MINOX INTERNATIONAL GROUP BERHAD
(Registration No.: 202201025834 (1471531-H))
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT
FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND FINANCIAL PERIOD ENDED 30 APRIL 2023

GRANT THORNTON MALAYSIA PLT

CHARTERED ACCOUNTANTS

Member Firm of Grant Thornton International Ltd.

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Date: 25 August 2023

The Board of Directors
Minox International Group Berhad
3, Jalan Industri PBP 11
Taman Industri Pusat Bandar Puchong
47100 Puchong, Selangor

Dear Sirs,

Reporting Accountants' Opinion on the Financial Information (as defined herein) Contained in the Accountants' Report of Minox International Group Berhad ("Company" or "Minox")

Opinion

We have audited the combined financial statements ("Financial Information") of Minox International Group Berhad and its combined entities (collectively known as "the Group" or "Minox International Group") which comprises the combined statements of financial position of the Group as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 30 April 2023, the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and financial period ended 30 April 2023 and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 77.

In our opinion, the accompanying Financial Information give a true and fair view of the combined statements of financial position of the Group as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 30 April 2023, and of their combined financial performance and combined cash flows for the financial years/period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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Responsibilities of the Directors for the Financial Information

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

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

Reporting Accountants' Responsibility for the Audit of the Financial Information

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

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

- Identify and assess the risks of material misstatement of the Financial Information of the Group, 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 the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the Financial Information of the Group 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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Reporting Accountants' Responsibility for the Audit of the Financial Information (cont'd)

We also (cont'd):

- Evaluate the overall presentation, structure and content of the Financial Information of the Group, including the disclosures, and whether the Financial Information of the Group represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the Financial Information of the entities or business activities within the Group to express an opinion on the Financial Information of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Other Matters

The comparative information in respect of the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity, combined statements of cash flows and related notes to the combined financial statements for the financial period ended 30 April 2022 has not been audited.

This report has been prepared solely to comply with the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the prospectus of Minox in connection with the listing of and quotation for the entire enlarged issued share capital of Minox on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

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

LIM CHOOI LING
(NO: 03537/11/2024(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
25 August 2023

MINOX INTERNATIONAL GROUP BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND 30 APRIL 2023

	Note	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
ASSETS						
Non-current assets						
Property, plant and equipment	4	15,679,026	15,051,435	14,082,607	10,666,725	22,214,843
Right-of-use assets	5	9,412,401	8,718,463	6,933,094	8,117,233	8,655,865
Investment properties	6	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000
Other investments	7	1,031,411	997,916	979,472	958,300	976,096
Deferred tax assets	8	1,098,066	1,339,949	1,413,734	1,636,834	1,915,366
Total non-current assets		36,720,904	35,607,763	32,908,907	30,879,092	43,262,170
Current assets						
Inventories	9	13,694,381	17,500,661	19,170,848	23,624,188	27,304,312
Trade receivables	10	9,057,214	8,913,169	7,145,957	9,025,540	10,175,284
Other receivables	11	789,929	690,288	1,013,475	3,638,497	2,686,991
Other investments	7	1,484,945	1,484,945	1,484,945	-	-
Amount due from related parties	12	1,838,917	2,862,492	3,471,404	-	-
Tax recoverable		60,969	93,330	7,312	32,886	195,068
Cash and bank balances		4,819,327	4,867,365	7,659,367	12,540,665	9,192,565
Total current assets		31,745,682	36,412,250	39,953,308	48,861,776	49,554,220
TOTAL ASSETS		68,466,586	72,020,013	72,862,215	79,740,868	92,816,390
EQUITY AND LIABILITIES						
EQUITY						
Equity attributable to owners of the Company						
Share capital	13.1	2,740,921	2,740,921	2,740,921	5,891,300	5,891,300
Legal reserves	13.2	12,439	12,439	12,439	12,439	12,439
Foreign exchange translation reserves	13.3	321,536	37,822	137,917	(253,511)	1,113,976
Retained earnings		26,750,219	29,511,179	34,286,313	40,872,636	42,733,783
		29,825,115	32,302,361	37,177,590	46,522,864	49,751,498
Non-controlling interest		2,531,298	2,704,485	2,603,428	2,904,046	3,035,168
TOTAL EQUITY		32,356,413	35,006,846	39,781,018	49,426,910	52,786,666

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COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND 30 APRIL 2023 (CONT'D)

	Note	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
EQUITY AND LIABILITIES (CONT'D)						
LIABILITIES						
Non-current liabilities						
Employee benefits obligation	14	144,091	127,339	122,002	102,523	151,816
Deferred tax liabilities	8	324,000	302,000	281,000	282,000	282,000
Borrowings	15	20,327,374	20,673,982	18,562,048	17,669,472	25,396,202
Lease liabilities	16	823,551	485,225	270,038	799,193	1,171,647
Amount due to a Director	17	279,732	274,171	254,870	-	-
Total non-current liabilities		21,898,748	21,862,717	19,489,958	18,853,188	27,001,665
Current liabilities						
Trade payables	18	6,043,929	8,202,395	5,705,051	2,755,792	4,200,229
Other payables	19	1,164,840	695,724	579,521	1,491,691	1,179,063
Amount due to related parties	12	549,199	706,681	490,294	-	-
Amount due to a Director	17	902,128	823,499	21,218	-	-
Borrowings	15	4,606,202	3,988,988	5,205,965	4,514,749	5,318,988
Lease liabilities	16	396,766	333,367	321,370	632,658	736,183
Tax payable		548,361	399,796	1,267,820	2,065,880	1,593,596
Total current liabilities		14,211,425	15,150,450	13,591,239	11,460,770	13,028,059
TOTAL LIABILITIES		36,110,173	37,013,167	33,081,197	30,313,958	40,029,724
TOTAL EQUITY AND LIABILITIES		68,466,586	72,020,013	72,862,215	79,740,868	92,816,390

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

MINOX INTERNATIONAL GROUP BERHAD
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COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND FINANCIAL PERIOD ENDED 30 APRIL 2023

		←		Audited		→	Unaudited
	Note	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM
Revenue	20	40,195,428	38,804,441	34,359,347	45,019,715	16,429,344	13,470,412
Cost of sales		(19,417,969)	(20,257,357)	(11,528,653)	(18,422,102)	(7,884,957)	(6,404,762)
Gross profit		20,777,459	18,547,084	22,830,694	26,597,613	8,544,387	7,065,650
Other income		4,033,345	1,379,500	1,762,374	4,107,132	630,170	491,753
Selling and marketing expenses		(1,940,442)	(1,515,190)	(1,384,015)	(2,080,817)	(697,314)	(564,483)
Administration expenses		(11,537,111)	(11,869,453)	(11,483,167)	(14,082,334)	(5,768,675)	(4,629,338)
Impairment (loss)/gain on financial assets		-	-	-	(26,338)	1,420	-
Profit from operations		11,333,251	6,541,941	11,725,886	14,515,256	2,709,988	2,363,582
Finance income	21	43,053	23,254	23,482	75,881	36,816	13,900
Finance costs	22	(1,128,734)	(997,424)	(993,368)	(1,098,052)	(474,826)	(317,783)
Profit before tax	23	10,247,570	5,567,771	10,756,000	13,493,085	2,271,978	2,059,699
Tax expense	24	(2,059,734)	(1,381,244)	(2,417,612)	(2,943,832)	(361,261)	(504,996)
Profit after tax		8,187,836	4,186,527	8,338,388	10,549,253	1,910,717	1,554,703
Other comprehensive income/(loss), net of tax							
Item that will not be reclassified subsequently to profit or loss							
- Remeasurement of employee defined benefit		-	-	(62,254)	(18,302)	-	-
Item that are or may be reclassified subsequently to profit or loss							
- Exchange differences translation		484,351	(334,313)	(93,812)	(212,432)	1,449,039	511,688
Other comprehensive income/(loss) for the financial years/period, net of tax		484,351	(334,313)	(156,066)	(230,734)	1,449,039	511,688
Total comprehensive income for the financial years/period		8,672,187	3,852,214	8,182,322	10,318,519	3,359,756	2,066,391

