertaining to the latest developments in areas relating to the Directors' roles and responsibilities. They are encouraged to attend appropriate external trainings on the subject matter that aid the Directors in the discharge of their duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The external auditors also continuously brief the Audit Committee on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

In addition, the Company Secretary also receives regular updates on training programmes from various organisations including the regulators. These updates are circulated to the Directors for their consideration.

The Directors that attended external training during the financial year ended 31 March 2022 are as follow:

Directors	Seminar/Training Attended
Tun Arifin Bin Zakaria	Permodalan Nasional Berhad – Onboarding Programme, Human Resource. PNB ASNB Board Offsite – ASNB Transformation, Leadership Management. Rising From Covid 19: Reimagining Work In Malaysia and beyond, Human Resource, Permodalan Nasional Berhad. ONLINE TRAINING: Capital Market Directors Programme (CMDP), Leadership Management, Permodalan Nasional Berhad. TOWNHALL SESSION WITH STAFF, Leadership Management, Permodalan Nasional Berhad. PNB KNOWLEDGE FORUM 2021 – Climate Change : A New Green Deal for Malaysia, Leadership Management, Permodalan Nasional Berhad.
Dato' Sri Hj. Wan Adnan Bin Wan Mamat	N/A
Dato' Dr. Hj. Shamsul Anwar Bin Sulaiman	N/A
Mr. Law Ngia Meng	Mandatory Accreditation Programme (MAP) ICDM Virtual Classroom, Bursa Malaysia.
Mr. Chai Hann Lin	Mandatory Accreditation Programme (MAP) ICDM Virtual Classroom, Bursa Malaysia.
Mr. Ooi Guan Hoe	Advocacy Sessions for Directors and Senior Management of ACE Market Listed Corporation, Bursa Malaysia. Anti-Bribery & Anti-Corruption, Amethyst Destiny Sdn. Bhd. Mandatory Accreditation Programme (MAP) ICDM Virtual Classroom, Bursa Malaysia
Mr. Wong Kwai Wah	N/A
Mr. Mohd Hatim Bin Abdullah	N/A

Other Directors who did not attend external training program due to their busy schedules had gained other relevant knowledge through reading material and relevant trade discussions and functions conducted both locally and internationally.

For the newly appointed Directors, they will attend the Mandatory Accreditation Program within 4 months from their respective appointment dates. They will also be briefed by the Board on the nature of the Group's businesses and its culture, corporate strategy, general responsibilities and compliance obligations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

To assist in the discharge of its duties on financial reporting, the Board has established an Audit Committee. The Audit Committee assists the Board in reviewing the financial statements which are prepared in accordance with the provisions of the Companies Act, 2016 and the applicable accounting standards in Malaysia, and ensures that they give an accurate, adequate and complete reporting in order for the Board to present quarterly results and annual audited results announcements.

Assessing the Suitability and Independence of External Auditors

The Audit Committee conducts annual review of the suitability and independence of External Auditors. The Audit Committee meets with External Auditors at least twice a year to discuss audit plan, findings and financial statements. At least one of these meetings is without the presence of any Executive Director and the Management. The External Auditors also made a representation in their 2022 Group Audit Plan to reaffirm their independency of their engagement.

RECOGNISE AND MANAGE RISKS

Risk Management Framework

In recognizing the importance of risk management and internal controls, the Board has established a Risk Management working group comprising the Executive Director and Management staff. This working group will conduct regular review on internal control system, policy and procedure of respective business units, aim to identify, evaluate, control, monitor and report the principal business risks faced by the Group on an on-going basis, to assist the Board to manage risks and promote sustainability through a structural risk management framework.

Internal Audit Function

The internal audit function of the Group was out-sourced to a professional firm, Vaersa Advisory Sdn. Bhd, which adopts a risk-based audit approach in discharging their responsibilities. They review the Company's system of internal controls, effectiveness of corporate governance, risk management and regulatory compliances and report on its adequacy and efficiency to the Audit Committee.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policy

The Company aims to maintain a clear, transparent and informed communication channel with its shareholders and potential investors. The Company has delegated certain Executive Directors and Management staffs to be the spoke-persons on official business, corporate events and announcements. There is also a "Contact Us" icon in our Corporate Website to allow any inquiry to be communicated to the right channel and obtain a response within a reasonable time.

While the Company endeavors to provide as much information as possible to its shareholders and stakeholders, the Board is mindful of the legal and regulatory framework governing the release of material and price sensitive information.

Leveraging on Information Technology for Effective Dissemination of Information

An official "Investor Relations" ("IR") section is incorporated in the Company's website. It provides relevant information on Company's announcement on a timely basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Encourage Shareholder Participation at General Meetings

The Company serves ample notice to shareholders regarding details of General Meetings, their rights and entitlements to attend the meetings. The Company also encourages shareholders to attend or appoint appropriate proxies with no qualification restriction who will have equal rights as members to speak at the meetings.

Encourage Poll Voting

The Chairman will inform shareholders of their right to demand for poll voting in the General Meetings. The Company will conduct poll voting if so requested by shareholders in the meetings.

Effective Communication and Proactive Engagement with Shareholders

The Company, Board members and senior management will actively and promptly communicate with key shareholders, minority shareholders and potential institutional and public investors about the development of company business plan and results.

Through timely official public announcement and meetings, to understand shareholders' concerns and expectations in order to plan, formalize and realign corporate direction in achieving the performance and common goals expected by shareholders, Board members and the management.

Compliance with MCCG

The Board considers that the Company has complied with the provisions and applied the key principles of the MCCG throughout the financial year ended 31 March 2022 except for below where the explanation for departure is disclosed in the Corporate Governance Report:

Practice 5.9: The Board comprises at least 30% women directors.

Practice 8.2: The Board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

The Board has reviewed, deliberated and approved this Corporate Governance Overview Statement during the Board Meeting dated 7 July 2022. The Board is satisfied that this Corporate Governance Overview Statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied and obligations are fulfilled under the MCCG, and MMLR of Bursa Securities throughout the financial year ended 31 March 2022, save for the exceptions as disclosed above.

AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

The members of the Audit Committee ("the Committee") are as follows:-

Ooi Guan Hoe (Chairman)

Independent Non-Executive Director

Dato' Dr. Hj Shamsul Anwar Bin Sulaiman

Independent Non-Executive Director

Chai Hann Lin

Independent Non-Executive Director

TERMS OF REFERENCE

The Committee is governed by the following terms of reference:

1. Composition

The Committee shall be appointed from amongst the board and shall comprise at least three (3) members, a majority of whom shall be independent directors. All members of the Committee shall be non-executive directors.

All members of the Committee shall be financially literate and at least one shall be a member of the accounting association or body.

All members of the Committee, including the chairman, will hold office only so long as they serve as directors of the Company. Should any member of the committee ceases to be a director of the Company, his membership in the committee would cease forthwith.

In the event of any vacancy with the result that the number of members is reduced to below three, the vacancy must be filled within three (3) months.

2. Chairman

The chairman, who shall be elected by the Committee, must be an independent director.

3. Secretary

The company secretary shall be the secretary of the Committee and shall be responsible, in conjunction with the chairman, for drawing up the agenda and circulating it prior to each meeting.

The secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members.

AUDIT COMMITTEE REPORT (CONT'D)

4. Meetings

The quorum for a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be independent.

The Chief Financial Officer, the representative of internal audit and the external audit shall normally attend meetings. Other Board members may attend meetings upon the invitation of the Committee. However, the Committee shall be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the company, whenever deemed necessary.

The chairman of the Committee shall engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the finance director, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

Meetings shall be held at least four (4) times a year or at a frequency to be decided by the Committee.

5. Rights

The Committee shall:-

- (a) have explicit authority to investigate any matter within its terms of reference;
- (b) have the necessary resources which it needs to perform its duties;
- (c) have full and unrestricted access to any information which it requires in the course of performing its duties;
- (d) have unrestricted access to the chief executive officer and the chief financial officer;
- (e) have direct communication channels with the external auditors and internal auditors; and
- (f) be able to obtain independent professional or other advice in the performance of its duties at the cost of the Company.

6. Duties

The duties of the Committee shall include a review of:-

- (a) the nomination of external auditors;
- (b) the adequacy of existing external audit arrangements, with particular emphasis on the scope and quality of the audit;
- (c) the adequacy and effectiveness of the internal control and management information systems;
- (d) the financial statements of the Company with both the external auditors and management;
- (e) the external auditors' audit report;
- (f) any management letter sent by the external auditors to the Company and the management's response to such letter;
- (g) any resignation of the Company's external auditors;
- (h) the assistance given by the Company's officers to the external auditors;
- (i) all areas of significant financial and operational risks and the arrangements in place to contain those risks to acceptable levels;
- (j) all related-party transactions and potential conflict of interests situations; and
- (k) the internal audit function including:-
 - i. the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work; and
 - ii. the internal audit program and the results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function.

AUDIT COMMITTEE REPORT (CONT'D)

ATTENDANCE OF MEETINGS

There were five (5) meetings held during the financial year ended 31 March 2022 ("FY 2022"). The details of attendance of each member at the Committee meetings held during the financial year are stated below:

Audit Committee	Directorship	Meetings Attended	%
Ooi Guan Hoe (Chairman) [Appointed on 31 December 2021]	Independent Non-Executive Director	1/1	100
Dato' Dr. Hj. Shamsul Anwar Bin Sulaiman [Appointed on 28 February 2022]	Independent Non-Executive Director	(-/-)	(-/-)
Chai Hann Lin [Appointed on 17 November 2021]	Independent Non-Executive Director	2/2	100
Mr. Law Ngia Meng [Resigned on 31 December 2021]	Executive Director	1/1	100
Mr. Mohd Hatim Bin Abdullah [Resigned on 17 November 2021]	Independent Non-Executive Director	3/3	100
Dato' Dr Azirul Salihin Bin Anuar [Ceased on 28 September 2021]	Independent Non-Executive Director	3/3	100
Mr. Yee Yit Yang [Ceased on 28 February 2022]	Independent Non-Executive Director	5/5	100

The partner of the external auditors, Executive Director and relevant members of senior management team attended the meetings upon the invitation of the Committee.

Deliberations during the Committee's meeting including issues discussed and decisions were recorded. Minutes of the Committee's meetings would be tabled for confirmation at the next Committee's meeting and subsequently tabled at the Board meeting for notation.

SUMMARY OF ACTIVITIES

The activities carried out by the Committee during the FY 2022 include:-

- Reviewed the interim financial results, analyze trend of financial numbers, query on significant issues and indicators before recommending the same for the Board's approval.
- Reviewed the annual audited financial statements of the Group together with the external auditors before recommending the same for the Board's approval.
- Reviewed the audit plan of internal and external auditors.
- Reviewed the related party transactions within the Group for compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirements.

AUDIT COMMITTEE REPORT (CONT'D)

- (e) Considered and recommended the audit fees payable to the internal and external auditors for the Board's approval.
- (f) Reviewed the internal audit reports, audit recommendations made, the Management's response to these recommendations and follow-up review reports. Where appropriate, the Committee had directed the Management to ratify or improve the current system based on the internal auditors' recommendation for improvement.
- (g) Reviewed the adequacy of scope, function, resources and competency of the internal audit function and that it has the necessary authority to carry out its work.
- (h) Reviewed and approved the Audit Committee Report for the inclusion in the Company's Annual Report.
- (i) Held meeting with External Auditors twice this year without the presence of any Executive Directors and the Management to discuss audit and financial matters.

EXTERNAL AUDIT FUNCTION

The Audit Committee evaluated the audit plan from Messrs Russell Bedford LC PLT for the financial year ended 31 March 2022. Audit Committee met with the external auditors without the presence of any members of the Board, in order to review and discuss on matters of interest for the Company. During the meeting with Russell Bedford, the Audit Committee also:

- Reviewed, discussed and where necessary sought explanations on the results of their audit;
- Discussed on changes in accounting standards;
- Discussed on issues impacting the financial statements;
- Sought explanations on the regulatory requirements and responsibilities.

The External Auditors had confirmed their independency in their 2022 Group Audit Plan and the Board is satisfied with that statement.

The Audit Committee and the Board are satisfied with the performance and effectiveness of the external auditors, Russell Bedford LC & Company and the fees quoted are within affordable range.

INTERNAL AUDIT FUNCTION

The internal audit function has been outsourced, which reports directly to the Committee. The Committee will review the work of the internal audit function to ascertain the audit findings and ensuring the senior management to follow-up and make adequate rectification or improvement to the findings. A follow-up review will be conducted by the internal audit function to ensure the issues that were previously highlighted has been rectified or improved accordingly.

The primary responsibility of the internal audit function is to perform independent review to the Group's system of internal controls and report on its adequacy, effectiveness and efficiency to the Committee. The internal audit function adopts a risk-based audit approach in auditing objectively to provide assurance that risks are mitigated to acceptable levels.

AUDIT COMMITTEE REPORT (CONT'D)

The internal audit personnel are an independent external party, free from family, shareholding and other conflict of interest to the Company. Their objectivity is promoted via authority to report directly to the Committee with unrestricted access to all operations, records, property and personnel. They adopted a recognized internal audit approach guided by the International Professional Practice Framework (IPPF) 2017. Five (5) audit personnel were assigned to carry out the audit work for the financial year ended 31 March 2022 with the profile of head of the internal audit function as follow:

<u>Name</u>	<u>Qualification and Accreditation</u>
Mr Ramnath R Sundram	<ul style="list-style-type: none"> - Member of Association of Chartered Certified Accountants (ACCA) - Member of Malaysian Institute of Accountants (MIA)

Summary of the Internal Audit activities for the FY 2022 were:

1. Conducting scheduled internal audit engagements, using the risk-based audit approach and focusing primarily on the assessment of the effectiveness of internal controls.

Some of the internal audit scope or function carried out on the Company and its related subsidiaries during the financial year are as follow:-

- (i) Project Management Review.
- (ii) Payment System and Progress Claim Processing.
- (iii) Accounts Receivable and Credit Control.
- (iv) Tender and Contract Process.

The internal auditors' findings are generally reported in the following manner:-

- a) Activities carried out;
- b) Key Observations;
- c) Effectiveness of internal control; and
- d) Recommendation for improvement.

Management response is then obtained with target implementation date to the above findings.

2. Conducting follow-up reviews to assess whether appropriate action has been taken to address issues highlighted in previous internal audit reports on the following scope or function:-

- (i) Project Management of Menaiktaraf Sekolah Menengah Vokasional Kulim Kepada Kolej Vokasional Kulim, Kedah.
- (ii) Purchasing and Payables.
- (iii) Account Receivables, Credit Control and Collection.

The above follow-up reviews were conducted by a different auditor in which such scope of works had been carried out previously.

3. Presenting audit findings to the Committee for consideration.

The total cost incurred for the Group's internal audit function during the financial year was approximately RM41,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors (the "Board") of Vertice Berhad (the "Company") is pleased to provide the statement which outlines the nature and scope of the Risk Management and Internal Controls ("RMIC") of the Company and its subsidiaries (the "Group") during the financial year under review.

This Statement of RMIC is prepared in accordance with the Malaysian Code on Corporate Governance issued by the Securities Commission in April 2021 and Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Task Force on Internal Control and endorsed by Bursa Securities in December 2012.

RESPONSIBILITY

The Board, assisted by the Audit Committee, is responsible and accountable for maintaining a reliable and effective RMIC practices to safeguard and enhance the Group's assets and shareholders' investments.

The Board recognizes that a sound system of RMIC is an integral part of good corporate governance. The system of RMIC covers not only financial controls but operational, risk and compliance controls as well. The management assists the Board in the implementation of the Group's policies and procedures on risk and control by identifying and assessing the risks encountered and designing suitable internal controls to mitigate and manage these risks. The Board continually reviews and ensure that the RMIC is adequate and sound. Such reviews also ensure that the Group's risk appetite is aligned to its business objectives.

However, in view of the limitations inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure arising from non-achievement of the Group's policies, goals and objectives. Such systems provide reasonable, rather than absolute, assurance against material errors, irregularities or losses.

For the construction segment, the Board is being briefed by the Management on the relevant risks unique to the construction industry on each contract secured. Sufficient internal controls are put in place to ensure progress billings are being monitored and revisions to budgeted costs are being performed so that the budgeted profit margins are achieved with minimal variations.