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COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND FINANCIAL PERIOD ENDED 30 APRIL 2023 (CONT'D)

	Note	←		Audited		→	Unaudited
		1.1.2019 to 31.12.2019	1.1.2020 to 31.12.2020	1.1.2021 to 31.12.2021	1.1.2022 to 31.12.2022	1.1.2023 to 30.4.2023	1.1.2022 to 30.4.2022
		RM	RM	RM	RM	RM	RM
Profit for the financial year attributable to:							
- Owners of the Company		7,504,804	3,551,797	7,915,078	10,304,339	1,861,147	1,479,671
- Non-controlling interest		683,032	634,730	423,310	244,914	49,570	75,032
		8,187,836	4,186,527	8,338,388	10,549,253	1,910,717	1,554,703
Total comprehensive income attributable to:							
- Owners of the Company		7,812,588	3,268,083	7,952,919	10,017,901	3,228,634	1,940,076
- Non-controlling interest		859,599	584,131	229,403	300,618	131,122	126,315
		8,672,187	3,852,214	8,182,322	10,318,519	3,359,756	2,066,391

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

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COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND FINANCIAL PERIOD ENDED 30 APRIL 2023

		Non-distributable			**Distributable**			
	Note	Share capital RM	Legal reserves RM	Foreign exchange translation reserves RM	Retained earnings RM	Total RM	Non-controlling interest RM	Total RM
Balance as of 1 January 2019		2,740,921	12,439	13,752	20,072,483	22,839,595	2,216,433	25,056,028
Transactions with owners:-								
Dividends	25	-	-	-	(827,068)	(827,068)	(544,734)	(1,371,802)
Profit for the financial year		-	-	-	7,504,804	7,504,804	683,032	8,187,836
Other comprehensive income for the financial year		-	-	307,784	-	307,784	176,567	484,351
Total comprehensive income for the financial year		-	-	307,784	7,504,804	7,812,588	859,599	8,672,187
Balance as of 31 December 2019		2,740,921	12,439	321,536	26,750,219	29,825,115	2,531,298	32,356,413
Transactions with owners:-								
Dividends	25	-	-	-	(790,837)	(790,837)	(410,944)	(1,201,781)
Profit for the financial year		-	-	-	3,551,797	3,551,797	634,730	4,186,527
Other comprehensive income for the financial year		-	-	(283,714)	-	(283,714)	(50,599)	(334,313)
Total comprehensive income for the financial year		-	-	(283,714)	3,551,797	3,268,083	584,131	3,852,214
Balance as of 31 December 2020		2,740,921	12,439	37,822	29,511,179	32,302,361	2,704,485	35,006,846

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COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND FINANCIAL PERIOD ENDED 30 APRIL 2023 (CONT'D)

		← Non-distributable →			Distributable			
	Note	Share capital RM	Legal reserves RM	Foreign exchange translation reserves RM	Retained earnings RM	Total RM	Non-controlling interest RM	Total RM
Transactions with owners:-								
Dividends	25	-	-	-	(3,077,690)	(3,077,690)	(330,460)	(3,408,150)
Profit for the financial year		-	-	-	7,915,078	7,915,078	423,310	8,338,388
Other comprehensive income/(loss) for the financial year		-	-	100,095	(62,254)	37,841	(193,907)	(156,066)
Total comprehensive income for the financial year		-	-	100,095	7,852,824	7,952,919	229,403	8,182,322
Balance as of 31 December 2021		2,740,921	12,439	137,917	34,286,313	37,177,590	2,603,428	39,781,018
Transactions with owners:-								
At date of incorporation		1	-	-	-	1	-	1
Issuance of share capital		827,372	-	-	-	827,372	-	827,372
Issuance of share pursuant to:								
Conversion of retained earnings to share capital		2,323,006	-	(123,292)	(2,199,714)	-	-	-
Dividends	25	-	-	-	(1,500,000)	(1,500,000)	-	(1,500,000)
Profit for the financial year		-	-	-	10,304,339	10,304,339	244,914	10,549,253
Other comprehensive (loss)/income for the financial year		-	-	(268,136)	(18,302)	(286,438)	55,704	(230,734)
Total comprehensive income for the financial year		-	-	(268,136)	10,286,037	10,017,901	300,618	10,318,519
Balance as of 31 December 2022		5,891,300	12,439	(253,511)	40,872,636	46,522,864	2,904,046	49,426,910

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COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND FINANCIAL PERIOD ENDED 30 APRIL 2023 (CONT'D)

		← **Non-distributable** →			**Distributable**			
	Note	Share capital RM	Legal reserves RM	Foreign exchange translation reserves RM	Retained earnings RM	Total RM	Non-controlling interest RM	Total RM
Profit for the financial period		-	-	-	1,861,147	1,861,147	49,570	1,910,717
Other comprehensive income for the financial period		-	-	1,367,487	-	1,367,487	81,552	1,449,039
Total comprehensive income for the financial period		-	-	1,367,487	1,861,147	3,228,634	131,122	3,359,756
Balance as of 30 April 2023		5,891,300	12,439	1,113,976	42,733,783	49,751,498	3,035,168	52,786,666

MINOX INTERNATIONAL GROUP BERHAD
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COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2022

		← **Non-distributable** →			**Distributable**			
	Note	Share capital RM	Legal reserves RM	Foreign exchange translation reserves RM	Retained earnings RM	Total RM	Non-controlling interest RM	Total RM
Unaudited								
Balance as of 1 January 2022		2,740,921	12,439	137,917	34,286,313	37,177,590	2,603,428	39,781,018
Transactions with owners:-								
Issuance of share capital		763,728	-	-	-	763,728	-	763,728
Profit for the financial period		-	-	-	1,479,671	1,479,671	75,032	1,554,703
Other comprehensive income for the financial period		-	-	460,405	-	460,405	51,283	511,688
Total comprehensive income for the financial period		-	-	460,405	1,479,671	1,940,076	126,315	2,066,391
Balance as of 30 April 2022		3,504,649	12,439	598,322	35,765,984	39,881,394	2,729,743	42,611,137

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

MINOX INTERNATIONAL GROUP BERHAD
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COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND FINANCIAL PERIOD ENDED 30 APRIL 2023

	Note	←		Audited		→	Unaudited
		1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	1.1.2022 to 30.4.2022 RM
OPERATING ACTIVITIES							
Profit before tax		10,247,570	5,567,771	10,756,000	13,493,085	2,271,978	2,059,699
Adjustments for:-							
Bad debts written off		18,576	5,598	-	11,734	-	-
Depreciation of property, plant and equipment		832,321	1,056,286	1,076,349	987,943	321,358	258,819
Depreciation of right-of-use assets		692,266	755,925	659,482	813,467	399,689	214,060
Employee benefits obligation		51,683	(13,872)	(58,483)	(39,968)	45,923	(43,832)
Fair value gain on investment property		(1,283,138)	-	-	-	-	-
Gain on disposal of property, plant and equipment		-	-	(600,764)	(2,062,887)	-	(68,925)
Gain on disposal of right-of-use assets		(105,200)	-	-	-	(134,802)	-
Gain on disposal of an associate		(1,800,000)	-	-	-	-	-
Gain on early termination of lease contract		(30,431)	-	-	-	-	-
Impairment loss/(gain) on trade receivables		-	-	-	26,338	(1,420)	-
Inventories written down		1,838,878	-	90,033	430,775	153,544	-
Interest expenses		1,128,734	997,424	993,368	1,098,052	474,826	317,783
Interest income		(43,053)	(23,254)	(23,482)	(75,881)	(36,816)	(13,900)
Property, plant and equipment written off		-	10,231	4,259	7,464	-	-
Reversal of inventories written down		-	(2,237,219)	(2,300,468)	(19,374)	(20,731)	-
Unrealised loss/(gain) on foreign exchange		471,952	146,629	3,949	(101,355)	(24,014)	7,240
Operating profit before working capital changes		12,020,158	6,265,519	10,600,243	14,569,393	3,449,535	2,730,944
Changes in working capital:-							
Inventories		(3,549,899)	(1,814,339)	538,188	(4,979,063)	(2,870,854)	(1,276,922)
Receivables		2,728,411	220,850	1,277,268	(4,664,508)	58,668	(3,714,857)
Payables		(3,452,952)	2,054,036	(2,846,246)	(1,953,673)	1,116,572	329,720
Related parties		(855,461)	(1,087,160)	(409,099)	2,798,265	-	2,912,163
Cash generated from operations		6,890,257	5,638,906	9,160,354	5,770,414	1,753,921	981,048
Interest paid		(181,877)	(221,461)	(171,990)	(140,743)	(58,600)	(52,905)
Tax paid		(2,048,166)	(1,817,124)	(1,553,857)	(2,473,943)	(1,283,714)	(863,418)
Tax refund		-	-	-	94,921	-	-
Net cash from operating activities		4,660,214	3,600,321	7,434,507	3,250,649	411,607	64,725

MINOX INTERNATIONAL GROUP BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND FINANCIAL PERIOD ENDED 30 APRIL 2023 (CONT'D)

	Note	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
INVESTING ACTIVITIES							
Proceeds from disposal of an associate		2,250,000	-	-	-	-	-
Proceeds from disposal of other investment		-	-	-	1,634,473	-	-
Proceeds from disposal of property, plant and equipment		-	-	2,045,234	4,784,000	-	81,000
Proceeds from disposal of right-of-use assets		175,000	-	-	-	218,700	-
Purchase of other investments		(1,970,998)	-	-	-	-	-
Purchase of property, plant and equipment		(2,435,571)	(484,762)	(236,238)	(278,704)	(11,789,869)	(54,163)
Purchase of right-of-use assets	A	(438,997)	(66,667)	(62,456)	(327,433)	(35,999)	(14,750)
Net cash (used in)/from investing activities		(2,420,566)	(551,429)	1,746,540	5,812,336	(11,607,168)	12,087
FINANCING ACTIVITIES							
Interest paid		(946,857)	(775,963)	(821,378)	(957,309)	(416,226)	(264,878)
Interest received		43,053	23,254	23,482	75,881	36,816	13,900
Issuance of share capital		-	-	-	827,373	-	745,677
Drawdown/(Withdrawal) of term loans		352,493	2,000,000	(711,796)	3,500,000	8,500,000	3,500,000
Dividends paid	25	(1,371,802)	(1,201,781)	(3,408,150)	(1,500,000)	-	-
Repayment of term loans		(1,262,000)	(916,337)	(1,527,496)	(3,677,391)	(696,690)	(489,058)
Repayment of lease liabilities		(558,403)	(401,825)	(347,370)	(446,636)	(386,723)	(110,429)
Repayment to a Director		(462,818)	(78,836)	(803,098)	(278,686)	-	(21,367)
Withdrawal of fixed deposits pledged		698,006	-	-	-	-	-
Net cash (used in)/from financing activities		(3,508,328)	(1,351,488)	(7,595,806)	(2,456,768)	7,037,177	3,373,845
CASH AND CASH EQUIVALENTS							
Net changes		(1,268,680)	1,697,404	1,585,241	6,606,217	(4,158,384)	3,450,657
Effect of foreign exchange translation		(53,330)	(311,801)	(78,128)	(1,767)	183,714	97,637
Brought forward		2,419,077	1,097,067	2,482,670	3,989,783	10,594,233	3,989,783
Carried forward	B	1,097,067	2,482,670	3,989,783	10,594,233	6,619,563	7,538,077

MINOX INTERNATIONAL GROUP BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND FINANCIAL PERIOD ENDED 30 APRIL 2023 (CONT'D)

NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS

A. PURCHASE OF RIGHT-OF-USE ASSETS

Right-of-use assets were acquired by the following means:-

	Audited					Unaudited
	1.1.2019 to 31.12.2019	1.1.2020 to 31.12.2020	1.1.2021 to 31.12.2021	1.1.2022 to 31.12.2022	1.1.2023 to 30.4.2023	1.1.2022 to 30.4.2022
	RM	RM	RM	RM	RM	RM
Purchase of right-of-use assets	3,223,465	66,667	184,642	1,613,455	897,398	268,250
Less: Acquisition by lease liabilities	(330,000)	-	(122,186)	(1,286,022)	(861,399)	(253,500)
Less: Acquisition by term loan	(2,454,468)	-	-	-	-	-
Cash payments	438,997	66,667	62,456	327,433	35,999	14,750

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the combined statements of cash flows comprise the following:-

	Audited					Unaudited
	1.1.2019 to 31.12.2019	1.1.2020 to 31.12.2020	1.1.2021 to 31.12.2021	1.1.2022 to 31.12.2022	1.1.2023 to 30.4.2023	1.1.2022 to 30.4.2022
	RM	RM	RM	RM	RM	RM
Cash and bank balances	4,819,327	4,867,365	7,659,367	12,540,665	9,192,565	7,538,077
Less: Bank overdrafts	(3,722,260)	(2,384,695)	(3,669,584)	(1,946,432)	(2,573,002)	-
Total cash and cash equivalents	1,097,067	2,482,670	3,989,783	10,594,233	6,619,563	7,538,077

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

MINOX INTERNATIONAL GROUP BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED FINANCIAL STATEMENTS - 31 DECEMBER 2019, 31 DECEMBER 2020, 31 DECEMBER 2021, 31 DECEMBER 2022 AND 30 APRIL 2023

1. **GENERAL INFORMATION**

1.1 **Introduction**

This report has been prepared solely to comply with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia and for inclusion in the prospectus of Minox International Group Berhad ("Minox") in connection with the listing of and quotation for the entire enlarged issued share capital of Minox on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (hereinafter defined as "the Listing") and should not be relied upon for any other purposes.

1.2 **Background**

The Company was incorporated on 18 July 2022 as a private limited liability company and domiciled in Malaysia. The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W. P. Kuala Lumpur. The principal place of business is located at 3, Jalan Industri PBP 11, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor.

On 16 December 2022, the Company was converted into a public limited liability company and assumed its current name of Minox International Group Berhad.

1.3 **Principal Activities**

The Company is principally involved in investment holding.

Details of the combining entities of Minox are as follows:-

Name of company	**Effective ownership**	**Principal activities**	**Date of incorporation**	**Principal place/Country of incorporation**
<u>Combining entities</u>				
MST Stainless Steel Sdn. Bhd.	100%	#	18 March 2004	Malaysia
Minox Valves and Fittings Sdn. Bhd.	100%	^	27 July 2006	Malaysia
Minox Valves & Fittings Pte. Ltd.	100%	^	12 November 2007	Singapore
MST Stainless Steel (S.E.A) Pte. Ltd.	100%	^	11 January 2011	Singapore
PT Minox Indonesia *	100%	^	7 February 2013	Indonesia
Minox Valves & Fittings Co., Ltd *	49%	^	13 June 2008	Thailand

* Audited and reviewed by member firms.
# The principal activities are engaged in business of import of stainless steel sanitary valves, tube & fittings, installation components & equipment, rubber hoses under the "MINOX®" brand and other related products for onward distribution to Minox's subsidiaries.
^ The principal activities are engaged in business of distribution of stainless steel sanitary valves, tube & fittings, installation components & equipment, rubber hoses under the "MINOX®" brand and other related products.