KEY ACTIVITIES FOR RMIC

The Group's key activities that have been established for continuous reviewing and evaluating the effectiveness and adequacy of the RMIC system include:

- The Executive Board conduct regular meetings with all business unit heads from time to time to ensure all Group's operations are in accordance with the corporate objectives, business direction, policies and strategies approved by the Board;
- The Audit Committee members are Independent Non-Executive Directors. The Committee has full access to the key management staffs, internal and external auditors;
- Clear defined delegation of responsibilities and Business Code of Conduct have been provided to the Executive Board members and key management staffs to ensure that they are guided by appropriate risk management, control policies and procedures;
- Operational structure with defined lines of reporting, responsibility, delegation of authority and accountability are in place;
- A Risk Management Committee was formed to conduct regular reviews on the risk management framework and update of the respective risk profiles;
- The Executive Board receives periodic performance reports from the respective business units. These reports include financial and operational information to monitor the achievement progress of corporate objectives set as well as compliance of the required standards and guidelines set by the respective regulatory bodies;
- Periodic internal audit has been conducted adequately by an independent internal audit function to monitor compliance with the Group's standard operating policies and procedures as well as good corporate governance practices;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

- Executive Directors active involvement in daily operations enable the control of operational procedures are being observed and adhered to;
- Top-level reviews and analyses of actual operational results versus organizational goals or plans and other key performance indicators (KPIs);
- Regular Board meetings highlight and discuss important issues. Such meetings allow the Board of Directors to supervise and implement appropriate controls and regularly review the adequacy of such controls on key areas from time to time.

RISK MANAGEMENT

The Board and Management practices consistent risks identification on significant matters on an on-going basis, particularly when there are any major changes in the nature of activities and or operating environment, or venture into new operating environment. The Group also engaged a consulting firm, Vaersa Advisory Sdn Bhd to assist the Board and Management in identifying major risks and mitigating controls in the form of a risk register relating to the Group's major operating entities. Updates to the risk register was formally tabled to the Board on an annual basis, and Management was informed of the identified risks and mitigating controls, and endeavors to continuously monitor the effectiveness of controls and any resulting residual risks.

In order to ensure the objectivity of the review of the risk management and systems of internal control in the Group, the risk management processes are embedded and carried out as part of the Group's operating and business management processes.

INTERNAL AUDIT FUNCTION

The Board of Directors had outsourced the internal audit function of the Group to an independent external party ("IEP"), Vaersa Advisory Sdn Bhd to assist the Audit Committee to provide assurance to management and the Board that all internal controls are in place, adequate, and functioning effectively within the acceptable level of expectations.

Activities of IEP based on the Annual Internal Audit Strategy Planning Memorandum is reviewed and approved by the Audit Committee on a yearly basis. The risk-based audit plan is developed to cover operational and functional controls as well as financial management that are significant to the overall performance of the Group.

The responsibilities of the IEP include:

- Reviewing compliance to the Group's standard operating policies and procedures, guidelines, and applicable laws and regulations;
- Assessing and reporting on the operational efficiency of various business units and departments within the group and identifying areas for improvement;
- Assessing and reporting on the reliability of data, information and system of financial reporting;
- Conducting follow-up reviews to assess whether appropriate action has been taken to address issues highlighted in previous internal audit reports.

The results of internal audits are reported on a bi-annual basis to the Audit Committee and the report of the Audit Committee is a permanent agenda in the meeting of the Board. The Management Team's responses on each internal audit recommendation and action plans therein, are regularly reviewed and monitored by the Audit Committee.

The review of the adequacy and effectiveness of the internal control process has been undertaken by the internal audit function, and necessary actions have been taken by the Management Team to remedy significant failing or weaknesses identified for the FY 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement on RMIC has been reviewed by the external auditors as required by Paragraph 15.23 of the MMLR of Bursa Securities for inclusion in the Annual Report for the financial year ended 31 March 2022. Their review was performed in accordance with Audit and Assurance Practice Guides 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to consider whether this Statement of RMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the RMIC system of the Group including the assessment and opinion by the Board and management thereon.

The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the effectiveness, adequacy and integrity of the risk management and internal controls of the Group.

CONCLUSION

The Board has received assurance from the Executive Director and Group Financial Controller that the Group's RMIC system in place is operating adequately and effectively in all material aspects.

DIRECTORS' RESPONSIBILITIES STATEMENTS

FOR THE ANNUAL AUDITED FINANCIAL STATEMENTS

- a) The Directors are required by the Companies Act, 2016 ("the Act") to prepare financial statements for each financial year which have been made out in accordance with the provisions of the Act and Malaysian Financial Reporting Standards and International Financial Reporting Standards.
- b) The Directors are responsible to take reasonable steps to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company, and of the results of the operations and cash flows of the Group and of the Company for the financial period.
- c) In preparing the financial statements, the Directors have:
- adopted suitable accounting policies and applied them consistently;
 - made judgements and estimates that are reasonable and prudent; and
 - prepared financial statements on a going concern basis.
- d) The Directors are responsible to ensure that the Group and the Company maintain accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Act.
- e) The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group, and to detect and prevent fraud and other irregularities.



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DIRECTORS' REPORT

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

Principal activities

The Company is principally involved in investment holding. The details of the subsidiaries, including their principal activities, are disclosed in Note 14 to the financial statements.

Financial results

	Group RM	Company RM
Net loss for the financial year	(37,324,086)	(43,229,424)
Attributable to:		
Owners of the Company	(35,834,424)	(43,229,424)
Non-controlling interests	(1,489,662)	-
	(37,324,086)	(43,229,424)

In the opinion of the directors, other than the significant event as disclosed in Note 36 to the financial statements, the results of the operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

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

Reserves and provisions

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

Issue of shares and debentures

During the reporting period, the Company increased its issued and paid up share capital via a private placement of 53,196,600 new ordinary shares at an issue price of RM0.2222 per share for cash. The shares were issued for construction project expenditure and working capital purposes.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company has not issued any debentures during the financial year.

DIRECTORS' REPORT (CONT'D)

Share issuance scheme options

The Company implemented an Employees' Share Issuance Scheme ("SIS") which is governed by its By-Laws as approved by the Company's shareholders at the Extraordinary General Meeting held on 22 November 2017.

The salient features of the SIS are as follows:

- (a) The SIS was implemented on 18 December 2017 and is in force for a period of 5 years until 17 December 2022 in accordance with the terms of the By-Laws;
- (b) The total number of new shares to be offered pursuant to the SIS shall be subject to a maximum of 15% of the Company's issued and paid up share capital (excluding treasury shares) at any one time;
- (c) Any employees (including directors) of the Group shall be eligible to participate in the SIS, if as at the date of offer, the employee:
 - (i) has attained the age of eighteen (18) years; and
 - (ii) is employed by a company in the Group, which is not dormant.

The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the SIS Committee. The participation of director of the Company in the SIS shall be approved by the shareholders of the Company in a general meeting;

- (d) The price payable upon exercise of SIS shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%;
- (e) The new ordinary shares to be issued upon exercise of the SIS, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the SIS; and
- (f) The exercise price and the number of new ordinary shares comprised in the SIS are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the By-Laws.

The movements in the Company's SIS options are as follows:

Offer date	Exercise price per ordinary share	Number of options over ordinary shares			
		Balance at 1.4.2021	Granted	Expired	Balance at 31.3.2022
19 May 2020	RM0.28	5,845,000	-	(5,845,000)	-

DIRECTORS' REPORT (CONT'D)

Warrants 2014/2024

The Company had in March 2014 issued 60,000,000 warrants in conjunction with its bonus issue exercise. The warrants are constituted by a deed poll dated 11 March 2014 ("Deed Poll").

The salient features of the warrants are as follows:

- (a) The issue date of the warrants is 1 April 2014 and the expiry date is on 31 March 2024. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;
- (b) Each warrant entitles the registered holder the right to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.50 per ordinary share until the expiry of the exercise period;
- (c) The exercise price and the number of unexercised warrants are subject to adjustment in the event of alteration to the share capital of the Company, capital distribution or issue of shares in accordance with the provisions in the Deed Poll;
- (d) The warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), unless and until such warrant holders exercise their rights to subscribe for new ordinary shares; and
- (e) The new ordinary shares to be issued upon exercise of the warrants, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the warrants.

The movements in the Company's warrants during the financial year are as follows:

	Entitlement for ordinary shares		
	Balance at 1.4.2021	Exercised	Balance at 31.3.2022
Number of unexercised warrants	60,000,000	-	60,000,000

Directors

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

Tun Arifin Bin Zakaria

Wong Kwai Wah

Mohd Hatim Bin Abdullah

Dato' Sri Hj Adnan Bin Wan Mamat	-	Appointed on 7 October 2021
Law Ngia Meng	-	Appointed on 7 October 2021
Chai Hann Lin	-	Appointed on 7 October 2021
Ooi Guan Hoe	-	Appointed on 31 December 2021
Dato' Dr Hj Shamsul Anwar Bin Sulaiman	-	Appointed on 25 January 2022
Ham Hon Kit	-	Retired on 28 September 2021
Dato' Dr. Azirul Salihin Bin Anuar	-	Retired on 28 September 2021
Dato' Mah Siew Kwok	-	Retired on 28 September 2021
Ibrahim Bin Sahari	-	Resigned on 31 December 2021
Yee Yit Yang	-	Resigned on 28 February 2022

DIRECTORS' REPORT (CONT'D)

Directors' interests in shares

The shareholdings in the Company and its related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept under Section 59 of the Companies Act 2016, are as follows:

	Number of ordinary shares		
	Balance as at 1.4.2021/ date of appointment	Bought	Sold
Direct interest			
Wong Kwai Wah	7,248,900	-	-
Law Ngia Meng	1,829,300	-	-

	Number of options over ordinary shares		
	Balance as at 1.4.2021	Granted	Expired
Employees' SIS options registered in the name of directors			
Wong Kwai Wah	1,831,000	-	(1,831,000)
Mohd Hatim Bin Abdullah	1,061,000	-	(1,061,000)

	Number of warrants over ordinary shares		
	Balance as at 1.4.2021	Bought	Sold
Warrants registered in the name of directors:			
Wong Kwai Wah	5,231,000	-	-

Other than as stated, none of the other directors in office at the end of the financial year had an interest in the shares of the Company and its related companies during the financial year, according to the register required to be kept under Section 59 of the Companies Act 2016.

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) 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.

The details of directors' remuneration are disclosed in Note 6 to the financial statements.

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

DIRECTORS' REPORT (CONT'D)

Indemnity and insurance

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

Other statutory information

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

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

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

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; and
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and the Company for the financial year in which this report is made; and
- (b) no charge has arisen on the assets of the Group and the Company which secures the liability of any other person nor have any contingent liabilities arisen in the Company.

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

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

DIRECTORS' REPORT (CONT'D)

Auditors

The auditors, Messrs Russell Bedford LC PLT, have indicated their willingness to continue in office.

The auditors' remuneration for the Group and the Company is disclosed in Note 6 to the financial statements.

Signed on behalf of the Board
in accordance with a resolution of the directors,

WONG KWAI WAH

LAW NGIA MENG

Kuala Lumpur

Dated: 7 July 2022

STATEMENT BY DIRECTORS

The directors of VERTICE BERHAD state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2022, and of their financial performance and their cash flows for the year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors,

WONG KWAI WAH

LAW NGIA MENG

Kuala Lumpur

Dated: 7 July 2022

STATUTORY DECLARATION

I, LAW NGIA MENG, being the director primarily responsible for the financial management of VERTICE BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements 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 above named LAW NGIA MENG at)
Kuala Lumpur in Wilayah Persekutuan)
on 7 July 2022)

LAW NGIA MENG

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VERTICE BERHAD

(Incorporated in Malaysia)

1. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1.1 Opinion

We have audited the accompanying financial statements which comprise the statement of financial position of the Group and the Company as at 31 March 2022, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

1.2 Basis for opinion

We conducted our audit in accordance with the Approved Standards on Auditing in Malaysia and the International Standards on Auditing. Our responsibilities under those standards are further described in paragraph 1.6.

We are independent of the Group and the Company in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA 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 MIA By-Laws and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

1.3 Key audit matters

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

1.3.1 Revenue recognition for construction contracts

The Group recognised revenue of RM8,070,275, representing approximately 100% of the total revenue of the Group for the reporting period, from construction contracts over time by measuring the Group's progress towards complete satisfaction of each performance obligation. The progress towards complete satisfaction of the performance obligation is measured using an input method, by reference to the construction costs incurred to date as a percentage of the estimated total costs of the contract.

Revenue recognition of construction contracts is a key audit matter as it is inherently complex which involves significant estimation in determining the progress based on actual costs incurred to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example scope of work and costs to completion.

INDEPENDENT AUDITORS' REPORT (CONT'D)

1.3.1 Revenue recognition for construction contracts (Cont'd)

How the matter was addressed in the audit

Our audit procedures included, amongst others:

- read selected contracts entered with customers and sub-contractors to obtain an understanding on the terms of contracts. For subsequent variation in contract works and claims for cost not included in the initial contracts, we agreed the amounts to approved variation order forms and/or correspondences with the customers and sub-contractors.
- assessed the reasonableness of the estimated total construction costs by agreeing to supporting documentation, i.e. approved budgets, quotations, correspondences, letters of award and contracts with sub-contractors.
- examined a sample of actual costs incurred by agreeing to progress claims certificate from sub-contractors and invoices from suppliers.
- discussed with management, key project team members and professionals employed by the Group to understand the overall progress claims and physical progress of the construction contracts and corroborate with the stage of completion computed based on extent of costs incurred.
- recomputed the revenue recognised during the reporting period using the input method by reference to the percentage of the costs incurred over estimated total costs of selected contracts.
- reviewed management's assessment on the exposure to liquidated and ascertained damages and/or foreseeable losses to ascertain that these are appropriately assessed and accounted for adequately.

We are satisfied with the results of our procedures performed.

1.3.2 Recoverability of receivables and contract assets

As disclosed in Note 17, 18 and 19 to the financial statements, the carrying amount of receivables and contract assets of the Group was RM36,501,970 and RM20,446,760, respectively as at 31 March 2022 and management has recognised an allowance for expected credit losses of RM14,640,552 during the reporting period.

The Group has significant receivable balances that are overdue, leading to the risk that the Group's allowance of expected credit losses for receivables and contract assets being insufficient if these amounts are not recoverable in the event of default. The recoverability of receivables and contract assets is a key audit matter as its assessments involve significant judgements.

How the matter was addressed in the audit

Our audit procedures included, amongst others:

- reviewed and verified the collections received during the reporting period and subsequent to the reporting period to bank records.
- assessed the adequacy of impairment assessment performed by management on overdue receivables. For a balance where no allowance for impairment was made, we obtained evidence in the form of subsequent receipts, historical payment trends, customer's financial position and customer's correspondences.
- tested the adequacy of the allowance of expected credit losses made by management through challenging the relevant assumptions and data applied in making the estimates.

We are satisfied with the results of our procedures performed.

INDEPENDENT AUDITORS' REPORT (CONT'D)

1.3.3 Impairment assessment on the carrying amount of investment in a subsidiary

The carrying amount of the Company's investment in a subsidiary, Infraharta Sdn Bhd (formerly known as Vertice Construction Sdn Bhd), amounted to RM44,333,785 as at 31 March 2022 and an impairment loss of RM26,500,000 had been recognised during the reporting period.

The assessment of the recoverable amount of investment in this subsidiary requires significant judgements and key assumptions concerning the future.

We focused on this area due to the significant judgements and assumptions made by management in determining the recoverable amount of the investment in this subsidiary.

How the matter was addressed in the audit

We tested management's impairment review by performing the following work:

- discussed with management to understand the underlying assumptions used in the impairment review model;
- compared the assumptions used within the impairment review model to approved budgets, business plans and projects secured;
- benchmarked key assumptions including discount rates, where applicable, and inflation against our own internal research data; and
- reviewed management's calculation together with relevant supporting documents.

We are satisfied with the results of our procedures performed.

Additional information on the impairment review is disclosed in Note 14 to the financial statements.