1. GENERAL INFORMATION (CONT'D)

1.4 The Acquisition

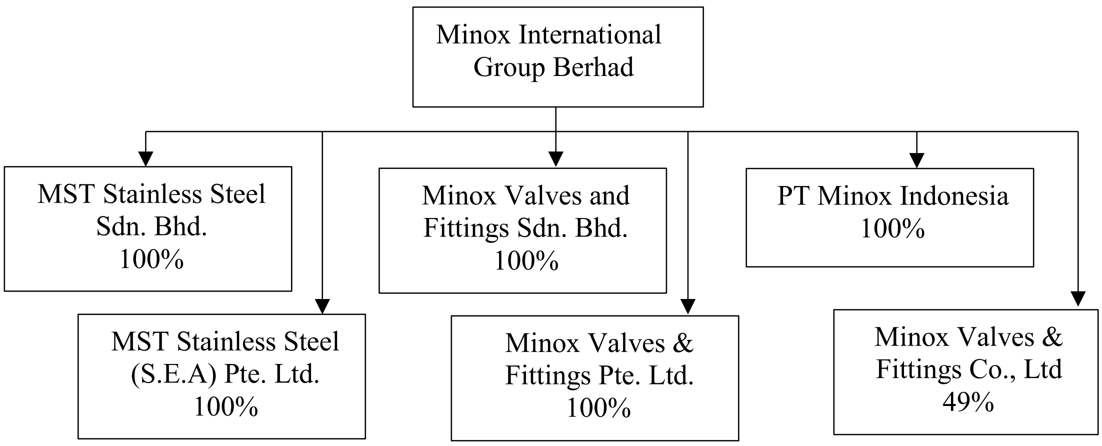
Minox International Group

The Minox International Group were formed pursuant to the completion of acquisition of its combining entities by Minox prior to the listing and quotation on the ACE Market of Bursa Malaysia Securities Berhad.

Minox will acquire the issued share capital of its combining entities comprising 2,785,300 ordinary shares ("Acquisition").

The aggregate purchase consideration for the above Acquisition is RM46,407,430 to be satisfied by the issuance of 269,999,999 new ordinary shares at an issue price of RM0.1719 per share.

Following the completion of the Acquisition, the expected group structure of Minox International Group is as follows:-



The Group is regarded as a continuing entity resulting from the Acquisition since the management of all the entities which took major part in the Acquisition which were controlled by the Directors and substantially under same major shareholders before and immediately after the Acquisition. Consequently, immediately after the Acquisition, there was a continuation of the control over entities' financial and operating policy decisions and risks and benefits to the ultimate shareholders that existed prior to the Acquisition. The Acquisition has been accounted for as an acquisition under common control in a manner similar to pooling of interests. Accordingly, the combined financial statements for the financial years/period ended ("FYE" or "FPE") 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 30 April 2023 have been prepared comprise the financial statements of the combining entities which were under common control of the ultimate shareholders that existed prior to the Acquisition during the relevant periods or since their respective dates of incorporation.

No financial statements of Minox International Group Berhad was included for the financial years 31 December 2019, 31 December 2020 and 31 December 2021 as Minox International Group Berhad was only incorporated on 18 July 2022.

1. **GENERAL INFORMATION (CONT'D)**

1.5 **Auditors**

The relevant financial years/period of the audited financial statements used for the purpose of preparation of the combined financial statements ("Relevant Financial Years/Period") and the Auditors are as follows:-

Company	Relevant Financial Years/Period	Auditors
Minox International Group Berhad	FPE 31 December 2022 FPE 30 April 2023	Grant Thornton Malaysia PLT
Minox Valves and Fittings Sdn. Bhd. ("Minox MY")	FYE 31 December 2019 FYE 31 December 2020 FYE 31 December 2021 FYE 31 December 2022 FPE 30 April 2023	Grant Thornton Malaysia PLT
MST Stainless Steel Sdn. Bhd. ("MST MY")	FYE 31 December 2019 FYE 31 December 2020 FYE 31 December 2021 FYE 31 December 2022 FPE 30 April 2023	Grant Thornton Malaysia PLT
Minox Valves & Fittings Pte. Ltd. ("Minox SG")	FYE 31 December 2019 FYE 31 December 2020 FYE 31 December 2021 FYE 31 December 2022 FPE 30 April 2023	Grant Thornton Malaysia PLT
MST Stainless Steel (S.E.A) Pte. Ltd. ("MST SG")	FYE 31 December 2019 FYE 31 December 2020 FYE 31 December 2021 FYE 31 December 2022 FPE 30 April 2023	Grant Thornton Malaysia PLT
PT Minox Indonesia ("Minox ID")	FYE 31 December 2019 FYE 31 December 2020 FYE 31 December 2021 FYE 31 December 2022 FPE 30 April 2023	Gani Sigiro & Handayani
Minox Valves & Fittings Co., Ltd ("Minox TH")	FYE 31 December 2019* FYE 31 December 2020* FYE 31 December 2021* FYE 31 December 2022* FPE 30 April 2023*	Panwa Auditing Company Limited

* Review by Grant Thornton Limited for the purposes of inclusion into the combined financial statements of the Group.

The audited financial statements of all the companies for the Relevant Financial Years/Period reported above were not subject to any qualification or modifications.

2. BASIS OF PREPARATION OF THE COMBINED FINANCIAL STATEMENTS

2.1 Statement of Compliance

The combined financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs") based on the Guidance Note on 'Combined Financial Statements' issued by the Malaysian Institute of Accountants in relation to the Listing.

The combined financial statements consist of the financial statements of combining entities ("the Group") as disclosed in Note 1.5 to this report, which were under common control throughout the reporting years/periods by virtue of common controlling shareholders.

The combined financial statements have been prepared using financial information obtained from the records of the combining entities during the reporting years/periods.

The financial information as presented in the combined financial statements do not correspond to the financial statements of the Group, as the combined financial statements reflect business combinations under common control for the purpose of the Listing. Consequently, the combined financial information from the combined financial statements do not purport to predict the financial positions, results of operations and cash flows of the Group during the reporting years/periods.

2.2 Basis of Measurement

The combined financial statements of the Group are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

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

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

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

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

2. BASIS OF PREPARATION OF THE COMBINED FINANCIAL STATEMENTS (CONT'D)

2.2 Basis of Measurement (cont'd)

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

Level 1	-	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2	-	Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
Level 3	-	Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

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

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

2.3 Functional and Presentation Currency

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

2.4 MFRSs

2.4.1 Adoption of Amendments/Improvements to MFRSs

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

At the beginning of current financial years/periods, the combining entity adopted amendments/improvements to MFRSs which have been applied using the full retrospective approach.

The initial application of the amendments/improvements to the standards did not have a material financial impact to the combined financial statements upon its first adoption.

2.4.2 Standards Issued But Not Yet Effective

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

2. **BASIS OF PREPARATION OF THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

2.4 **MFRSs (cont'd)**

2.4.2 **Standards Issued But Not Yet Effective (cont'd)**

MFRS, Amendments to MFRSs effective for annual periods beginning on or after 1 January 2023

MFRS 17* and Amendments to MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	Income Taxes: International Tax Reform: Pillar Two Model Rules

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease - Lease Liability in a Sales and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements: Non-current Liabilities with Covenants
Amendments to MFRS 101	Presentation of financial statements: Classification of Liabilities as Current or Non-current

Amendments to MFRSs effective for a date yet to be confirmed

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

* Not applicable to the Group

The initial application of the above new and amended standards, are not expected to have material financial impact to the combined financial statements of the Group.