1.4 Other information

Management is responsible for the other information. The other information comprises the information included in the Company's directors' report and annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT (CONT'D)

1.5 Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is 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 management either intends to liquidate the Company and/or its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

1.6 Auditors' responsibilities for the audit of the financial statements

It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion solely to you, as a body, in accordance with Section 266 of the Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 the Approved Standards on Auditing in Malaysia and the 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 the Approved Standards on Auditing in Malaysia and the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current 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.

2. ENGAGEMENT PARTNER

The engagement partner on the audit resulting in this independent auditors' report is Gavin Foo Tun Xiang.

RUSSELL BEDFORD LC PLT
LLP0030621-LCA & AF 1237
CHARTERED ACCOUNTANTS

GAVIN FOO TUN XIANG
03405/12/2022 J
CHARTERED ACCOUNTANT

Kuala Lumpur

Dated: 7 July 2022

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

		Group		Company	
	Note	2022	2021	2022	2021
		RM	RM	RM	RM
Revenue	4	8,072,241	44,655,675	-	-
Cost of sales		(10,778,478)	(43,743,217)	-	-
Gross (loss)/profit		(2,706,237)	912,458	-	-
Other operating income		120,757	7,177,116	100	-
Administrative expenses		(17,120,347)	(8,821,964)	(46,930,570)	(16,052,364)
Net allowance for expected credit losses		(14,191,418)	(4,408,597)	(254,277)	-
Loss from operations	6	(33,897,245)	(5,140,987)	(47,184,747)	(16,052,364)
Finance income	7	482,103	296,161	4,310,653	3,318,977
Finance costs	8	(64,876)	(626,493)	-	(538,434)
Net finance income/(cost)		417,227	(330,332)	4,310,653	2,780,543
Share in loss of equity accounted associate, net of tax		(3,491,648)	(2,103,675)	-	-
Loss before tax		(36,971,666)	(7,574,994)	(42,874,094)	(13,271,821)
Income tax expense	9	(352,420)	(555,114)	(355,330)	15,212
Loss from continuing operations		(37,324,086)	(8,130,108)	(43,229,424)	(13,256,609)
Discontinued operation					
Loss from discontinued operation, net of tax	30	-	(11,701,449)	-	-
Net loss for the year		(37,324,086)	(19,831,557)	(43,229,424)	(13,256,609)
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Fair value loss on other investment		(4,352,000)	-	(4,352,000)	-
Other comprehensive income for the year, net of tax		(4,352,000)	-	(4,352,000)	-
Total other comprehensive loss for the year		(41,676,086)	(19,831,557)	(47,581,424)	(13,256,609)

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
Net loss attributable to:					
Owners of the Company		(35,834,424)	(19,899,158)	(43,229,424)	(13,256,609)
Non-controlling interests		(1,489,662)	67,601	-	-
		(37,324,086)	(19,831,557)	(43,229,424)	(13,256,609)
Total comprehensive loss attributable to:					
Owners of the Company		(40,186,424)	(19,899,158)	(47,581,424)	(13,256,609)
Non-controlling interests		(1,489,662)	67,601	-	-
		(41,676,086)	(19,831,557)	(47,581,424)	(13,256,609)
Basic loss per share (sen)					
	10				
- from continuing operations		(12.83)	(3.87)		
- from discontinued operation		-	(5.52)		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2022

		Group		Company	
	Note	2022	2021	2022	2021
		RM	RM	RM	RM
Non current assets					
Plant and equipment	11	791,809	966,462	1,325	2,318
Right of use assets	12	3,390,611	2,980,973	-	-
Goodwill on consolidation	13	3,349,675	-	-	-
Deferred tax assets	25	161,000	-	-	-
Investment in subsidiaries	14	-	-	47,136,732	2,000,100
Investment in an associate	15	-	7,548,700	-	9,652,375
Other investments	16	14,508,000	9,860,000	14,508,000	9,860,000
Trade receivables	17	9,492,725	9,523,957	-	-
Other receivables	18	-	-	4,790,503	55,862,312
		31,693,820	30,880,092	66,436,560	77,377,105
Current assets					
Contract assets	19	20,446,760	19,544,180	-	-
Inventories	20	13,146,301	-	-	-
Trade receivables	17	15,971,996	39,015,191	-	-
Other receivables, deposits and prepayments	18	11,253,662	33,469,970	2,245,492	23,906,367
Tax recoverable		1,364,661	2,968,767	-	54,660
Fixed deposits with a licensed bank	21	90,000	30,000	-	-
Cash and bank balances		5,858,367	6,404,975	2,364,879	4,650,488
		68,131,747	101,433,083	4,610,371	28,611,515
Total assets		99,825,567	132,313,175	71,046,931	105,988,620
Equity					
Share capital	22	139,808,637	128,143,587	139,808,637	128,143,587
Reserves	23	(72,474,654)	(32,288,230)	(69,897,348)	(22,315,924)
Equity attributable to owners of the Company		67,333,983	95,855,357	69,911,289	105,827,663
Non-controlling interests		3,161,080	4,232,202	-	-
Total equity		70,495,063	100,087,559	69,911,289	105,827,663

STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 MARCH 2022

	Note	Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
Non current liabilities					
Lease liabilities	24	2,589,261	2,225,582	-	-
Trade payables	26	1,109,141	1,649,076	-	-
		3,698,402	3,874,658	-	-
Current liabilities					
Trade payables	26	7,900,522	26,826,559	-	-
Other payables and accruals	27	16,822,217	407,030	1,026,946	160,957
Lease liabilities	24	800,667	786,933	-	-
Provision	28	-	327,431	-	-
Tax payable		108,696	3,005	108,696	-
		25,632,102	28,350,958	1,135,642	160,957
Total liabilities		29,330,504	32,225,616	1,135,642	160,957
Total equity and liabilities		99,825,567	132,313,175	71,046,931	105,988,620

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

Group	Share capital RM	Fair value reserve RM	Share options reserve RM	Accumulated losses RM	Equity attributable to owners of the Company RM	Non-controlling interests RM	Total RM
At 1 April 2021	128,143,587	-	454,741	(32,742,971)	95,855,357	4,232,202	100,087,559
Transactions with owners							
Issue of shares pursuant to private placements	11,665,050	-	-	-	11,665,050	-	11,665,050
Subscription of shares in subsidiaries	-	-	-	-	-	20	20
Acquisition of subsidiaries	-	-	-	-	-	418,520	418,520
Share options scheme expired	-	-	(454,741)	454,741	-	-	-
Total transactions with owners	11,665,050	-	(454,741)	454,741	11,665,050	418,540	12,083,590
Net loss for the year	-	-	-	(35,834,424)	(35,834,424)	(1,489,662)	(37,324,086)
Other comprehensive income for the year	-	(4,352,000)	-	-	(4,352,000)	-	(4,352,000)
- fair value loss on other investment	-	(4,352,000)	-	-	(4,352,000)	-	(4,352,000)
Total comprehensive loss for the year	-	(4,352,000)	-	(35,834,424)	(40,186,424)	(1,489,662)	(41,676,086)
At 31 March 2022	139,808,637	(4,352,000)	-	(68,122,654)	67,333,983	3,161,080	70,495,063

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2022

Group	Share capital RM	Share options reserve RM	Accumulated losses RM	Equity attributable to owners of the Company RM	Non- controlling interests RM	Total RM
At 1 April 2020	114,097,098	-	(12,843,813)	101,253,285	3,267,818	104,521,103
Transactions with owners						
Grant of share issuance scheme options	-	688,141	-	688,141	-	688,141
Exercise of share options	233,400	(233,400)	-	-	-	-
Shares issued pursuant to						
- private placement	4,297,173	-	-	4,297,173	-	4,297,173
- share issuance scheme	840,000	-	-	840,000	-	840,000
- conversion of redeemable convertible preference shares	8,675,916	-	-	8,675,916	-	8,675,916
Derecognition of a subsidiary	-	-	-	-	896,783	896,783
Total transactions with owners	14,046,489	454,741	-	14,501,230	896,783	15,398,013
Net (loss)/profit/Total comprehensive (loss)/income for the year	-	-	(19,899,158)	(19,899,158)	67,601	(19,831,557)
At 31 March 2021	128,143,587	454,741	(32,742,971)	95,855,357	4,232,202	100,087,559

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2022

Company	Share capital RM	Fair value reserve RM	Share options reserve RM	Accumulated losses RM	Total RM
At 1 April 2020	114,097,098	-	-	(9,514,056)	104,583,042
<u>Transactions with owners</u>					
Grant of share issuance scheme options	-	-	688,141	-	688,141
Exercise of share options	233,400	-	(233,400)	-	-
Shares issued pursuant to					
- private placement	4,297,173	-	-	-	4,297,173
- share issuance scheme	840,000	-	-	-	840,000
- conversion of redeemable convertible preference shares	8,675,916	-	-	-	8,675,916
Total transactions with owners	14,046,489	-	454,741	-	14,501,230
Net loss/Total comprehensive loss for the year	-	-	-	(13,256,609)	(13,256,609)
At 31 March 2021	128,143,587	-	454,741	(22,770,665)	105,827,663
<u>Transactions with owners</u>					
Issue of shares pursuant to private placements	11,665,050	-	-	-	11,665,050
Share options scheme expired	-	-	(454,741)	454,741	-
Total transactions with owners	11,665,050	-	(454,741)	454,741	11,665,050
Net loss for the year	-	-	-	(43,229,424)	(43,229,424)
Other comprehensive income for the year					
- fair value loss on other investment	-	(4,352,000)	-	-	(4,352,000)
Total comprehensive loss for the year	-	(4,352,000)	-	(43,229,424)	(47,581,424)
At 31 March 2022	139,808,637	(4,352,000)	-	(65,545,348)	69,911,289

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash flows from/(used in) operating activities				
Loss before tax	(36,971,666)	(7,574,994)	(42,874,094)	(13,271,821)
Adjustments for:				
Allowance for expected credit losses	14,640,552	5,135,238	254,277	-
Allowance for expected credit losses no longer required	(449,134)	(726,641)	-	-
Bad debts written off	1,819,723	1,460,339	1,819,723	-
Depreciation	1,074,454	1,551,409	993	662
Fair value adjustment on contract revenue	-	716,293	-	-
(Gain)/Loss on disposal of a subsidiary	-	(7,063,481)	-	5,868,215
Share option expense	-	688,141	-	688,141
Impairment/Fair value loss on investment in an associate	9,937,052	-	15,532,375	5,202,664
Impairment loss on investment in a subsidiary	-	-	26,500,000	-
Interest income	(482,103)	(296,161)	(4,310,653)	(3,318,977)
Interest expense	64,876	626,493	-	538,434
Gain on modification of lease liabilities	(25,655)	(33,635)	-	-
Gain on disposal of plant and equipment	(35,000)	-	-	-
Share of loss in an associate	3,491,648	2,103,675	-	-
Plant and equipment written off	62,669	-	-	-
(Reversal)/Provision for onerous contract	(327,431)	327,431	-	-
Operating loss before working capital changes	(7,200,015)	(3,085,893)	(3,077,379)	(4,292,682)
Changes in contract assets/liabilities - net	969,100	(15,837,957)	-	-
Decrease/(Increase) in trade and other receivables	12,028,656	(9,834,259)	(177,800)	(11,924)
(Decrease)/Increase in trade and other payables	(23,013,071)	11,549,274	137,532	27,784
Cash used in operations	(17,215,330)	(17,208,835)	(3,117,647)	(4,276,822)
Income tax paid	(529,503)	(777,806)	(227,974)	(26,149)
Income tax refunded	1,896,480	3,136,005	36,000	-
Net cash used in operating activities	(15,848,353)	(14,850,636)	(3,309,621)	(4,302,971)

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2022

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash flows from/(used in) investing activities				
Acquisition of plant and equipment	(560,337)	(6,750)	-	(2,980)
Acquisition of right of use assets	(71,948)	(57,965)	-	-
Advances to subsidiaries	-	-	(14,488,033)	(11,403,354)
Increase in fixed deposits pledged	(60,000)	(30,000)	-	-
Interest received	36,710	25,261	36,710	24,895
Net cash outflows on acquisition of subsidiaries	(456,382)	-	(1,074,210)	-
Proceeds from disposal of a subsidiary	-	4,088,195	-	4,088,195
Proceeds from disposal of plant and equipment	750,000	-	-	-
Subscription of shares in subsidiaries	20	-	(180)	(999,998)
Repayments from an associate	4,884,675	2,031,347	4,884,675	2,120,947
Net cash from/(used in) investing activities	4,522,738	6,050,088	(10,641,038)	(6,172,295)
Cash flows from/(used in) financing activities				
Interest paid	(64,876)	(626,493)	-	(538,434)
Proceeds from issuance of ordinary shares - net	11,665,050	5,137,173	11,665,050	5,137,173
Proceeds from issuance of redeemable convertible preference shares	-	8,675,916	-	8,675,916
Proceeds from bridging loan	-	2,991,300	-	2,991,300
Repayments of				
- bridging loan	-	(2,991,300)	-	(2,991,300)
- lease liabilities	(821,167)	(940,798)	-	-
Net cash from financing activities	10,779,007	12,245,798	11,665,050	13,274,655
Net (decrease)/increase in cash and cash equivalents	(546,608)	3,445,250	(2,285,609)	2,799,389
Cash and cash equivalents at beginning of year	6,404,975	2,959,725	4,650,488	1,851,099
Cash and cash equivalents at end of year	5,858,367	6,404,975	2,364,879	4,650,488
Cash and cash equivalents comprise:				
Cash and bank balances	5,858,367	6,404,975	2,364,879	4,650,488
Fixed deposits with a licensed bank	90,000	30,000	-	-
	5,948,367	6,434,975	2,364,879	4,650,488
Less: deposits pledged	(90,000)	(30,000)	-	-
	5,858,367	6,404,975	2,364,879	4,650,488

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2022

Reconciliation of liabilities arising from financing activities

	Group			
	1.4.2021	Cash flows	Non cash changes	31.3.2022
	RM	RM	RM	RM
Lease liabilities				
- hire purchase	1,877,264	(473,983)	236,000	1,639,281
- others	1,135,251	(347,184)	962,580	1,750,647
	3,012,515	(821,167)	1,198,580	3,389,928

	1.4.2020	Cash flows	Non cash changes	31.3.2021
	RM	RM	RM	RM
Lease liabilities				
- hire purchase	1,927,079	(280,215)	230,400	1,877,264
- others	3,121,564	(660,583)	(1,325,730)	1,135,251
	5,048,643	(940,798)	(1,095,330)	3,012,515

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

1. GENERAL INFORMATION

The Company is principally involved in investment holding. The details of the subsidiaries, including their principal activities, are disclosed in Note 14.

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

The registered office is located at B-3-9, 3rd Floor, Block B, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

The principal place of business of the Company is located at Unit 9-1 & 9-2, Level 9, Wisma Miramas, 1, Jalan 2/109E, Taman Desa, 58100 Kuala Lumpur.

The financial statements were approved and authorised for issue by the board of directors on 7 July 2022.

2. PRINCIPAL ACCOUNTING POLICIES

2.1 Statement of compliance

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

The financial statements of the Group and of the Company also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

2.2 Basis of preparation of the financial statements

2.2.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and any other bases described in the significant accounting policies as summarised below.

The Group has adopted the new and revised Malaysian Financial Reporting Standards and their related interpretations that become mandatory for the current reporting period. The adoption of these new and revised MFRSs and IC interpretations does not result in significant changes in accounting policies of the Group.

The Group has not adopted the new standards, amendments to published standards and IC Interpretations that have been issued but not yet effective. These new standards, amendments to published standards and IC Interpretations do not result in significant changes in accounting policies of the Group upon their initial application.

2.2.2 Significant accounting policies

Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the reporting period in which the costs are incurred and the services are received.

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.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's net identifiable assets and liabilities is recorded as goodwill in the consolidated statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the reporting period between non-controlling interests and the 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.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Revenue from contracts with customers

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the control of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or service taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Revenue is recognised only when it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services sold.

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

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

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

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

Employee benefits

(i) Short term benefits

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Employee benefits (Cont'd)

(ii) Defined contribution plans

Obligations for contribution to defined contribution plans such as Employees Provident Fund are recognised as an expense as incurred.