2.5 **Significant Accounting Estimates and Judgements**

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

2. BASIS OF PREPARATION OF THE COMBINED FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Key Sources of Estimation Uncertainty

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

Useful Lives of Depreciable Assets

Management estimates the useful lives of the depreciable assets to be within 2.5 to 50 years/periods and reviews the useful lives of depreciable assets at end each of the reporting period. At reporting date, management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulted in the adjustment to the Group's assets.

Impairment of Non-financial Assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, the management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, the management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

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

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future.

Provision for Expected Credit Losses ("ECLs") of Receivables

The Group uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss pattern (i.e., by geography, product type, customer type and rating).

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

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

2. BASIS OF PREPARATION OF THE COMBINED FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Key Sources of Estimation Uncertainty (cont'd)

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

Income Taxes/Deferred Tax Liabilities

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

Post-employment Benefits (Defined Benefit Plan)

The obligation under defined plan is determined based on various assumptions including discount rate, future salary increment rate, mortality rates and other demographic factors.

Leases - Estimating the Incremental Borrowing Rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

Deferred Tax Assets

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

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the combined statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

2. BASIS OF PREPARATION OF THE COMBINED FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.2 Judgement Made in Applying Accounting Policies

The followings are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the combined financial statements:-

Deferred Tax Assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Lease

Management uses judgement in determining the rate to discount the lease payments and assess whether a right-of-use asset is impaired. Furthermore, the Group estimates the lease term and reassess whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances.

In most cases, determining the appropriate discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. In assessing the lease term and the likelihood of any extensions or early terminations, the management monitors the cash inflows from each right-of-use asset and evaluates whether such extensions or early terminations would lead to economic benefits for the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Consolidation

3.1.1 Subsidiaries

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

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

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

3.1 **Consolidation (cont'd)**

3.1.1 **Subsidiaries (cont'd)**

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

3.1.2 **Basis of Consolidation**

Merger Method

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of the subsidiaries resulted in a business involving common control entities since the management of all the entities which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements. The merger method of accounting on a retrospective basis and restated its comparative as if the consolidation had taken place before the state of the earliest period presented in the combined financial statements.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been effected throughout the current year. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Acquisition Method

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

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

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

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

3.1 **Consolidation (cont'd)**

3.1.2 **Basis of Consolidation (cont'd)**

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

3.1.3 **Business Combinations and Goodwill**

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

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date at fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed off and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 9 either in profit or loss or as a charge to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised immediately in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities acquired are assigned to those units.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.3 Business Combinations and Goodwill (cont'd)

Where goodwill forms part of a cash-generating unit and part of operation within the unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3.1.4 Loss of Control

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

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

3.1.5 Non-controlling Interests

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

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

3.1.6 Eliminations on Consolidation

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

3.2 Property, Plant and Equipment

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, Plant and Equipment (cont'd)

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

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. All property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Buildings	2% - 5%
Computer and software	20% - 33%
Furniture and fittings	20% - 33%
Motor vehicles	12.5% - 33%
Office equipment	10% - 33%
Plant and machinery	10% - 20%
Renovation and installation	5% - 33%
Warehouse and tool equipment	20% - 33%

Freehold land has an infinite useful life and therefore is not depreciated.

Capital work-in-progress consists of property, plant and equipment under construction for intended use. The amount is stated at cost and is not depreciated until the assets are ready for the intended use.

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

Restoration cost relating to an item of property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits from the existing property, plant and equipment beyond its previously assessed standard of performance.

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

Property, plant and equipment are written down to recoverable amount if, in the opinion of the Directors, it is less than their carrying value. Recoverable amount is the net selling price of the property, plant and equipment i.e. the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investment Properties

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

Subsequent to initial recognition, investment properties are measured at fair value and are revalued annually and are included in the combined statements of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment properties are immediately recognised in the profit or loss in the year in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment properties and are supported by market evidence.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment properties are recognised in the profit or loss in the financial year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change.

3.4 Financial Instruments

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

3.4.1 Financial Assets

Initial Recognition and Measurement

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

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

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

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

3.4 **Financial Instruments (cont'd)**

3.4.1 **Financial Assets (cont'd)**

Initial Recognition and Measurement (cont'd)

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

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

Subsequent Measurement

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

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

The Group classify its financial assets in the following categories:-

Financial Assets at Amortised Cost

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

Financial Assets at Fair Value Through Profit or Loss

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Financial assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial Instruments (cont'd)

3.4.1 Financial Assets (cont'd)

Subsequent Measurement (cont'd)

The Group classify its financial assets in the following categories (cont'd):-

Financial Assets at Fair Value Through Other Comprehensive Income (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVTOCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income ("OCI"). Equity instruments designated at FVTOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Derecognition

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

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

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

Impairment

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial Instruments (cont'd)

3.4.1 Financial Assets (cont'd)

Impairment (cont'd)

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

Impairment for Trade Receivables

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. 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.

To measure ECLs, trade receivables are differentiated by the different business risks and are subject to different credit assessments. The Group considers the expected credit loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Impairment for Financial Assets Other than Trade Receivables

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

Credit Impaired

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flows have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments.

3.4.2 Financial Liabilities

Initial Recognition and Measurement

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

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

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

3.4 **Financial Instruments (cont'd)**

3.4.2 **Financial Liabilities (cont'd)**

Subsequent Measurement

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

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

The Group only has financial liabilities at amortised cost on its combined statements of financial position.

Financial Liabilities at Amortised Cost

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

The financial liabilities at amortised cost include trade and most of other payables, amount due to related parties and a Director, and borrowings.

Derecognition

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

3.4.3 **Offsetting of Financial Instruments**

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

3.5 **Impairment of Non-financial Assets**

Further disclosures relating to impairment of non-financial assets are also provided in the following notes to the combined financial statements:-

Note 2.5 - Significant accounting estimates and judgements
Note 3.2 - Property, plant and equipment
Note 3.3 - Investment properties
Note 3.8 - Right-of-use assets

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

The Group assesses at each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

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

3.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances and bank overdrafts which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

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

For the purpose of presentation in the combined statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

3.7 Equity, Reserves and Distribution to Owners

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Equity, Reserves and Distribution to Owners (cont'd)

Retained earnings include all current years/period profits and prior year retained profits.

Interim dividends are simultaneously proposed and declared, because the constitution of the Group grants the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Final dividends proposed by the Directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

The distribution of non-cash assets to owners is recognised as a dividend payable when the dividend was approved by shareholders. The dividend payable is measured at the fair value of the shares to be distributed. At the end of the financial year, the Group reviews the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable are recognised in equity. When the Group settles the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

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

3.8 Leases

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

As a Lessee

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

<u>Right-of-use Assets</u>

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

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

Motor vehicles	4 – 5 years
Warehouse storage	4 years
Leasehold properties	30 years

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

3.8 **Leases (cont'd)**

As a Lessee (cont'd)

Right-of-use Assets (cont'd)

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

Lease Liabilities

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

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

Short-term Leases and Leases of Low-value Assets

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

As a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the combined statements of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other income in the period in which they are earned.

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

3.9 **Inventories**

Inventories are trading goods. Inventories are stated at the lower of cost and net realisable value. Where necessary, allowance is made for deteriorated, obsolete and slow-moving inventories.

Cost of trading goods is determined on weighted average. Cost includes the original purchase price plus direct cost of bringing these inventories to their present condition and location.

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

3.10 **Revenue Recognition**

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

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

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

Revenue from contracts with customers is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group 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 standalone selling prices of the goods or services promised in the contract.

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

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

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
(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.