(iii) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with the employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the share issuance scheme reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimates of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised at the beginning and end of the reporting period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertakings, with a corresponding credit to the share issuance scheme reserve.

The share issuance scheme reserve is transferred to share capital when the share options are exercised, or transferred to retained earnings upon expiry of the share options.

Income tax

Income tax on the profit or loss for the reporting period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the 'liability' method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the reporting period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss.

Deferred tax assets and liabilities are offset if there is 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Impairment of assets

The carrying amount of assets subject to accounting for impairment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. For goodwill on consolidation, the recoverable amount is estimated at least annually. Impairment losses are recognised in profit or loss in the reporting period in which it arises.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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. The reversal is recognised in profit or loss.

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

No depreciation is provided for assets under construction. Depreciation on other plant and equipment is calculated on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Computer and software	33%
Motor vehicles	20%
Office equipment and furniture and fittings	10% - 33%
Plant and machinery	20%

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Investment in subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the rights, or is exposed, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company's investment in subsidiaries is stated at cost less impairment losses, if any.

Investment in associates

An associate is a company in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

The Group's investment in associates is accounted for under the equity method of accounting based on the audited or management financial statements of the associates made up to the reporting date. Under this method of accounting, the investment in an associate is measured in the consolidated statement of financial position at cost plus the Group's post acquisition share of the associate's profit or loss and other comprehensive income while dividend received is reflected as a reduction of the investment.

Goodwill relating to an associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associates' profit or loss in the reporting period in which the investment is acquired.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments have been made to the financial statements of the associates to ensure consistency of accounting policies with the Group.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

Goodwill on consolidation

Goodwill is measured at cost less any accumulated impairment loss and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Inventories

a) Properties under development

Property development costs are determined based on a specific identification basis. Property development costs comprising costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. These assets are subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Property development costs of unsold units are transferred to completed development units once the development is completed.

b) Net realisable value

Net realisation value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

Contract assets and liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. In the case of construction contract, contract asset is the excess of cumulative revenue earned over the billings to date. A contract asset is stated at cost less accumulated impairment losses, if any.

A contract liability is the obligation to transfer goods and services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. In the case of construction contract, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group performs its obligations under the contracts.

Provisions

A provision is recognised when a present legal or constructive obligation exists as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Leases

As a lessee

i) Right of use assets

The Group recognises a right of use asset at the commencement date of the lease. The right of use asset is initially measured at cost. The cost of right of use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, plus initial direct costs incurred and an estimate of costs to dismantle, remove or restore the leased asset, less any lease incentives received.

Subsequent to initial measurement, the right of use asset is depreciated on a straight line basis over the shorter of the lease term and the estimated useful life as follows:

Dwelling and office premises	2 - 6 years
Motor vehicles	5 years

Right of use asset is subject to impairment and is adjusted for any remeasurement of lease liabilities.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the assessment of lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payments occurs. The present value of lease payments is discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The amount of lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, 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 recognised in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

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 do not contain a purchase option, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of the asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the reporting period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

Segment information

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

Financial instruments

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instrument.

A financial instrument (unless it is a trade receivable without a significant financing component) is recognised initially at its fair value plus or minus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. A trade receivable without significant financing component is initially measured at the transaction price.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income in profit or loss.

Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has legal enforceable right to offset and intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

On initial recognition, financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. Financial liabilities are classified, at initial recognition, as financial liabilities subsequently measured at fair value through profit or loss or at amortised cost, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(i) Financial assets at amortised cost

A financial asset is classified at amortised cost if it meets both of the following conditions:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortised cost are measured using the effective interest method and are subject to impairment. Gains or losses are recognised in profit or loss when the financial assets at amortised cost are derecognised or impaired, and through the amortisation process (finance income).

(ii) Financial assets at fair value through other comprehensive income ("FVOCI")

Equity investments at FVOCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investment that is not held for trading, to be designated at fair value through other comprehensive income. The election is made on an investment by investment basis.

Subsequent to initial recognition, equity investments at FVOCI are measured at fair value. Dividends are recognised as other income in profit or loss when the right of payment has been established. Other net gains and losses are recognised in other comprehensive income and are never recycled to profit or loss. Equity investments at FVOCI are not subject to impairment assessment.

(iii) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss does not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(iv) Financial liabilities at amortised cost

Financial liabilities are classified at amortised cost if they are not:

- a) contingent consideration of an acquirer in a business combination;
- b) financial guarantee contracts;
- c) loan commitments;
- d) designated at fair value through profit or loss; or
- e) liabilities that arise when a transfer of a financial asset that does not qualify for derecognition or when the continuing involvement approach applies.

Subsequent to initial recognition, financial liabilities at amortised cost are measured using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities at amortised cost are derecognised, and through the amortisation process (finance cost).

(v) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received net of direct issue costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the reporting period in which they are approved.

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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity (except for equity investment at FVOCI) is recognised in profit or loss. On derecognition of equity investment at FVOCI, any cumulative gain or loss that had been recognised in equity is not reclassified to profit or loss, but is transferred to retained earnings.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Expected credit losses

The Group recognises an allowance for expected credit losses ("ECL") on the following items:

- a) financial assets at amortised cost; and
- b) contract assets.

ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECL are recognised in profit or loss.

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECL. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. Where appropriate, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Loss allowances for debt instruments measured at amortised cost and contract assets are deducted from the gross carrying amount of the assets.

Low credit risk

A financial instrument is determined to have low credit risk if:

- a) the financial instrument has a low risk of default;
- b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Expected credit losses (Cont'd)

Significant increase in credit risk

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

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Definition of default

The Group considers a debt instrument to be in default when:

- a) The Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group; or
- b) The financial asset is more than 90 days past due.

Credit impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable events:

- a) Significant financial difficulties of the debtor;
- b) A breach of contract, such as a default or past due event;
- c) The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- d) It becoming probable that the borrower will enter into bankruptcy or other financial reorganisations; or
- e) Disappearance of an active market for that financial asset because of financial difficulties.

Write off

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Subsequent recoveries of a financial asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

2.2 Basis of preparation of the financial statements (Cont'd)

2.2.2 Significant accounting policies (Cont'd)

Current versus non-current classification

Assets and liabilities are presented based on a current/non-current classification. An asset is current when it is:

- a) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- b) Held primarily for the purpose of trading;
- c) Expected to be realised within twelve months after the reporting period; or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- a) It is expected to be settled in the normal operating cycle;
- b) It is held primarily for the purpose of trading;
- c) It is due to be settled within twelve months after the reporting period; or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Statements of cash flows

Statements of cash flows are prepared using the indirect method.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged fixed deposits.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the financial statements, the directors are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

In the process of applying the Group's accounting policies, which are described above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements other than as follows:

i. Determination of control over a subsidiary

As at 31 March 2022, the Group's percentage shareholding in Buildmarque Construction Sdn Bhd ("BMSB") was 50% (2021: 50%).

BMSB's financial results are consolidated with those of the Company as its subsidiary notwithstanding the Group's shareholding of 50% in BMSB is not the majority stake as the other 50% shareholding is owned by another entity. The Company has majority representatives in the Board of Directors as stipulated in the shareholders' agreement and has consistently and regularly held a majority of the voting rights exercised at BMSB's board of directors meeting on decisions that affect the returns on its investment in BMSB.

ii. Loss of significant influence in an associate

During the reporting period, the resignation of directors nominated by the Company has led to the loss of the Company's significant influence in KVSb. With also the management's intention to dispose of this investment, the Company ceased to equity account the financial results of KVSb as its associate despite the Company's shareholding in KVSb that remained at 40%.

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

i. Recognition of construction revenue

Construction revenue is recognised over time by selecting an appropriate method for measuring the Group's progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured using an input method, by reference to the construction costs incurred to date as a percentage of the estimated total costs of the contract.

Significant estimation is required in determining the progress based on actual costs incurred to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example scope of work and costs to completion. In making the estimation, the Group evaluates based on past experience.

ii. Fair value measurement of unquoted equity instruments

The fair value of financial assets at fair value through OCI is measured using valuation technique, the discounted cash flows model. The key assumptions applied in the input to the model are disclosed in Note 16 to the financial statements.

iii. Measurement of ECL allowance

The ECL for trade receivables and contract assets are estimated based on assumptions about risk of default and expected loss on the probability of non-payment. The assumptions used in estimating future cash flows are determined using historical data and forward-looking information. The Group uses judgement in making these assumptions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

4. REVENUE

	Group 2022 RM	2021 RM
Proportion of gross contract revenue recognised	8,070,275	45,371,968
Fair value adjustments on time value of money for contract revenue recognised	-	(716,293)
Total contract revenue	8,070,275	44,655,675
Interest income from loan receivable	1,966	-
	8,072,241	44,655,675

Revenue is recognised from the various construction contracts for construction and renovation of buildings and other engineering projects.

Interest income is derived from loan receivable from the customers.

4.1 Performance obligations

Revenue is recognised over time by reference to the progress towards the complete satisfaction of the performance obligation. Payment is generally due within 30 days from the progress billing.

4.2 Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at the end of reporting period:

	Group 2022 RM	2021 RM
Within one year	71,822,064	91,757,013
More than one year	22,135,064	820,380,828
	93,957,128	912,137,841

4.3 Financing components

The Group does not have any contract where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year other than as follows:

- (i) retention sums due from contract customers that do not have a significant financing component.
- (ii) a contract with customer where the payment of RM250 million of the contract sum is expected to be settled more than one year from the billing date.

Other than the contract mentioned in (ii), the Group does not adjust any of the transaction prices for the time value of money.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

5. STAFF COSTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Defined contribution plan	398,283	512,445	281,415	318,926
Salaries, bonus and allowances	2,805,817	3,426,576	1,628,711	2,161,430
Share option expense	-	688,141	-	688,141
Other employee related expenses	94,980	36,639	11,272	9,835
	3,299,080	4,663,801	1,921,398	3,178,332
Staff costs recognised in contract costs	(1,054,251)	(1,266,870)	-	-
	2,244,829	3,396,931	1,921,398	3,178,332

6. LOSS FROM OPERATIONS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Loss from operations is arrived at after charging/ [crediting]:				
Auditors' remuneration				
- statutory	111,000	106,200	44,000	51,000
- non statutory	5,000	27,000	5,000	27,000
Bad debts written off	1,819,723	1,460,339	1,819,723	-
Directors' remuneration				
- fees				
- company	493,100	420,000	493,100	420,000
- subsidiaries	54,000	72,000	-	-
- other than fees				
- company	1,366,931	1,690,840	1,364,560	1,690,840
- share option expense				
- company	-	688,141	-	688,141
Expenses relating to				
- short term leases	509,610	193,886	-	-
- low value assets	24,379	23,239	760	2,630
(Gain)/Loss on disposal of				
- a subsidiary	-	(7,063,481)	-	5,868,215
- plant and equipment	(35,000)	-	-	-
Loss on foreign exchange				
- realised	-	108,582	-	108,582
Gain on modification of lease liabilities	(25,655)	(33,635)	-	-
Plant and equipment written off	62,669	-	-	-

The estimated monetary value of benefits in kind received and receivable by the directors otherwise than in cash from the Group amounted to RM50,229 [2021: RM46,250].

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

7. FINANCE INCOME

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Interest income from				
- current account	36,710	25,261	36,710	24,895
- advances to a subsidiary	-	-	4,273,943	3,294,082
Accretion of implicit interest in trade receivable	445,393	270,900	-	-
	482,103	296,161	4,310,653	3,318,977

8. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Interest expense on				
- bank overdraft	-	8,528	-	-
- bridging loan	-	538,434	-	538,434
- hire purchase liabilities	64,876	50,392	-	-
- other lease liabilities	-	64,244	-	-
	64,876	661,598	-	538,434
Finance costs recognised in contract costs	-	(35,105)	-	-
	64,876	626,493	-	538,434

9. INCOME TAX EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Expected income tax payable				
- current	(357,670)	(350,340)	(357,670)	(2,340)
- over/(under) provision in prior years	5,250	(218,774)	2,340	17,552
Deferred tax (Note 25)	-	14,000	-	-
	(352,420)	(555,114)	(355,330)	15,212

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

9. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
Loss before tax	(36,971,666)	(7,574,994)	(42,874,094)	(13,271,821)
Less: Share in loss of an associate	3,491,648	2,103,675	-	-
	(33,480,018)	(5,471,319)	(42,874,094)	(13,271,821)
Taxation at statutory tax rate of 24% (2021: 24%)	8,035,200	1,313,000	10,290,000	3,185,000
Expenses not deductible for tax purposes	(3,115,870)	(1,225,340)	(9,937,010)	(3,187,340)
Income not subject to tax	6,000	1,695,000	-	-
Deferred tax assets not recognised	(5,283,000)	(2,119,000)	-	-
Over/(Under) provision of current tax in prior years	5,250	(218,774)	2,340	17,552
Income tax expense for the year	(352,420)	(555,114)	(355,330)	15,212

10. LOSS PER SHARE

Basic

Basic loss per ordinary share is calculated based on the net loss attributable to owners of the Company and the weighted average number of ordinary shares in issue as follows:

	Group 2022 RM	2021 RM
Net loss attributable to owners of the Company		
- from continuing operations	(35,834,424)	(8,195,310)
- from discontinued operation	-	(11,703,848)
	(35,834,424)	(19,899,158)
Weighted average number of ordinary shares in issue	279,391,577	211,969,919
Basic loss per ordinary share (sen)		
- from continuing operations	(12.83)	(3.87)
- from discontinued operation	-	(5.52)
	(12.83)	(9.39)

Diluted

For the reporting periods ended 31 March 2022 and 2021, diluted loss per share is not presented in the financial statements as there is an anti dilutive effect on loss per share.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

11. PLANT AND EQUIPMENT

Group	Computer and software RM	Motor vehicles RM	Office equipment and furniture and fittings RM	Plant and machinery RM	Showroom under construction RM	Total RM
Cost						
At 1 April 2020	219,024	18,060	93,049	1,300,000	-	1,630,133
Additions	6,750	-	-	-	-	6,750
At 31 March 2021	225,774	18,060	93,049	1,300,000	-	1,636,883
Additions	-	-	560,337	-	-	560,337
Acquisition of subsidiary	-	55,000	73,037	-	167,887	295,924
Disposals	-	-	-	(1,300,000)	-	(1,300,000)
Write offs	(187,470)	-	(14,825)	-	-	(202,295)
At 31 March 2022	38,304	73,060	711,598	-	167,887	990,849
Accumulated depreciation						
At 1 April 2020	22,222	602	22,436	260,000	-	305,260
Charge for the year	74,496	3,612	27,053	260,000	-	365,161
At 31 March 2021	96,718	4,214	49,489	520,000	-	670,421
Acquisition of subsidiary	-	41,250	24,086	-	-	65,336
Charge for the year	74,354	3,612	44,943	65,000	-	187,909
Disposals	-	-	-	(585,000)	-	(585,000)
Write offs	(136,290)	-	(3,336)	-	-	(139,626)
At 31 March 2022	34,782	49,076	115,182	-	-	199,040
Carrying amount						
At 31 March 2022	3,522	23,984	596,416	-	167,887	791,809
At 31 March 2021	129,056	13,846	43,560	780,000	-	966,462

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

11. PLANT AND EQUIPMENT (CONT'D)

Company	Computer and software RM	Total RM
Cost		
At 1 April 2020	-	-
Additions	2,980	2,980
At 31 March 2021/31 March 2022	2,980	2,980
Accumulated depreciation		
At 1 April 2020	-	-
Charge for the year	662	662
At 31 March 2021	662	662
Charge for the year	993	993
At 31 March 2022	1,655	1,655
Carrying amount		
At 31 March 2022	1,325	1,325
At 31 March 2021	2,318	2,318

12. RIGHT OF USE ASSETS

Group	Dwelling and office premises RM	Motor vehicles RM	Total RM
Cost			
At 1 April 2020	3,542,989	2,408,445	5,951,434
Additions	-	288,365	288,365
Modifications of lease terms	(1,796,546)	-	(1,796,546)
At 31 March 2021	1,746,443	2,696,810	4,443,253
Additions	1,750,647	307,948	2,058,595
Modifications of lease terms	(1,746,443)	-	(1,746,443)
At 31 March 2022	1,750,647	3,004,758	4,755,405

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

12. RIGHT OF USE ASSETS (CONT'D)

Group	Dwelling and office premises RM	Motor vehicles RM	Total RM
Accumulated depreciation			
At 1 April 2020	446,350	334,133	780,483
Charge for the year	694,948	491,300	1,186,248
Modifications of lease terms	(504,451)	-	(504,451)
At 31 March 2021	636,847	825,433	1,462,280
Charge for the year	347,184	539,361	886,545
Modifications of lease terms	(984,031)	-	(984,031)
At 31 March 2022	-	1,364,794	1,364,794
Carrying amount			
At 31 March 2022	1,750,647	1,639,964	3,390,611
At 31 March 2021	1,109,596	1,871,377	2,980,973

Cash payments made to purchase right of use assets are as follows:

	Group 2022 RM	2021 RM
Total additions	2,058,595	288,365
Additions through		
- hire purchase liabilities	(236,000)	(230,400)
- other lease liabilities	(1,750,647)	-
	71,948	57,965

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

13. GOODWILL ON CONSOLIDATION

	Group	
	2022	2021
	RM	RM
At beginning of year	-	-
Arising during the year	3,349,675	-
At end of year	3,349,675	-

13.1 Impairment testing for goodwill on consolidation

For the purpose of impairment testing, goodwill is allocated to the following subsidiaries which represent the lowest level cash-generating units within the Group at which the goodwill is monitored for internal management purposes.

	Group	
	2022	2021
	RM	RM
Greenview Pavilion Sdn Bhd ("GPSB")	2,997,058	-
Amcap Solutions Sdn Bhd ("Amcap")	352,617	-
	3,349,675	-

The goodwill impairment test of GPSB cash-generating unit is determined based on its value in use. Value in use is determined by discounting the future cash flows expected to be generated from the cash-generating unit and the following are the key assumptions:

- Cash flows were projected based on past experience, actual operating results and the estimated gross property development profits for the project undertaken for the next 3 years; and
- The discount rate used for the value in use calculation is based on the country's industry weighted average cost of capital specific to the industry at the rate of 9.03%.

The goodwill impairment test of Amcap cash-generating unit is determined based on its fair value. Fair value is determined based on the acquisition price of Amcap as the fair value is not estimated to change substantially for the acquisition that was entered into near to the reporting date.

The recoverable amount of the goodwill on consolidation has been determined as higher than its carrying amount. Management considers that it is not reasonably possible for the key assumptions to change so significantly as to eliminate this excess.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	2021
	RM	RM
Unquoted shares, at cost		
At beginning of year	2,000,100	15,855,140
Acquisition of a subsidiary	1,802,667	-
Debt equity conversion	69,833,785	-
Subscription of shares in subsidiaries	180	999,998
Transfer to investment in an associate (Note 15)	-	(14,855,038)
	73,636,732	2,000,100
Accumulated impairment losses		
At beginning of year	-	-
Impairment loss for the year	26,500,000	-
At end of year	26,500,000	-
Carrying amount	47,136,732	2,000,100

The details of the subsidiaries are as follows:

	Country of incorporation	Group's effective and voting interest		Principal activities
		2022 %	2021 %	
Infraharta Sdn Bhd (formerly known as Vertice Construction Sdn Bhd)	Malaysia	100	100	Construction and renovation of buildings
Infraharta Green Energy Sdn Bhd (formerly known as Vertice Green Energy Sdn Bhd)	Malaysia	100	100	Dormant
Infraharta Bina Sdn Bhd (formerly known as Infraharta Construction Sdn Bhd)	Malaysia	80	-	Construction of buildings and other engineering projects
Wande Development Sdn Bhd	Malaysia	100	-	Property development, property investment and investment holding
Amcap Solutions Sdn Bhd	Malaysia	100	-	Money lending business

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Country of incorporation	Group's effective and voting interest		Principal activities
		2022 %	2021 %	
Subsidiaries of Infracarta Sdn Bhd (formerly known as Vertice Construction Sdn Bhd)				
Vertice Infrastructure Sdn Bhd	Malaysia	100	100	Dormant
Buildmarque Construction Sdn Bhd	Malaysia	50	50	Construction of buildings and other engineering projects
Subsidiary of Wande Development Sdn Bhd				
Greenview Pavilion Sdn Bhd	Malaysia	55	-	Property development and property investment

In the current reporting period:

- a) The Company incorporated a 80% owned subsidiary, Infracarta Bina Sdn Bhd (formerly known as Infracarta Construction Sdn Bhd), with an issued and paid-up share capital of RM100.
- b) The Company incorporated a 100% wholly-owned subsidiary, Wande Development Sdn Bhd ("WDSB"), with an issued and paid-up share capital of RM100.
- c) WDSB, a wholly owned subsidiary of the Company, completed the share sale agreement with shareholders of Greenview Pavilion Sdn Bhd ("GPSB") for the acquisition of 55% equity interest in GPSB, for a total purchase of RM3,508,583.
- d) The Company completed the share sale agreement for the acquisition of the entire equity interest in Amcap Solutions Sdn Bhd, for a total consideration of RM1,802,667.
- e) The Company subscribed for 69,833,785 redeemable convertible preference shares in Infracarta Sdn Bhd ("ISB") by way of capitalization of amount due from ISB of RM69,833,785.

In the previous reporting period, the Company subscribed for a further 999,998 shares in Vertice Green Energy Sdn Bhd for a cash consideration of RM999,998.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

14.1 Acquisition of subsidiaries in current reporting period

The following table summarises the consideration paid, the fair value of the identifiable assets acquired and liabilities assumed at the date of acquisition of Amcap and GPSB:

	Amcap RM	Group GPSB RM	Total RM
Plant and equipment	-	230,588	230,588
Deferred tax assets	-	161,000	161,000
Inventories	-	13,146,301	13,146,301
Trade receivables	677,066	627,020	1,304,086
Contract assets	-	1,638,001	1,638,001
Tax recoverable	-	9,600	9,600
Other receivables, deposits and prepayments	728,457	269,480	997,937
Cash and bank balances	51,527	1,119,884	1,171,411
Trade payables	-	(460,527)	(460,527)
Other payables and accruals	(7,000)	(15,811,302)	(15,818,302)
Fair value of identifiable net assets acquired	1,450,050	930,045	2,380,095
Non controlling interests measured at proportionate share of the identifiable net assets	-	(418,520)	(418,520)
Goodwill arising from acquisition	352,617	2,997,058	3,349,675
Purchase consideration by way of cash	1,802,667	3,508,583	5,311,250
Acquisition of other receivables to satisfy part of purchase consideration	(728,457)	-	(728,457)
Outstanding purchase consideration	-	(2,955,000)	(2,955,000)
Cash and cash equivalents acquired	(51,527)	(1,119,884)	(1,171,411)
Net cash outflow/(inflow) arising from acquisition	1,022,683	(566,301)	456,382

The respective goodwill arising from business combination is attributable mainly to the synergies expected to be achieved from the expansion of business segment to integrate into the Company's existing business segments.

These acquisitions did not have a significant impact to the financial results of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

14.2 Impairment of investment in Infraharta Sdn Bhd (formerly known as Vertice Construction Sdn Bhd) ("ISB")

ISB had been suffering recurring losses which led to impairment review on the investment in ISB. The recoverable amount of the investment cost is determined based on its value in use calculations using future cash flows expected to be generated with the following key assumptions:

- i) The discount rate used for the value in use calculation is based on the country's industry weighted average cost of capital specific to the industry at the rate of 12%.
- ii) Cash flows were projected based on past experience, actual operating results and the 2 years business plan which is consistent with the project completion cycle of the projects secured.

Based on the assessment of recoverable amount, the Company has recognised an impairment loss of RM26,500,000 to write down the investment in ISB to RM44,333,785.

The management has considered and assessed reasonably possible changes of key assumptions and has not identified any instances that could cause the carrying amount of the investment cost of ISB to materially exceed its recoverable amount.

The impairment loss has been recognised in profit or loss under "Administrative expenses" line item in the Company's statement of comprehensive income for the reporting period ended 31 March 2022.

15. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Unquoted shares, at cost				
At beginning of year	9,652,375	-	14,855,039	-
Transfer from disposal group held for sale/ investment in subsidiaries	-	9,652,375	-	14,855,039
Additional subscriptions of shares	14,880,000	-	14,880,000	-
Transfer to other investments	(24,532,375)	-	(29,735,039)	-
At end of year	-	9,652,375	-	14,855,039
Accumulated impairment/fair value losses				
At beginning of year	-	-	(5,202,664)	-
Fair value loss for the year	(9,937,052)	-	(15,532,375)	-
Impairment loss for the year	-	-	-	(5,202,664)
Transfer to other investments	9,937,052	-	20,735,039	-
At end of year	-	-	-	(5,202,664)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

15. INVESTMENT IN AN ASSOCIATE (CONT'D)

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Share in post acquisition reserve				
At beginning of year	(2,103,675)	-	-	-
Share of loss for the year	(3,491,648)	(2,103,675)	-	-
Transfer to other investments	5,595,323	-	-	-
At end of year	-	(2,103,675)	-	-
Carrying amount	-	7,548,700	-	9,652,375

The details of the associate are as follows:

	Country of incorporation	Group's effective and voting interest		Principal activities
		2022	2021	
		%	%	
Kumpulan Voir Sdn Bhd ("KVS") #	Malaysia	-	40	Property, investment holding, designing, branding, and retailing of fashionable ladies' apparels, footwear and accessories

The financial statements of the associate are not audited by Russell Bedford LC PLT.

During the reporting period, the Company subscribed for 14,880,000 ordinary shares in KVS by way of capitalization of amount due from KVS of RM14,880,000

15.1 Loss of significant influence

During the reporting period, the resignation of directors nominated by the Company has led to the loss of the Company's significant influence in KVS. Accordingly, the interest in the investee at the date when significant influence is lost is measured at fair value and this amount of RM9,000,000 has been transferred to other investments.

The resultant fair value loss of RM9,937,052 and RM15,532,375 for the Group and the Company respectively has been recognised in profit or loss under "Administrative expenses" line item in the statements of comprehensive income for the reporting period ended 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

15. INVESTMENT IN AN ASSOCIATE (CONT'D)

15.2 Financial information of material associate

The directors regard KVS B as a material associate to the Group. The summarised financial information of KVS B is as follows:

	Group 2021 RM	
Assets and liabilities		
Non current assets		6,075,566
Current assets		56,054,463
Total assets		62,130,029
Non current liabilities		3,134,763
Current liabilities		45,248,817
Total liabilities		48,383,580
Net assets		13,746,449
	Group	
	1.4.2021	1.1.2021
	to	to
	30.9.2021	31.3.2021
	RM	RM
Results		
Revenue	19,255,047	15,804,624
Net loss for the period	(8,729,121)	(5,259,188)
Total comprehensive loss for the period	(8,729,121)	(5,259,188)

Reconciliation of the summarised financial information presented to the carrying amount of the interest in associate is as follows:

	Group 2021 RM
Group's share of net assets	5,498,580
Goodwill on acquisition	2,050,120
	7,548,700

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

15. INVESTMENT IN AN ASSOCIATE (CONT'D)

15.3 Impairment of investment in an associate

In the previous reporting period, the Company has recognised an impairment of RM5,202,664 to write down the investment in KVS B to its recoverable amount of RM9,652,375. The recoverable amount of investment in KVS B have been determined based on fair value less cost of disposal by reference to the transacted price of the 60% equity interest adjusted for the relevant industry market data.

The impairment loss has been recognised in profit or loss under "Administrative expenses" line item in the Company's statement of comprehensive income for the reporting period ended 31 March 2021.

16. OTHER INVESTMENTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Fair value through other comprehensive income:				
Unquoted equity instruments				
At beginning of year	9,860,000	9,860,000	9,860,000	9,860,000
Fair value adjustment	(4,352,000)	-	(4,352,000)	-
At end of year	5,508,000	9,860,000	5,508,000	9,860,000
Fair value through profit or loss:				
Unquoted equity instruments				
At beginning of year	-	-	-	-
Transfer from investment in an associate	9,000,000	-	9,000,000	-
At end of year	9,000,000	-	9,000,000	-
Total carrying amount	14,508,000	9,860,000	14,508,000	9,860,000

Fair value through other comprehensive income

The investment in equity instruments at fair value through other comprehensive income is designated as such because the investment is intended to be held for long-term strategic purposes.

The fair value of unquoted equity instruments at fair value through other comprehensive income is determined by discounting the future cash flows expected to be generated and the following are the key assumptions:

- Cash flows were projected based on past experience, actual operating results and the 4-years (2021: 5 years) business plan which is consistent with the project completion cycle and the terminal value based on secured construction contract.
- The key industry market data used for the calculation of discount rate of 12% (2021: 7.2%) is debt to equity ratio of 127% (2021: 55.83%) and market interest rate of 3.87% (2021: 3.37%).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

16. OTHER INVESTMENTS (CONT'D)

Fair value through profit or loss

The fair value of unquoted equity instruments at fair value through profit or loss (investment in Kumpulan Voir Sdn Bhd) has been determined based on fair value less cost of disposal by reference to the share sale agreement entered into with Distinct Seasons Sdn Bhd subsequent to the reporting date as disclosed Note 37.

17. TRADE RECEIVABLES

	Group	
	2022	2021
	RM	RM
Retention sum for contract works	11,572,744	5,755,435
Trade receivables	29,846,579	47,076,769
	41,419,323	52,832,204
Less: Allowance for lifetime expected credit losses	(15,954,602)	(4,293,056)
	25,464,721	48,539,148
Less: Portion due within one year	(15,971,996)	(39,015,191)
Non current portion	9,492,725	9,523,957

	Group	
	2022	2021
	RM	RM
The non current portion of the trade receivables is receivable as follows:		
Later than 1 year and not later than 5 years	9,492,725	9,523,957

Trade receivables are not secured by any collateral or credit enhancements.

The following table details the credit risk exposure on the Group's trade receivables.

	Group	
	2022	2021
	RM	RM
Not past due	8,740,957	16,509,676
1 - 30 days past due	357,961	16,795,665
31 - 60 days past due	3,716,771	-
More than 90 days past due	28,603,634	19,526,863
	41,419,323	52,832,204
Less: Allowance for lifetime expected credit losses	(15,954,602)	(4,293,056)
	25,464,721	48,539,148

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

17. TRADE RECEIVABLES (CONT'D)

The movements in the allowance for lifetime expected credit losses of trade receivables during the reporting period are as follows:

	Group	
	2022	2021
	RM	RM
At beginning of year	4,293,056	2,087,887
Allowance for lifetime expected credit losses	11,797,433	2,931,810
Allowance for lifetime expected credit losses no longer required	(135,887)	(726,641)
At end of year	15,954,602	4,293,056

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current portion:				
Amount due from a sub-contractor	3,124,011	2,492,332	-	-
Less: Allowance for lifetime expected credit losses	(3,124,011)	(1,890,181)	-	-
	-	602,151	-	-
Amount due from an associate	-	23,330,419	-	23,330,419
Deposits	696,672	341,627	-	1,000
Advance payments for construction costs	8,000,000	7,000,000	-	-
Less: Allowance for expected credit losses	(1,275,444)	-	-	-
	6,724,556	7,000,000	-	-
Refundable security deposit for construction contract	1,500,000	1,500,000	-	-
Other receivables	2,370,298	585,778	2,290,298	544,278
Less: Allowance for expected credit losses	(254,277)	-	(254,277)	-
	2,116,021	585,778	2,036,021	544,278
Prepayments	216,413	109,995	209,471	30,670
	11,253,662	33,469,970	2,245,492	23,906,367
Non current portion				
Amount due from subsidiaries	-	-	4,790,503	55,862,312
	11,253,662	33,469,970	7,035,995	79,768,679

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

In conformance with the Financial Reporting Standards Implementation Committee Consensus 31 – Classification of the Amount Due from Subsidiaries and Amount Due to Holding Company that is Repayable on Demand issued by the Malaysian Institute of Accountants, the amount due from subsidiaries of RM4,790,503 (2021: RM55,862,312) has been presented under non current assets as these advances are not expected to be realised within 12 months after the reporting date.