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

3.10 **Revenue Recognition (cont'd)**

3.10.1 **Other Revenue Recognition**

Rental Income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Interest Income

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

Other Revenue

All other revenue are recognised when the right to receive payment is established and to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

3.11 **Borrowing Costs**

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

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

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

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

3.12 **Employee Benefits**

3.12.1 **Short-term Employee Benefits**

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

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

3.12 **Employee Benefits (cont'd)**

3.12.2 **Defined Contribution Plan**

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

Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, the Group makes such contributions to the Employees Provident Fund ("EPF").

Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as result of services rendered by employees up to the balance sheet date.

3.12.3 **Defined Benefit Plan**

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation is of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when settlement occurs.

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

3.13 **Tax Expense**

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

3.13.1 **Current Tax**

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

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

3.13.2 **Deferred Tax**

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

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

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

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

Unutilised business losses, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Tax Expense (cont'd)

3.13.3 Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of the amount of GST, except:-

(i) When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

(ii) When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable, or payable to, the taxation authority is included as part of receivables or payables in the combined statements of financial position.

3.14 Provisions

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

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

3.15 Contingencies

3.15.1 Contingent Liabilities

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

3.15.2 Contingent Assets

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

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

3.16 **Foreign Currency Translation**

3.16.1 **Foreign Currency Transactions and Balances**

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising in translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

3.16.2 **Foreign Operations**

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiaries, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Related Parties

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

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

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

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

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

3.18 Operating Segments

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

13. ACCOUNTANTS' REPORT *(Cont'd)*

4. PROPERTY, PLANT AND EQUIPMENT

	Computer and software RM	Office equipment RM	Freehold land and building RM	Warehouse and tool equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation and installation RM	Plant and machinery RM	Capital work-in-progress RM	Total RM
Cost										
At 1 January 2019	323,200	307,312	13,274,233	364,145	152,910	450,190	1,290,958	432,463	-	16,595,411
Additions	106,457	255,725	2,796,505	124,728	314,181	65,836	1,372,078	196,566	-	5,232,076
Transfer to right-of-use assets	-	-	(2,796,505)	-	-	-	-	-	-	(2,796,505)
Foreign currency translation differences	1,207	8,253	147,650	626	1,602	9,207	1,497	-	-	170,042
At 31 December 2019	430,864	571,290	13,421,883	489,499	468,693	525,233	2,664,533	629,029	-	19,201,024
Additions	29,696	42,862	17,838	-	9,459	-	384,907	-	-	484,762
Written off	(54,526)	(75,621)	-	(26,680)	(34,298)	-	(116,787)	(136,000)	-	(443,912)
Disposal	-	(10,584)	-	-	-	-	-	-	-	(10,584)
Foreign currency translation differences	(793)	(4,489)	(40,509)	(176)	(1,645)	(4,662)	(9,724)	-	-	(61,998)
At 31 December 2020	405,241	523,458	13,399,212	462,643	442,209	520,571	2,922,929	493,029	-	19,169,292
Additions	10,753	14,881	-	-	145	25,092	183,517	1,850	-	236,238
Written off	-	(6,298)	-	-	-	-	-	-	-	(6,298)
Disposal	-	-	(1,933,758)	-	-	(298,624)	-	-	-	(2,232,382)
Transfer from right-of-use assets	-	-	1,933,758	-	-	655,096	-	-	-	2,588,854
Foreign currency translation differences	2,496	(4,286)	(141,875)	3,790	1,692	(2,307)	13,044	-	-	(127,446)
At 31 December 2021	418,490	527,755	13,257,337	466,433	444,046	899,828	3,119,490	494,879	-	19,628,258
Additions	22,795	112,052	-	1,880	23,819	-	116,958	1,200	-	278,704
Written off	(13,525)	(4,194)	-	-	-	-	(15,191)	-	-	(32,910)
Disposal	-	-	(3,056,000)	-	-	(427,368)	-	-	-	(3,483,368)
Transfer from right-of-use assets	-	-	-	-	-	312,736	-	-	-	312,736
Foreign currency translation differences	10,798	3,241	37,834	16,223	2,348	9,678	(4,889)	-	-	75,233
At 31 December 2022	438,558	638,854	10,239,171	484,536	470,213	794,874	3,216,368	496,079	-	16,778,653

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

	Computer and software RM	Office equipment RM	Freehold land and building RM	Warehouse and tool equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation and installation RM	Plant and machinery RM	Capital work-in-progress RM	Total RM
Cost (cont'd)										
At 1 January 2023	438,558	638,854	10,239,171	484,536	470,213	794,874	3,216,368	496,079	-	16,778,653
Additions	11,958	18,209	11,509,004	193,144	5,047	-	-	6,000	46,507	11,789,869
Foreign currency translation differences	5,322	15,748	53,313	5,265	5,139	17,981	46,137	-	-	148,905
At 30 April 2023	455,838	672,811	21,801,488	682,945	480,399	812,855	3,262,505	502,079	46,507	28,717,427
Accumulated depreciation										
At 1 January 2019	257,895	234,471	725,531	218,278	109,469	344,912	459,316	307,591	-	2,657,463
Charge for the financial year	40,992	74,614	395,263	82,666	44,590	55,801	235,974	71,777	-	1,001,677
Transfer to right-of-use assets	-	-	(169,356)	-	-	-	-	-	-	(169,356)
Foreign currency translation differences	1,035	5,892	15,711	472	907	7,198	999	-	-	32,214
At 31 December 2019	299,922	314,977	967,149	301,416	154,966	407,911	696,289	379,368	-	3,521,998
Charge for the financial year	46,705	72,202	227,303	76,789	73,132	43,006	444,212	72,937	-	1,056,286
Written off	(51,897)	(73,485)	-	(26,680)	(33,752)	-	(111,867)	(136,000)	-	(433,681)
Disposal	-	(10,706)	-	-	-	-	-	-	-	(10,706)
Foreign currency translation differences	(669)	(3,065)	(5,132)	(228)	(1,076)	(3,851)	(2,019)	-	-	(16,040)
At 31 December 2020	294,061	299,923	1,189,320	351,297	193,270	447,066	1,026,615	316,305	-	4,117,857
Charge for the financial year	43,644	73,579	228,812	49,098	71,163	32,628	514,422	63,003	-	1,076,349
Written off	-	(2,039)	-	-	-	-	-	-	-	(2,039)
Disposal	-	-	(502,777)	-	-	(284,624)	-	-	-	(787,401)
Transfer from right-of-use assets	-	-	502,777	-	-	655,096	-	-	-	1,157,873
Foreign currency translation differences	2,453	(3,384)	(23,760)	3,502	1,412	(2,154)	4,943	-	-	(16,988)
At 31 December 2021	340,158	368,079	1,394,372	403,897	265,845	848,012	1,545,980	379,308	-	5,545,651

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

	Computer and software RM	Office equipment RM	Freehold land and building RM	Warehouse and tool equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation and installation RM	Plant and machinery RM	Capital work-in-progress RM	Total RM
Accumulated depreciation (cont'd)										
At 1 January 2022	340,158	368,079	1,394,372	403,897	265,845	848,012	1,545,980	379,308	-	5,545,651
Charge for the financial year	39,415	79,705	206,358	25,008	72,421	6,619	501,896	56,521	-	987,943
Written off	(13,525)	(2,007)	-	-	-	-	(9,914)	-	-	(25,446)
Disposal	-	-	(346,962)	-	-	(415,293)	-	-	-	(762,255)
Transfer from right-of-use assets	-	-	-	-	-	312,736	-	-	-	312,736
Foreign currency translation differences	10,322	2,670	7,583	16,219	2,166	9,280	5,059	-		53,299
At 31 December 2022	376,370	448,447	1,261,351	445,124	340,432	761,354	2,043,021	435,829	-	6,111,928
Charge for the financial period	11,414	30,047	62,646	21,060	25,099	1,776	155,763	13,553	-	321,358
Foreign currency translation differences	4,813	7,459	11,456	5,261	4,758	16,801	18,750	-		69,298
At 30 April 2023	392,597	485,953	1,335,453	471,445	370,289	779,931	2,217,534	449,382	-	6,502,584
Net carrying amount										
At 31 December 2019	130,942	256,313	12,454,734	188,083	313,727	117,322	1,968,244	249,661	-	15,679,026
At 31 December 2020	111,180	223,535	12,209,892	111,346	248,939	73,505	1,896,314	176,724	-	15,051,435
At 31 December 2021	78,332	159,676	11,862,965	62,536	178,201	51,816	1,573,510	115,571	-	14,082,607
At 31 December 2022	62,188	190,407	8,977,820	39,412	129,781	33,520	1,173,347	60,250	-	10,666,725
At 30 April 2023	63,241	186,858	20,466,035	211,500	110,110	32,924	1,044,971	52,697	46,507	22,214,843