The movements in the allowance for lifetime expected credit losses of other receivables during the reporting period are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
At beginning of year	1,890,181	-	-	-
Allowance for lifetime expected credit losses	2,763,551	1,890,181	254,277	-
At end of year	4,653,732	1,890,181	254,277	-

19. CONTRACT ASSETS

	Group	
	2022	2021
	RM	RM
Contract assets	20,526,328	19,857,427
Less: Allowance for lifetime expected credit losses	(79,568)	(313,247)
	20,446,760	19,544,180

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically the amount will be billed within 30 days.

The changes to the net contract assets are as follows:

	Group	
	2022	2021
	RM	RM
At beginning of year	19,857,427	4,019,470
Acquisition of subsidiary	1,638,001	-
Revenue recognised during the year (Note 4)	8,070,275	45,371,968
Progress billings for the year	(9,039,375)	(29,534,011)
	20,526,328	19,857,427
Less: Allowance for lifetime expected credit losses	(79,568)	(313,247)
At end of year	20,446,760	19,544,180

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

19. CONTRACT ASSETS (CONT'D)

The movements in the allowance for lifetime expected credit losses of contract assets during the reporting period are as follows:

	Group 2022 RM	2021 RM
At beginning of year	313,247	-
Allowance for lifetime expected credit losses	79,568	313,247
Allowance for lifetime expected credit losses no longer required	(313,247)	-
At end of year	79,568	313,247

20. INVENTORIES

	Group 2022 RM	2021 RM
At cost:		
Properties under development	13,146,301	-
Amount of inventories recognised as an expense	-	-

21. FIXED DEPOSITS WITH A LICENSED BANK

The fixed deposits with a licensed bank of the Group are pledged to secure financing facilities of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

22. SHARE CAPITAL

	Group and Company			
	2022	2021		
	No. of	No. of	2022	2021
	ordinary	ordinary	RM	RM
	shares	shares		
Issued and fully paid:				
At beginning of year	265,983,119	188,760,000	128,143,587	114,097,098
Issuance of shares pursuant to:				
- private placement	53,196,600	18,876,000	11,665,050	4,297,173
- conversion of redeemable convertible preference shares (Note 29)	-	55,347,119	-	8,675,916
- share issuance scheme	-	3,000,000	-	840,000
Transfer from share issuance scheme reserve upon exercising share issuance scheme options	-	-	-	233,400
At end of year	319,179,719	265,983,119	139,808,637	128,143,587

During the reporting period, the Company increased its issued and paid up share capital via a private placement of 53,196,600 new ordinary shares at an issue price of RM0.2222 per share for cash. Issuance costs of RM155,234 which were directly attributable to the issue of shares have been netted against the cash consideration received. The shares were issued for construction project expenditure and working capital purposes.

In the previous reporting period, the Company increased its issued and paid up share capital via the following:

- (i) Private placement of 18,876,000 new ordinary shares at an issue price of RM0.23 per share for cash. Issuance costs of RM44,307 which were directly attributable to the issue of shares have been netted against the cash consideration received. The shares were issued for construction project expenditure and working capital purposes;
- (ii) Conversion of 100,000,000 redeemable convertible preference shares to 27,367,267 and 27,979,852 new ordinary shares at an issue price of RM0.1827 and RM0.1787 per share respectively; and
- (iii) Issuance of 3,000,000 new ordinary shares pursuant to the exercise of share options at the exercise price of RM0.28 per share.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

22. SHARE CAPITAL

22.1 Warrants 2014/2024

The Company had in March 2014 issued 60,000,000 warrants in conjunction with its bonus issue exercise. The warrants are constituted by a deed poll dated 11 March 2014 ("Deed Poll").

The salient features of the warrants are as follows:

- (a) The issue date of the warrants is 1 April 2014 and the expiry date is on 31 March 2024. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;
- (b) Each warrant entitles the registered holder the right to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.50 per ordinary share until the expiry of the exercise period;
- (c) The exercise price and the number of warrants are subject to adjustment in the event of alteration to the share capital of the Company, capital distribution or issue of shares in accordance with the provisions in the Deed Poll;
- (d) The warrant holders are not entitled to participate in any distribution and/or offer of further securities in the Company (except for the issue of new warrants pursuant to adjustment as mentioned in item (c) above), unless and until such warrant holders exercise their rights to subscribe for new ordinary shares; and
- (e) The new ordinary shares to be issued upon exercise of the warrants, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the warrants.

The movements in the Company's warrants during the reporting period are as follows:

	Entitlement for ordinary shares		
	Balance at		Balance at
	1.4.2021	Exercised	31.3.2022
Number of unexercised warrants	60,000,000	-	60,000,000

	Entitlement for ordinary shares		
	Balance at		Balance at
	1.4.2020	Exercised	31.3.2021
Number of unexercised warrants	60,000,000	-	60,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

22. SHARE CAPITAL (CONT'D)

22.2 Share issuance scheme options

The Company implemented Employees' Share Issuance Scheme ("SIS") which is governed by its By-Laws as approved by the Company's shareholders at the Extraordinary General Meeting held on 22 November 2017.

The salient features of the SIS are as follows:

- (a) The SIS was implemented on 18 December 2017 and is in force for a period of 5 years until 17 December 2022 in accordance with the terms of the By-Laws;
- (b) The total number of new shares to be offered pursuant to the SIS shall be subject to a maximum of 15% of the Company's issued and paid up share capital (excluding treasury shares) at any one time;
- (c) Any employees (including directors) of the Group shall be eligible to participate in the SIS, if as at the date of offer, the employee:
 - (i) has attained the age of eighteen (18) years; and
 - (ii) is employed by a company in the Group, which is not dormant.

The allocation criteria of new ordinary shares comprised in the options to eligible employees shall be determined at the discretion of the SIS Committee. The participation of Director of the Company in the SIS shall be approved by the shareholders of the Company in a general meeting;

- (d) The price payable upon exercise of SIS shall be based on the weighted average market price of the Company's shares as shown in the Daily Official List of Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer with an allowance of a discount of not more than 10%;
- (e) The new ordinary shares to be issued upon exercise of the SIS, shall upon issuance and allotment, rank pari passu with the then existing ordinary shares, except that they will not be entitled to dividends, rights, allotments and/or other distributions, declared by the Company which entitlement thereof precedes the allotment date of the new ordinary shares allotted pursuant to the exercise of the SIS; and
- (f) The exercise price and the number of new ordinary shares comprised in the SIS are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions in the By-Laws.

The movements in the Company's SIS options are as follows:

Number of options over ordinary shares					
Offer date	Exercise price per ordinary share	Balance at 1.4.2021	Granted	Expired	Balance at 31.3.2022
19 May 2020	RM0.28	5,845,000	-	(5,845,000)	-

Number of options over ordinary shares					
Offer date	Exercise price per ordinary share	Balance at 1.4.2020	Granted	Exercise	Balance at 31.3.2021
19 May 2020	RM0.28	-	8,845,000	(3,000,000)	5,845,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

22. SHARE CAPITAL (CONT'D)

22.2 Share issuance scheme options (Cont'd)

The fair value of the share options granted under the SIS is estimated at the grant date using Trinomial option pricing model, taking into account the terms and conditions upon which the instruments were granted. The key assumptions used for estimation of SIS for value were as follows:

Expected volatility	74% - 113%
Risk free interest rate	1.86%
Expected life	351 days
Dividend yield	-

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

23. RESERVES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Distributable:				
Accumulated losses	(68,122,654)	(32,742,971)	(65,545,348)	(22,770,665)
Non distributable:				
Share options reserve	-	454,741	-	454,741
Fair value reserve	(4,352,000)	-	(4,352,000)	-
	(72,474,654)	(32,288,230)	(69,897,348)	(22,315,924)

Share options reserve represents the equity settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity settled share options, and is reduced by the expiry or exercise of the share options.

Fair value reserve represents the cumulative net changes in the fair value of equity instruments designated as fair value through other comprehensive income until the assets are derecognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

24. LEASE LIABILITIES

	Group	
	2022	2021
	RM	RM
Hire purchase liabilities	1,639,281	1,877,264
Other lease liabilities	1,750,647	1,135,251
Principal portion	3,389,928	3,012,515
Less: Portion due within one year	(800,667)	(786,933)
Non current portion	2,589,261	2,225,582

The non current portion of lease liabilities is payable as follows:

Later than 1 year and not later than 2 years	791,979	815,290
Later than 2 years and not later than 5 years	1,797,282	1,410,292
	2,589,261	2,225,582

The weighted average effective interest rates are as follows:

	Group	
	2022	2021
	%	%
Hire purchase liabilities	4.29	4.30
Other lease liabilities	2.23	2.60

The Group and Company had total cash outflows for leases of RM1,420,032 (2021: RM1,272,559) and RM760 (2021: RM 2,630) respectively.

25. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2022	2021
	RM	RM
At beginning of year	-	(14,000)
Acquisition of subsidiary	161,000	-
Recognised in profit or loss (Note 9)	-	14,000
At end of year	161,000	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

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

	Group 2022 RM	2021 RM
Presented after appropriate offsetting as follows:		
Deferred tax assets	234,000	143,000
Deferred tax liability	(73,000)	(143,000)
	161,000	-

Deferred tax assets of the Group are in respect of the following:

	Gross 2022 RM	Group 2021 RM	Tax effects 2022 RM	2021 RM
Differences between accounting depreciation and finance lease payments	-	25,000	-	6,000
Differences between tax capital allowances and accounting depreciation	71,000	149,000	17,000	36,000
Unabsorbed business losses to be utilised up to financial year ending				
- 2028	4,239,000	3,410,000	1,017,000	818,000
- 2030	114,100	-	27,400	-
- 2031	7,473,700	-	1,793,200	-
- 2032	5,421,000	-	1,302,000	-
Unabsorbed capital allowances	682,000	330,000	164,000	79,000
Other deductible temporary differences	17,110,000	7,593,000	4,106,000	1,823,000
	35,110,800	11,507,000	8,426,600	2,762,000
Less: Deferred tax assets recognised	(975,000)	(597,000)	(234,000)	(143,000)
Deferred tax assets not recognised	34,135,800	10,910,000	8,192,600	2,619,000

Portion of the deferred tax assets has not been recognised as it is not probable that taxable profit will be available in the foreseeable future to utilise these temporary differences.

Deferred tax liability of the Group is in respect of the following:

	Group 2022 RM	2021 RM
Tax effects of differences between tax capital allowances and accounting depreciation	73,000	143,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

26. TRADE PAYABLES

	Group	
	2022	2021
	RM	RM
Retention sum for contract works	2,819,161	4,293,601
Trade payables	6,190,502	24,182,034
	9,009,663	28,475,635
Less: Portion due within one year	(7,900,522)	(26,826,559)
Non current portion	1,109,141	1,649,076

The non current portion of the trade payables are payable as follows:

Later than 1 year and not later than 2 years	1,109,141	1,649,076
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The normal trade credit terms granted to the Group range from 30 days to 60 days (2021: 30 days to 60 days).

27. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Amount due to a subsidiary	-	-	728,457	-
Accruals	151,180	136,450	39,988	62,775
Amount due to non-controlling interests of a subsidiary	9,841,291	-	-	-
Refundable deposits received from customers	3,410,035	-	-	-
Other payables	405,302	185,994	222,488	40,247
Outstanding purchase consideration for acquisition of subsidiary	2,955,000	-	-	-
Statutory liabilities	59,409	84,586	36,013	57,935
	16,822,217	407,030	1,026,946	160,957

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

28. PROVISION

	Group Onerous contract RM	Total RM
At 1 April 2020	-	-
Charge for the year	327,431	327,431
At 31 March 2021	327,431	327,431
Reversals	(327,431)	(327,431)
At 31 March 2022	-	-

In 2017, the Group entered in a contract with a customer to build and renovate institutions quarters located at Perak. The estimated cost needed to satisfy the contract requirements are higher than the initial contract revenue. As such, a provision is recognised for the expected cost required to fulfil the requirements in excess of the contracted revenue.

29. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	Group and Company			
	2022 No. of shares	2021 No. of shares	2022 RM	2021 RM
Issued and fully paid:				
At beginning of year	-	-	-	-
Issuance of redeemable convertible preference shares ("RCPS") recognised as financial liability	-	100,000,000	-	8,675,916
Conversion of RCPS into ordinary shares (Note 22)	-	(100,000,000)		(8,675,916)
At end of year	-	-	-	-

The Company entered into a subscription agreement dated 30 September 2020 for the issuance of 600,000,000 RCPS at an issue price of RM0.10 each which was approved by its shareholders at the Extraordinary General Meeting held on 11 December 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

29. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (CONT'D)

The salient features of the RCPS are as follows:

RCPS Maturity Date	:	3 years from 23 December 2020 being the issuance date of Tranche 1 of the RCPS
Dividend	:	Cumulative preferential dividend at 2% per annum based on the RCPS issue price payable semi-annually
Conversion Right	:	Subject to RCPS Conversion Downside Redemption, RCPS Conversion Cap and RCPS Maximum Conversion Shares threshold, any RCPS may be converted into new ordinary shares of the Company, at the option of the RCPS holders, at any time, before the RCPS Maturity Date
RCPS Conversion Price	:	The RCPS Conversion Price shall be 80% of the average market closing price of the Company for any 3 consecutive business days as selected by the RCPS holders during the 45 business days immediately preceding the relevant conversion date of the RCPS, subject to the RCPS Minimum Conversion Price
RCPS Conversion Cap	:	The RCPS holders, collectively or together with their affiliates, shall not at any time hold more than 20% interest in the enlarged total number of ordinary shares of the Company without the prior approval of the Company
RCPS Maximum Conversion Shares	:	375,000,000 ordinary shares
RCPS Minimum Conversion Price	:	Minimum conversion price of RM0.10, at which RCPS can be converted into ordinary shares
RCPS Non-Default Redemption amount	:	115% of the issue price of the RCPS
RCPS Redemption Period	:	The period from the issue date to the RCPS Maturity Date
RCPS Conversion Downside Redemption	:	The Company may redeem the RCPS presented for conversion in cash at the RCPS Conversion Redemption Price if the RCPS Conversion Price is less than or equal to 65% of the daily average of the traded volume weighted average prices of the Company's shares for the 45 consecutive business days period prior to issue date in respect of each tranche
RCPS Conversion Redemption Price	:	RCPS issue price with a cumulative additional 8% per annum over issue price calculated from the issuance date
Ranking of RCPS	:	The RCPS shall rank in regard to return of capital and dividend in priority to the ordinary shares of the Company

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

29. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (CONT'D)

Priority on liquidation and : return of capital	In the event of liquidation, winding up or return of capital of the Company:
	(i) the RCPS holder shall have priority in the repayment of capital (based on issue price) together with any arrears of any declared but unpaid dividend on a cumulative basis calculated to the date of such repayment over holders of shares with respect to any net proceeds from liquidation of the Company after payments to all the creditors of the Company, whether secured or unsecured; and
	(ii) the RCPS holder shall not be entitled to participate in any surplus assets or profits as may become available after the repayment of capital together with any arrears of any declared but unpaid dividend
RCPS Voting Rights :	RCPS shall carry no right to vote at any general meeting of the Company except for variation of RCPS holders' rights
Ranking of the Conversion : Shares	The ordinary shares issued from conversion of RCPS shall, upon allotment and issuance, rank equally in all respects with the then existing ordinary shares

30. DISPOSAL GROUP HELD FOR SALE

On 13 December 2018, the Company entered into a Sale and Purchase Agreement with Mr Seow Khim Soon for the Company to dispose of its 1,839,000 ordinary shares held in Kumpulan Voir Sdn Bhd ("KVSb") (representing 60% equity interest) for a total consideration of RM32,615,000, subject to a price adjustment based on the subsequent consolidated net assets of KVSb and its subsidiaries at completion date.

The agreement has become unconditional on 30 June 2020 and the disposal had been completed during the reporting period with a final sale consideration of RM16,414,345 and the disposal date determined mutually as 24 December 2020.

The disposal of KVSb has the following financial effects on the Group's financial statements:

	Group 2021 RM
Carrying amount of disposal group on disposal date	43,468,222
Non controlling interest	896,783
Reversal of amount due to holding company eliminated on consolidation	(25,361,766)
Net assets disposed of	19,003,239
Interest retained measured at fair value (Note 15)	(9,652,375)
Deposits received for disposal	(12,326,150)
Cash consideration received	(4,088,195)
Gain on disposal of a subsidiary (including in "Other operating income" line item in statement of comprehensive income)	(7,063,481)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

30. DISPOSAL GROUP HELD FOR SALE (CONT'D)

The summarised consolidated financial information of KVSb and its subsidiaries are as follows:

(i) Statement of comprehensive income

	1.4.2020 to 31.12.2020 RM
Revenue	45,036,612
Cost of sales	(34,458,892)
Gross profit	10,577,720
Other operating income	101,484
Selling and distribution costs	(18,279,136)
Administration expenses	(3,728,481)
Finance costs	(373,036)
Loss before tax	(11,701,449)
Income tax expense	-
Net loss/Total comprehensive loss for the period from discontinued operations	(11,701,449)

(ii) Other summarised information

	1.4.2020 to 31.12.2020 RM
Net cash used in operating activities	(3,033,600)
Net cash used in investing activities	(187,741)
Net cash used in financing activities	(3,057,106)
Net decrease in cash and cash equivalents	(6,278,447)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

31. SIGNIFICANT RELATED PARTY DISCLOSURES

31.1 Related party balances

Individually significant outstanding balances arising from transactions other than normal trade transactions are as follows:

	Type of transactions	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Financial assets					
With an associate					
Kumpulan Voir Sdn Bhd	Advances	-	23,330,419	-	23,330,419
With subsidiaries					
Infraharta Sdn Bhd (formerly known as Vertice Construction Sdn Bhd)	Advances	-	-	21,026	55,832,072
Infraharta Green Energy Sdn Bhd (formerly known as Vertice Green Energy Sdn Bhd)	Advances	-	-	16,793	30,240
Wande Development Sdn Bhd	Advances	-	-	3,123,195	-
Infraharta Bina Sdn Bhd (formerly known as Infraharta Construction Sdn Bhd)	Advances	-	-	1,629,489	-
Financial liability					
With a subsidiary					
Amcap Solutions Sdn Bhd	Assignment of debts	-	-	(728,457)	-

The above balances are unsecured, interest free and receivable/repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

31. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

31.2 Related party transactions

		Group		Company	
	Type of transactions	2022 RM	2021 RM	2022 RM	2021 RM
With a subsidiary					
Vertice Construction Sdn Bhd	Interest income	-	-	4,273,943	3,294,082
With a company in which certain directors have interests					
Ivory Ascent Sdn Bhd	Acquisition of plant and equipment and maintenance of counters	-	93,222	-	-
	Lease payments	-	1,813,226	-	-

31.3 Compensation of key management personnel

Key management personnel are those personnel having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly. The remuneration of key management personnel is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive directors:				
Fees	-	6,400	-	-
Salaries, allowances and bonus	1,155,000	1,828,435	1,155,000	1,440,000
Share option expense	-	440,504	-	440,504
Defined contribution plan	173,250	261,764	173,250	216,000
Estimated money value of benefits other than in cash	50,229	46,250	-	-
	1,378,479	2,583,353	1,328,250	2,096,504
Non executive directors:				
Remuneration other than fees	38,681	34,840	36,310	34,840
Share option expense	-	247,637	-	247,637
Fees	493,100	420,000	493,100	420,000
	531,781	702,477	529,410	702,477

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

31. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

31.3 Compensation of key management personnel (Cont'd)

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Other key management personnel:				
Salaries, allowances and bonus	970,000	1,110,065	355,000	540,065
Defined contribution plan	145,095	166,511	53,160	81,011
Estimated money value of benefits other than in cash	50,500	34,948	17,750	9,000
	1,165,595	1,311,524	425,910	630,076
	3,075,855	4,597,354	2,283,570	3,429,057

32. SEGMENT INFORMATION

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. Management monitors the operating results of its business segment separately for the purposes of making decision about resource allocation and performance assessment.

(i) Reporting segment

No reporting segment is presented as the Group is predominantly in the construction industry. The new subsidiaries acquired during the reporting period does not contribute to the financial performance of the reporting period as the acquisitions were completed near to the reporting date. The composition of net identifiable assets acquired is disclosed in Note 14.1 to the financial statements.

(ii) Geographical information

The Group's activities are predominantly in Malaysia.

(iii) Major customers

Revenue from transactions with major customers that individually accounted for 10 percent or more of the Group's revenue is summarised below:

	2022	2021
	RM	RM
Customer A	5,427,073	18,582,538
Customer B	(4,176,621)	-
Customer C	1,352,909	13,264,672
Customer D	7,539,999	9,025,381

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

33.1 Categories of financial instruments

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Financial assets				
Fair value through other comprehensive income:				
- other investment	5,508,000	9,860,000	5,508,000	9,860,000
Fair value through profit or loss:				
- other investment	9,000,000	-	9,000,000	-
Amortised cost:				
- trade and other receivables	36,501,970	74,899,123	6,826,524	79,738,009
- cash and bank balances	5,858,367	6,404,975	2,364,879	4,650,488
- fixed deposits with a licensed bank	90,000	30,000	-	-
	56,958,337	91,194,098	23,699,403	94,248,497
Financial liabilities				
Amortised cost:				
- lease liabilities	3,389,928	3,012,515	-	-
- trade and other payables	25,772,471	28,798,079	990,993	103,022
	29,162,399	31,810,594	990,993	103,022

33.2 Financial risk management objectives and policies

The Group's overall financial risk management programme seeks to minimise potential adverse effects on financial performance of the Group.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change in the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

33.2 Financial risk management objectives and policies (Cont'd)

Credit risk management

The Group's credit risk is primarily attributable to its trade and other receivables, contract assets and bank balances. The Group minimises credit risk by dealing exclusively with high credit worthy counterparties. At reporting date, there were no significant concentrations of credit risk other than the following:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Amount due from two contract customer (2021: two)	37,242,848	48,187,535	-	-
Amount due from one subsidiary (2021: one)	-	-	3,123,195	55,832,073
Amount due from an associate	-	23,330,419	-	23,330,419

The Group's credit risk grading framework for expected credit losses ("ECL") model is as follows:

Category	Definition	Basis for recognition of ECL
Performing	The debtor has a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
Default	Amount is > 90 days past due or there is evidence indicating the asset is credit impaired.	Lifetime ECL – credit impaired
Write off	There is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery or the debtor is two years past due.	Amount is written off

i) Trade receivables and contract assets

For trade receivables and contract assets, the Group has applied the simplified approach to measure the loss allowance at lifetime expected credit losses. In determining the ECL of individual trade receivables and contract assets, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

ii) Other receivables

Other receivables (other than those identified below) are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to lifetime ECL.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

33.2 Financial risk management objectives and policies (Cont'd)

Credit risk management (Cont'd)

ii) Other receivables (Cont'd)

The following other receivables are not considered to have low credit risk as there has been significant increase in the risk of default on the receivables since initial recognition.

	Group	
	2022	2021
	RM	RM
Amount due from a sub-contractor	3,124,011	2,492,332
Other receivables and deposits	254,277	-
Advance payments for construction costs	8,000,000	-

The loss allowance of the above receivables is measured at an amount equal to the lifetime ECL as there has been a significant increase in credit risk since initial recognition. In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring, as well as the loss upon default in each case. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

iii) Cash and bank balances

The cash and bank balances are held with reputable financial institutions with high credit ratings and no history of default. Impairment on cash and bank balances has been measured on a 12-month ECL and reflects the short term maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the financial institutions. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company provides corporate guarantee to licensed banks in respect of banking facilities granted to KVSb. The Company monitors on an ongoing basis the results and repayments made by the KVSb. The maximum exposure to credit risk representing the outstanding banking facilities of the KVSb as at reporting date is as follows:

	2022	2021
	RM	RM
Secured:		
Corporate guarantee in respect of banking facilities	1,155,000	9,062,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

33.2 Financial risk management objectives and policies (Cont'd)

Liquidity risk management

The Group maintains sufficient cash and bank balances, and internally generated cash flows to finance its activities.

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Group	Contractual cash flows (including interest payments)				
	Carrying amount RM	Total RM	On demand		
			or within 1 year RM	Within 1 to 2 years RM	Within 2 to 5 years RM
2022					
Non interest bearing debts	25,772,471	25,772,471	24,663,330	1,109,141	-
Interest bearing debts	3,389,928	3,636,226	903,168	858,266	1,874,792
	29,162,399	29,408,697	25,566,498	1,967,407	1,874,792
Corporate Guarantee	-	1,155,000	1,155,000	-	-
2021					
Non interest bearing debts	28,798,079	28,798,079	27,149,003	1,649,076	-
Interest bearing debts	3,012,515	3,222,565	880,687	880,687	1,461,191
	31,810,594	32,020,644	28,029,690	2,529,763	1,461,191
Corporate Guarantee	-	9,062,000	9,062,000	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

33. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

33.2 Financial risk management objectives and policies (Cont'd)

Liquidity risk management (Cont'd)

Company	Carrying amount RM	Total RM	Contractual cash flows (including interest payments)		
			On demand or within 1 year RM	Within 1 to 2 years RM	Within 2 to 5 years RM
2022					
Non interest bearing debts	990,933	990,933	990,933	-	-
Corporate Guarantee	-	1,155,000	1,155,000	-	-
2021					
Non interest bearing debts	103,022	103,022	103,022	-	-
Corporate Guarantee	-	9,062,000	9,062,000	-	-

The fair value of the corporate guarantee provided to KVSb is not expected to be material as the total borrowings of KVSb are collateralised against the property of KVSb. Further, the probability of the KVSb defaulting on the credit facilities is remote. Accordingly, the corporate guarantee has not been recognised.

As at the reporting date, the counterparties to the corporate guarantee do not have the right to demand payment as there is no default on the borrowings obtained by KVSb.

Interest rate risk management

The Group's primary interest rate risk relates to interest bearing debts. The Group manages its interest rate risks exposure by predominantly using fixed rate borrowings.

34. FAIR VALUE MEASUREMENTS

34.1 Financial instruments not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, receivables and payables (current portion), and other liabilities approximate their respective fair values due to the respectively short-term maturity of these financial instruments.

The fair value of the lease liabilities and non current portion of trade receivables approximate its carrying amount, as these instruments were entered with interest rates which are reasonable approximation of the market interest rates on or near reporting date. The non current portion of trade payables are carried at transaction price as they do not contain any significant financing component.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

34. FAIR VALUE MEASUREMENTS

34.2 Assets carried at fair value

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table provides an analysis of each class of assets measured at fair value at the end of the reporting period:

	Group			
	Fair value measurement at the end of the reporting period using			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2022				
Recurring fair value measurement				
Financial assets				
Other investments				
- Unquoted equity instruments, at fair value	-	9,000,000	5,508,000	14,508,000
2021				
Recurring fair value measurement				
Financial assets				
Other financial assets				
- Unquoted equity instruments, at fair value	-	-	9,860,000	9,860,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

34. FAIR VALUE MEASUREMENTS (CONT'D)

34.2 Assets carried at fair value (Cont'd)

	Company			
	Fair value measurement at the end of the reporting period using			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2022				
Recurring fair value measurement				
Financial assets				
Other investments				
- Unquoted equity instruments, at fair value	-	9,000,000	5,508,000	14,508,000
2021				
Recurring fair value measurement				
Financial assets				
Other financial assets				
- Unquoted equity instruments, at fair value	-	-	9,860,000	9,860,000
Non recurring fair value measurement				
Non financial assets				
Impaired associate carried at fair value				
less costs to sell	-	9,652,375	-	9,652,375

35. CAPITAL STRUCTURE AND CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while providing an adequate return to stakeholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 MARCH 2022

35. CAPITAL STRUCTURE AND CAPITAL RISK MANAGEMENT (CONT'D)

The Group monitors capital using debt-to-equity ratio, where the ratio is arrived at net debt (total borrowings less cash and bank balances) divided by total equity. The Group's strategy is to maintain the debt-to-equity ratio at a healthy level. The debt and equity ratio is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Total debts	3,389,928	3,012,515	-	-
Less: Cash and bank balances (including fixed deposits)	(5,948,367)	(6,434,975)	(2,364,879)	(4,650,488)
Net cash	(2,558,439)	(3,422,460)	(2,364,879)	(4,650,488)
Total equity	70,495,063	100,087,559	69,911,289	105,827,663
Gearing ratio	N/A	N/A	N/A	N/A

36. SIGNIFICANT EVENT DURING THE REPORTING PERIOD

On 29 December 2021, subsidiaries of the Company, Buildmarque Construction Sdn Bhd and Infraharta Sdn Bhd (formerly known as Vertice Construction Sdn Bhd), entered into a deed of rescission and termination to mutually agree to terminate the contract with Consortium Zenith Sdn Bhd for the construction of a Penang highway project which was contracted at a sum of RM815 million. As at 31 March 2022, the carrying amount of assets recoverable under this project is as follows:

	Group RM
Included under:	
Trade receivables	7,443,653
Other receivables	6,724,556
Contract assets	15,209,139
Total	29,377,348

Under the terms of the deed of rescission and termination, the payments for the progress claims on the cumulative work done performed up to the date of deed shall be by way of three (3) equal half yearly installments within six months from such progress claims being verified.

37. SUBSEQUENT EVENT

Subsequent to the reporting date, the Company entered into a share sale agreement with Distinct Seasons Sdn Bhd to dispose off 40% equity interest in Kumpulan Voir Sdn Bhd for a total consideration of RM9 million.

ADDITIONAL INFORMATION

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

UTILIZATION OF PROCEEDS RAISED FROM CORPORATE EXERCISE

During the financial year, the Company raised RM11.82 million from private placement exercise. As at 30 June 2022, all the proceeds raised from this corporate exercise have been fully utilized for construction project expenditure, property development expenditure, working capital and expenses relating to the private placement.

SHARE BUYBACKS

There were no share buybacks by the Company during the financial year.

OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES

There were no options, warrants and convertible securities issued during the financial year.

SANCTION AND / OR PENALTIES

There were no sanctions and/or penalties imposed on the Company, its subsidiaries, Directors or the Management by the relevant regulatory bodies.

NON-AUDIT FEES

During the financial year, there was no other non-audit fee paid to external auditors except for the payment of RM17,000 for the review of Statement on Risk Management and Internal Control, and additional audit procedures performed on Kumpulan Voir Sdn Bhd group for the financial year ended 31 March 2021 for the purpose of expressing the opinion on our group consolidated financial statements.

VARIATION IN RESULTS

The Company did not issue any profit forecast, estimate or projection in relation to any corporate proposal. The audited results did not deviate more than 10% from the unaudited results announced to Bursa Securities in respect of the financial year ended 31 March 2022.

PROFIT GUARANTEE

During the financial year, there was no profit guarantee given by the Company.

MATERIAL CONTRACTS

- On 30 September 2020, the Company entered into a Subscription Agreement with Advance Opportunities Fund and Advance Opportunities Fund I for the proposed issuance of up to 600,000,000 new 2% cumulative redeemable convertible preference shares ("RCPS") in Vertice at an issue price of RM0.10 each. Up until 31 March 2022, only tranche 1 comprising 100,000,000 RCPS with an aggregate principal amount of RM10.0 million comprising 40 equal sub-tranches of RM250,000 each had been issued and fully converted into 55,347,119 ordinary shares.

For all tranches of RCPS, the tenure will be 36 months from the issue date of the first sub-tranche of tranche 1. As the first sub-tranche of tranche 1 was issued on 23 December 2020 and this had been confirmed by the parties to the RCPS Subscription Agreement, the maturity of all remaining tranches of RCPS is expected to fall on 22 December 2023.

None of the Company's directors, major shareholders, chief executive and/or persons connected with them has any interest, direct or indirect, in the Subscription Agreement.

- On 29 December 2021, Buildmarque Construction Sdn Bhd (a 50%-owned subsidiary of Vertice Construction Sdn Bhd ("VCSB")), VCSB (a 100%-owned subsidiary of Vertice Berhad) and Consortium Zenith Construction Sdn Bhd entered into a deed of rescission and termination to mutually terminate the award of contract for the construction of a by-pass from Bandar Baru Ayer Itam connecting to Lebuhraya Tun Dr. Lim Chong Eu (being Package 2 Project of the Penang Mega Infrastructure Project for a fixed contract sum of RM815.0 million). At the date of this report, the parties to the mutual termination are in the midst of discussion to finalize the assessment on the progress claim amount for work done by Buildmarque.