The cost and carrying amount of the freehold land amounted to RM19,836,861 and RM18,934,818 (31.12.2022: RM8,327,857 and RM7,469,816, 31.12.2021: RM11,383,857 and RM10,330,135, 31.12.2020: RM11,383,857 and RM10,500,689, 31.12.2019: RM11,383,857 and RM10,671,243) respectively is not segregated from the building as required details are not available and unreasonable expenses would be incurred.

The carrying amount of freehold land and building amounted to RM11,509,004 (31.12.2022, 31.12.2021, 31.12.2020, 31.12.2019: Nil) are pledged as security for bank borrowings disclosed in Note 15 to the combined financial statements.

5. **RIGHT-OF-USE ASSETS**

The Company has leases for warehouse storage, motor vehicles and leasehold properties that run from 4 years to 30 years.

The Company also has leases of premises with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemption for these leases.

	Motor vehicles RM	Warehouse storage RM	Leasehold properties RM	Total RM
Cost				
At 1 January 2019	1,293,194	926,968	6,786,808	9,006,970
Additions	359,561	67,399	-	426,960
Disposal	(349,000)	-	-	(349,000)
Transfer from property, plant and equipment	-	-	2,796,505	2,796,505
Foreign currency translation differences	961	-	12,744	13,705
At 31 December 2019	1,304,716	994,367	9,596,057	11,895,140
Additions	-	66,667	-	66,667
Termination	-	(37,538)	-	(37,538)
Foreign currency translation differences	(270)	(2,055)	(5,049)	(7,374)
At 31 December 2020	1,304,446	1,021,441	9,591,008	11,916,895
Additions	122,186	62,456	-	184,642
Transfer to property, plant and equipment	(655,096)	-	(1,933,758)	(2,588,854)
Termination	-	(38,325)	-	(38,325)
Foreign currency translation differences	7,701	1,981	144,199	153,881
At 31 December 2021	779,237	1,047,553	7,801,449	9,628,239
Additions	911,650	701,805	-	1,613,455
Transfer to property, plant and equipment	(312,736)	-	-	(312,736)
Termination	-	(65,735)	-	(65,735)
Foreign currency translation differences	16,642	(4,129)	477,142	489,655
At 31 December 2022	1,394,793	1,679,494	8,278,591	11,352,878
Additions	427,000	470,398	-	897,398
Disposal	(359,561)	(926,968)	-	(1,286,529)
Foreign currency translation differences	1,967	9,518	153,738	165,223
At 30 April 2023	1,464,199	1,232,442	8,432,329	11,128,970

5. **RIGHT-OF-USE ASSETS (CONT'D)**

	Motor vehicles RM	Warehouse storage RM	Leasehold properties RM	Total RM
Accumulated depreciation				
At 1 January 2019	986,964	37,453	1,041,826	2,066,243
Charge for the financial year	157,391	238,723	296,152	692,266
Disposal	(279,200)	-	-	(279,200)
Foreign currency translation differences	961	98	2,371	3,430
At 31 December 2019	866,116	276,274	1,340,349	2,482,739
Charge for the financial year	158,446	277,083	320,396	755,925
Termination	-	(37,967)	-	(37,967)
Foreign currency translation differences	(270)	(592)	(1,403)	(2,265)
At 31 December 2020	1,024,292	514,798	1,659,342	3,198,432
Charge for the financial year	109,950	289,574	259,958	659,482
Transfer to property, plant and equipment	(654,999)	-	(502,598)	(1,157,597)
Termination	-	(38,052)	-	(38,052)
Foreign currency translation differences	7,241	778	24,861	32,880
At 31 December 2021	486,484	767,098	1,441,563	2,695,145
Charge for the financial year	192,095	352,383	268,989	813,467
Transfer to property, plant and equipment	(312,736)	-	-	(312,736)
Termination	-	(65,735)	-	(65,735)
Foreign currency translation differences	15,610	(5,240)	95,134	105,504
At 31 December 2022	381,453	1,048,506	1,805,686	3,235,645
Charge for the financial period	100,091	206,808	92,790	399,689
Disposal	(275,663)	(926,968)	-	(1,202,631)
Foreign currency translation differences	709	5,258	34,435	40,402
At 30 April 2023	206,590	333,604	1,932,911	2,473,105
Net carrying amount				
At 31 December 2019	438,600	718,093	8,255,708	9,412,401
At 31 December 2020	280,154	506,643	7,931,666	8,718,463
At 31 December 2021	292,753	280,455	6,359,886	6,933,094
At 31 December 2022	1,013,340	630,988	6,472,905	8,117,233
At 30 April 2023	1,257,609	898,838	6,499,418	8,655,865

Except for warehouse storage, the above motor vehicles are under finance lease arrangement which are pledged as security for related lease liabilities and the leasehold properties are mortgaged to a bank for term loan facilities.

6. INVESTMENT PROPERTIES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Fair value:-					
At 1 January	8,216,862	9,500,000	9,500,000	9,500,000	9,500,000
Fair value adjustments	1,283,138	-	-	-	-
At 31 December/30 April	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Rental income	367,800	265,208	387,600	387,600	129,200	129,200
Direct operating expenses for investment properties:						
- Income generating investment properties	9,157	9,157	9,157	9,157	5,348	4,081

Investment properties pledged as securities to financial institutions

Net carrying amount of investment properties pledged as securities for bank borrowings is as follow:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Freehold land and building	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000

The cost and carrying amount of the freehold land is not segregated from the building as required details are not available and unreasonable expenses would be incurred.

Investment properties are stated at fair value, which has been determined based on valuation performed by independent valuer with recent experience in the location and category of properties being valued at the end of the reporting year using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for the differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The fair values of the investment properties are within level 2 of the fair value hierarchy.

There were no transfers between level 1, 2 and 3 during the financial years/period.

7. **OTHER INVESTMENTS**

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Non-current					
Financial assets at FVTPL:					
- Keyman insurance contracts (Note 7.1)	1,031,411	997,916	979,472	958,300	976,096
Current					
Financial assets at FVTOCI:					
- Unquoted shares outside Malaysia (Note 7.2)	1,484,945	1,484,945	1,484,945	-	-

7.1 Keyman insurance contracts relates to life insurance policies insured for a Director of the Group and a Director of the combined entity.

The keyman insurance contracts represent the expected cash value from the life insurance policies which have been assigned to licensed banks as security for banking facilities granted by a combined entity as disclosed in Note 15 to the combined financial statements.

7.2 On 5 December 2021, MST MY had issued a Director Circular Resolution to propose disposal the investment in unquoted shares because it is no longer in line with the Group's strategy as per disclose in Note 33(ii) to the combined financial statements.