None of the Company's directors, major shareholders, chief executive and/or persons connected with them has any interest, direct or indirect, in the mutual termination.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2022

SHARE CAPITAL

Number of Issued Shares	:	319,179,719
Paid-Up Share Capital	:	RM139,808,637
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	138	5.56	3,923	*0.00
100 - 1,000	700	28.23	228,739	0.07
1,001 - 10,000	685	27.62	4,076,223	1.28
10,001 - 100,000	701	28.27	26,440,386	8.29
100,001 - less than 5% of issued shares	255	10.28	269,554,448	84.45
5% and above of issued shares	1	0.04	18,876,000	5.91
Total	2,480	100.00	319,179,719	100.00

* negligible

SUBSTANTIAL SHAREHOLDERS

No.	Substantial Shareholders	Direct		Indirect	
		No. of shares	%	No. of shares	%
1	Chee Wai Hong	346,400	0.11	^a 18,876,000	5.91
2	Changing Horizons Sdn Bhd	18,876,000	5.91	-	-

Notes:

- a. Indirect interested through his interest in Changing Horizons Sdn Bhd

DIRECTORS' INTERESTS IN SHARES IN THE COMPANY AND ITS RELATED COMPANIES

The Company

No.	Directors	Direct		Indirect	
		No. of shares	%	No. of shares	%
1	Wong Kwai Wah	7,248,900	2.27	-	-
2	Law Ngia Meng	2,081,300	0.65	-	-

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 30 JUNE 2022

THIRTY (30) LARGEST REGISTERED SHAREHOLDERS

No.	Registered Shareholders	No. of shares	%
1	Changing Horizons Sdn. Bhd.	18,876,000	5.91
2	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ibrahim Bin Sahari	10,073,588	3.16
3	Lee Eng Huat	9,499,150	2.98
4	Distinct Seasons Sdn Bhd	9,445,334	2.96
5	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Richard Ling Do Nyeen	9,299,150	2.91
6	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hillspring Venture Sdn. Bhd.	9,068,500	2.84
7	Oren Sport Sdn Bhd	8,000,000	2.51
8	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yong Pei Cheen	7,287,000	2.28
9	Hsu, Ching-Fu	6,602,400	2.07
10	Tan Swee Hoe	6,024,600	1.89
11	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lau Chi Chiang	6,015,300	1.88
12	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chong Yuen Kiong	5,698,300	1.79
13	Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Richard Ling Do Nyeen (PB)	5,558,600	1.74
14	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chong Yuen Kiong (E-TCS/PJA)	5,303,000	1.66
15	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Oriental Inchaway Sdn. Bhd.	5,281,000	1.65
16	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chan Aik Tat (E-SRB)	4,994,600	1.56
17	Runningmind Sdn. Bhd.	4,541,000	1.42
18	Liew Kok Meng	3,971,166	1.24
19	Tong Chin Hen	3,646,900	1.14

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 30 JUNE 2022

No.	Registered Shareholders	No. of shares	%
20	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Kwai Wah	3,592,600	1.13
21	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Chou Sing Hoan	3,479,900	1.09
22	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Lee Chee Hoe (Smart)	3,355,500	1.05
23	Leong Will Liam	3,083,500	0.97
24	Chong Yirk Juin	3,068,600	0.96
25	Bimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Sentosa Jaya Capital Sdn Bhd For Sulaiman Bin Abu Bakar (MGNM83401)	3,012,300	0.94
26	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ong Lee Ying (E-BPT)	2,935,900	0.92
27	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Heng Kear Huat (8089889)	2,921,532	0.92
28	RHB Capital Nominees (Tempatan) Sdn Bhd Tan Chin Hoong	2,868,000	0.90
29	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Heng Kear Huat	2,840,032	0.89
30	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Heng Kear Huat (7003273)	2,800,000	0.88
Total		173,143,452	54.25

ANALYSIS OF WARRANT HOLDINGS

AS AT 30 JUNE 2022

SHARE CAPITAL

Total Number of Warrants	:	60,000,000
Exercise Price Per Warrant	:	RM0.50
Exercise Period	:	Ten (10) years commencing from 1 April 2014 and expires on 31 March 2024
Voting Rights	:	None

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrants	%
Less than 100	84	7.03	2,625	0.01
100 - 1,000	548	45.86	84,957	0.14
1,001 - 10,000	247	20.67	1,182,667	1.97
10,001 - 100,000	225	18.83	8,326,197	13.88
100,001 - less than 5% of issued warrants	88	7.36	34,868,187	58.11
5% and above of issued warrants	3	0.25	15,535,367	25.89
Total	1,195	100.00	60,000,000	100.00

DIRECTORS' WARRANT HOLDINGS

No.	Directors	Direct		Indirect	
		No. of Warrants	%	No. of Warrants	%
1	Wong Kwai Wah	5,231,000	8.72	-	-

THIRTY (30) LARGEST REGISTERED WARRANT HOLDERS

No.	Registered Warrant Holders	No. of Warrants	%
1	Distinct Seasons Sdn Bhd	5,972,667	9.95
2	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Kwai Wah	5,231,000	8.72
3	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ibrahim Bin Sahari	4,331,700	7.22
4	Hsu, Ching-Fu	2,000,000	3.33

ANALYSIS OF WARRANT HOLDINGS (CONT'D)

AS AT 30 JUNE 2022

No.	Registered Warrant Holders	No. of Warrants	%
5	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Oriental Inchaway Sdn. Bhd.	1,840,900	3.07
6	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ong Lee Ying (E-BPT)	1,771,700	2.95
7	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad For Vista Lestari Development Sdn.Bhd. (Smart)	1,750,000	2.92
8	Koh Choon Seng	1,617,100	2.70
9	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Koh Seng Siong	1,460,700	2.43
10	Lim Tee Siong	1,063,800	1.77
11	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Bee Teng	962,000	1.60
12	Tan Chong	821,300	1.37
13	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kesvaran A/L T P Murugasu	717,000	1.20
14	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad For Ng Chee Kin (Smart)	715,000	1.19
15	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Heng Kear Huat (8089889)	706,799	1.18
16	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Shee Jia Hong (E-SKN)	621,400	1.04
17	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kesvaran A/L T P Murugasu	602,000	1.00
18	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Fong Kok Sang	600,400	1.00
19	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lau Chi Chiang	596,000	0.99
20	Chan Aik Tat	570,000	0.95

ANALYSIS OF WARRANT HOLDINGS (CONT'D)

AS AT 30 JUNE 2022

No.	Registered Warrant Holders	No. of Warrants	%
21	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Fong Kok Sang (STF)	536,000	0.89
22	Kok Wei Chin	498,300	0.83
23	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Zechariah A/L Balan	485,700	0.81
24	Oliver Felix Pereira	484,600	0.81
25	Manzhur Hisham Bin Abdul Kadir	476,300	0.80
26	Unggul Utama Sdn Bhd	470,922	0.78
27	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Shee Swee Lim (E-KPG)	450,000	0.75
28	Ong Ling Chew	449,000	0.75
29	Shirley Gan Shiau Lin	445,000	0.74
30	Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd For Lim Tong Seng	440,000	0.73
Total		38,687,288	64.47

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of the Company will be held as a fully virtual meeting conducted entirely through live streaming and online remote participation using Remote Participation and Voting (“RPV”) facilities hosted on the online meeting platform of ShareWorks Sdn. Bhd. at www.swsb.com.my provided by ShareWorks Sdn. Bhd. in Malaysia on Thursday, 25 August 2022 at 10.30 a.m. to transact the following businesses:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 and the Reports of Directors and Auditors thereon. **(Explanatory Note i)**
2. To re-elect Mr. Wong Kwai Wah as Director in accordance with Clause 96 of the Constitution of the Company **(Resolution 1)**
3. To re-elect Dato’ Sri Hj Wan Adnan Bin Wan Mamat as Director in accordance with Clause 101 of the Constitution of the Company **(Resolution 2)**
4. To re-elect Dato’ Dr Hj Shamsul Anwar Bin Sulaiman as Director in accordance with Clause 101 of the Constitution of the Company **(Resolution 3)**
5. To re-elect Mr. Law Ngia Meng as Director in accordance with Clause 101 of the Constitution of the Company **(Resolution 4)**
6. To re-elect Mr. Chai Hann Lin as Director in accordance with Clause 101 of the Constitution of the Company **(Resolution 5)**
7. To re-elect Mr. Ooi Guan Hoe as Director in accordance with Clause 101 of the Constitution of the Company **(Resolution 6)**
8. To approve the payment of Directors’ fees and benefits up to RM800,000.00 payable to the Directors from 25 August 2022 until the next Annual General Meeting (“AGM”) of the Company. **(Resolution 7)**
9. To re-appoint Messrs Russell Bedford LC & Company as the Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Special Business

To consider and if thought fit, with or without modification, to pass the following resolutions:

10. **ORDINARY RESOLUTION**

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

“THAT subject always to the Companies Act, 2016 (“the Act”), the Company’s Constitution and approvals from the relevant governmental and/or regulatory bodies where such approvals shall be necessary, authority be and is hereby given to the Directors of the Company pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the share capital of the Company from time to time upon such terms and conditions and for such purposes as may be determined by the Directors of the Company to be in the interest of the Company provided always 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 (excluding treasury shares) of the Company for the time being.

[Resolution 9]

THAT the Directors of the Company be also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (“Bursa Securities”);

AND THAT such authority shall continue to be in forced until the conclusion of the next Annual General Meeting (“AGM”) of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier; but an approval may be revoked or varied at any time by a resolution of the Company in general meeting.”

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

By Order of the Board

CHIN LI THING (MAICSA 7044467)
(SSM PC NO. 201908000022)

Company Secretary
Kuala Lumpur
28 July 2022

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 August 2022 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
2. A member of the Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at a meeting of members of the Company.
3. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy but not more than two (2) proxies to attend and vote in his stead provided that the member specifies the proportion of his shareholding to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempted authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company situated at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan or via email at ir@shareworks.com.my not less than forty-eight (48) hours before the time fixed for convening the 15th AGM or any adjournment thereof. Please refer to the Administrative Guide for further information at www.swsb.com.my.
7. All resolutions at the 15th AGM or any adjournment thereof shall be voted by poll.

Explanatory Notes

i. **Item 1 of the Agenda**

This item of the Agenda is meant for discussion only as it does not require shareholders' approval pursuant to Section 340(1) of the Companies Act, 2016. Hence, this Agenda item is not put forward for voting.

ii. **Items 2 to 7 of the Agenda - Re-election of Directors**

The Board of Directors have considered the eligibility and contribution of each of the retiring Directors, Mr. Wong Kwai Wah, Dato' Sri Hj Wan Adnan Bin Wan Mamat, Dato' Dr Hj Shamsul Anwar Bin Sulaiman, Mr. Law Ngia Meng, Mr. Ooi Guan Hoe and Mr. Chai Hann Lin ("**the Retiring Directors**"), who seeking for re-election.

Based on the evaluation conducted by the Nomination Committee on each of the Retiring Directors, it was found to be satisfactory. Therefore, the Board recommends to the shareholders to re-elect the Retiring Directors at the AGM or any adjournment thereof.

iii. **Item 10 of the Agenda - Authority to issue shares pursuant to sections 75 and 76 of the Companies Act, 2016**

The proposed Ordinary Resolution 9, if passed, will give authority to the Directors of the Company to issue and allot up to a maximum of 10% of the total number of the issued shares of the Company for the time being for such purposes as the Directors of the Company in their absolute discretion consider to be in the interest of the Company without having to convene a general meeting. This authority shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier; but an approval may be revoked or varied at any time by a resolution of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

The rationale for this resolution is to provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to working capital, operational expenditures, investment project(s), and/or acquisition(s) as the Directors may deem fit.

As at the date of the notice of 15th AGM, a total of 53,196,600 new ordinary shares representing twenty percent (20%) of the total issued shares of the Company were allotted pursuant to the mandate granted by its shareholders at the Fourteenth Annual General Meeting of the Company ("2021 Private Placement"). The total proceeds raised was approximately RM11,820,284.52. The details and status of the utilisation of proceeds raised from the allotment are as follows:-

Utilisation of Proceeds	Proposed Utilisation RM'000	Amount Utilised RM'000	Amount Unutilised RM'000
Construction project expenditure	3,904	3,904	NIL
Property development expenditure	6,184	6,184	NIL
Working capital	1,577	1,577	NIL
Expenses for the private placement	155	155	NIL
Total	11,820	11,820	NIL

The Company would seek for ratification from its shareholders in respect of the variation to the utilisation of proceeds raised from the 2021 Private Placement. Please refer to the Company's announcement submitted to Bursa Securities on 27 May 2022.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 15th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 15th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 15th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

Further details of Directors who are standing for re-election as Directors:

The profiles of the Directors who are standing for re-election at the 15th Annual General Meeting are set out in the Profile of Directors of this Annual Report. Their shareholdings in the Company and its subsidiaries are set out in the Analysis of Shareholdings of this Annual Report.

FORM OF PROXY



VERTICE BERHAD

Registration No.: (200701007217 / 765218-V)
(Incorporated In Malaysia)

CDS Account Number

I/We (Full Name in Block Letters) _____

NRIC No. / Passport No. / Company No. _____

of _____

being a member of **VERTICE BERHAD** hereby appoint:

Full Name (IN BLOCK LETTERS):	
NRIC / Passport No.:	Contact No.:
Full Address:	Email address:

and/or failing *him/her

Full Name (IN BLOCK LETTERS):	
NRIC / Passport No.:	Contact No.:
Full Address:	Email address:

or failing *him/her, the CHAIRMAN OF THE MEETING as my/our proxy to attend and vote for me/us and on my/our behalf at the **Fifteenth Annual General Meeting** of the Company which will be held as a fully virtual meeting conducted entirely through live streaming and online remote participation using Remote Participation and Voting ("RPV") facilities hosted on the online meeting platform of ShareWorks Sdn. Bhd. at www.swsb.com.my provided by ShareWorks Sdn. Bhd. in Malaysia on **Thursday, 25 August 2022 at 10.30 a.m.** or at any adjournment thereof, in the manner indicated below:

RESOLUTIONS		FOR	AGAINST
Resolution 1	To re-elect as Director, Mr. Wong Kwai Wah		
Resolution 2	To re-elect as Director, Dato' Sri Hj Wan Adnan Bin Wan Mamat		
Resolution 3	To re-elect as Director, Dato' Dr Hj Shamsul Anwar Bin Sulaiman		
Resolution 4	To re-elect as Director, Mr. Law Ngia Meng		
Resolution 5	To re-elect as Director, Mr. Chai Hann Lin		
Resolution 6	To re-elect as Director, Mr. Ooi Guan Hoe		
Resolution 7	To approve the payment of Directors' fees and benefits		
Resolution 8	To re-appoint Auditors		
Resolution 9	To authorise Directors to issue shares		

Please indicate with "X" in the appropriate space 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 thinks fit or, at his discretion, abstain from voting.

Dated this _____ day of _____ 2022

*Signature Member(s) / Common Seal of Shareholder

*Delete whichever not applicable

Number of shares held

For appointment of two proxies, the shareholdings to be represented by the proxies:

Proxies	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 August 2022 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
2. A member of the Company shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at a meeting of members of the Company.
3. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint more than one (1) proxy but not more than two (2) proxies to attend and vote in his stead provided that the member specifies the proportion of his shareholding to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempted authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company situated at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan or via email at ir@shareworks.com.my not less than forty-eight (48) hours before the time fixed for convening the 15th AGM or any adjournment thereof. Please refer to the Administrative Guide for further information at www.swsb.com.my.
7. All resolutions at the 15th AGM or any adjournment thereof shall be voted by poll.

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The Share Registrar

VERTICE BERHAD

Registration No.: [200701007217 (765218-V)]

c/o ShareWorks Sdn Bhd Registration No.: [199101019611 (229948-U)]

No.2-1, Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur,
Wilayah Persekutuan, Malaysia

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