8. **DEFERRED TAX ASSETS/(LIABILITIES)**

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
At 1 January	456,993	774,066	1,037,949	1,132,734	1,354,834
Recognised in profit or loss	317,073	263,883	94,785	222,100	278,532
At 31 December/30 April	774,066	1,037,949	1,132,734	1,354,834	1,633,366
Presented:-					
Deferred tax assets	1,098,066	1,339,949	1,413,734	1,636,834	1,915,366
Deferred tax liabilities	(324,000)	(302,000)	(281,000)	(282,000)	(282,000)
	774,066	1,037,949	1,132,734	1,354,834	1,633,366

The deferred tax assets/(liabilities) are made up of temporary differences arising from:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Property, plant and equipment					
At 1 January	414	(49,000)	(27,000)	(6,000)	(7,000)
Recognised in profit or loss	(49,414)	22,000	21,000	(1,000)	-
At 31 December/30 April	(49,000)	(27,000)	(6,000)	(7,000)	(7,000)
Right-of-use assets					
At 1 January	-	-	-	158	314
Recognised in profit or loss	-	-	158	156	37
At 31 December/30 April	-	-	158	314	351

8. **DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**

The deferred tax assets/(liabilities) are made up of temporary differences arising from (cont'd):-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Investment property					
At 1 January	(94,000)	(275,000)	(275,000)	(275,000)	(275,000)
Recognised in profit or loss	(181,000)	-	-	-	-
At 31 December/30 April	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)
Employee benefits obligation					
At 1 January	1,486	30,892	25,468	48,831	49,011
Recognised in profit or loss	29,406	(5,424)	23,363	180	12,081
At 31 December/30 April	30,892	25,468	48,831	49,011	61,092
Others					
At 1 January	907,845	1,067,174	1,314,481	1,364,745	1,587,509
Recognised in profit or loss	159,329	247,307	50,264	222,764	266,414
At 31 December/30 April	1,067,174	1,314,481	1,364,745	1,587,509	1,853,923
Total	774,066	1,037,949	1,132,734	1,354,834	1,633,366

9. **INVENTORIES**

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Trading goods:-					
At cost	11,696,013	14,589,677	19,170,848	23,623,265	27,304,312
At net realisable value	1,998,368	2,910,984	-	923	-
	13,694,381	17,500,661	19,170,848	23,624,188	27,304,312

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Recognised in profit or loss:-						
Inventories written down	1,838,878	-	90,033	430,775	153,544	-
Reversal of inventories written down	-	(2,237,219)	(2,300,468)	(19,374)	(20,731)	-
Inventories recognised in cost of sales	38,242,227	41,235,338	26,664,257	14,704,802	7,340,199	5,126,834

The reversal of inventories written down was made and recognised in profit or loss when the related inventories were sold above their carrying amount.

10. TRADE RECEIVABLES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Gross amount	9,057,214	8,913,169	7,145,957	9,050,605	10,200,821
Less: Impairment losses	-	-	-	(25,065)	(25,537)
Carrying amount	9,057,214	8,913,169	7,145,957	9,025,540	10,175,284

Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Company's normal trade credit term granted to the trade receivables ranging from cash term to 90 days (31.12.2022, 31.12.2021, 31.12.2020 and 31.12.2019: cash term to 90 days). Other credit terms are assessed and approved by management on a case-by-case basis.

The movements of impairment losses during the financial year is as follows:-

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Collective impairment:-					
At 1 January	-	-	-	-	25,065
Charge for the financial years/period	-	-	-	26,338	-
Reversal for the financial years/period	-	-	-	-	(1,420)
Foreign currency translation	-	-	-	(1,273)	1,892
At 31 December/30 April	-	-	-	25,065	25,537

11. OTHER RECEIVABLES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Non-trade receivables	102,994	6,237	40,049	33,002	81,305
Deposits	233,213	234,695	191,238	1,877,937	274,356
Advance payment to suppliers	7,412	2,910	408,680	246,091	8,771
Prepayment	423,481	378,938	372,951	1,479,737	2,313,485
GST/VAT receivable	22,829	67,508	557	1,730	9,074
	789,929	690,288	1,013,475	3,638,497	2,686,991

12. AMOUNT DUE FROM/(TO) RELATED PARTIES

Related parties refer to the companies in which Directors have interests.

The amount due from/(to) related parties arose mainly from trade transactions. This outstanding amount is trade transactions with credit term ranging from 60 to 90 days (31.12.2022, 31.12.2021, 31.12.2020 and 31.12.2019: 60 to 90 days).

13. SHARE CAPITAL AND RESERVES

13.1 Share Capital

	Minox International Group Berhad Unit	MST Stainless Steel Sdn. Bhd. Unit	Minox Valves and Fittings Sdn. Bhd. Unit	PT Minox Indonesia Unit	MST Stainless Steel (S.E.A) Pte. Ltd. Unit	Minox Valves & Fittings Pte. Ltd. Unit	Minox Valves & Fittings Co., Ltd Unit	Total Unit
Issued and fully paid with no par value:-								
Number of ordinary shares:-								
At 31 December 2019/31 December 2020 /31 December 2021	-	1,500,000	200,000	25,500	50,000	10,000	9,800	1,795,300
At date of incorporation	1	-	-	-	-	-	-	1
Issuance of share capital	-	-	-	-	-	260,000	-	260,000
Issuance of share pursuant to:								
- bonus issue	-	-	-	-	-	730,000	-	730,000
At 31 December 2022/30 April 2023	1	1,500,000	200,000	25,500	50,000	1,000,000	9,800	2,785,301
Issued and fully paid with no par value:-								
Amount:-								
At 31 December 2019/31 December 2020 /31 December 2021	-	1,500,000	200,000	734,400	151,775	30,355	124,391	2,740,921
At date of incorporation	1	-	-	-	-	-	-	1
Issuance of share capital	-	-	-	-	-	827,372	-	827,372
Issuance of share pursuant to:								
- bonus issue	-	-	-	-	-	2,323,006	-	2,323,006
At 31 December 2022/30 April 2023	1	1,500,000	200,000	734,400	151,775	3,180,733	124,391	5,891,300

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 and rank equally with regard to the Company's residual assets.

13. SHARE CAPITAL AND RESERVES (CONT'D)

13.1 Share Capital (cont'd)

During the financial period, the issued and paid-up capital of a combined entity, Minox Valves & Fittings Pte. Ltd. increased from RM30,355 to RM3,180,733 by way of the followings:-

(i) issuance of 260,000 units of share at an issue price of SGD 1 (equivalent to RM3.1822) per ordinary shares; and
(ii) issuance of bonus shares of 730,000 units of ordinary shares via capitalisation of retained earnings.

13.2 Legal Reserves

Under the provisions of the Civil and Commercial Code in Thailand, the combined entity in Thailand is required to set aside as a legal reserve at least 5% of its net income at each dividend declaration until the reserve reaches 10% of the authorised share capital. The legal reserve is not available for dividend distribution.

13.3 Foreign Exchange Translation Reserves

Foreign currency translation differences arising on the translation of the Group's foreign combining entities are includes in exchange translation reserve.

14. EMPLOYEE BENEFITS OBLIGATION

Movement in the employee benefits obligation for the financial years ended 31 December 2019, 2020, 2021, 2022 and financial period ended 30 April 2023 are as follows:-

	31.12.2019	31.12.2020	31.12.2021	31.12.2022	30.4.2023
	RM	RM	RM	RM	RM
At 1 January	87,872	144,091	127,339	122,002	102,523
Recognised in profit or loss	56,219	(16,752)	(5,337)	(19,479)	49,293
At 31 December/30 April	144,091	127,339	122,002	102,523	151,816

Significant assumptions are summarised below:-

Discount rate (%)	2.04 - 7.00	2.04	2.89	3.66	3.10
Future salary increase (%)	4.83 - 7.00	4.47	4.27	4.47	4.52
Normal retirement age	56 - 60	60	60	60	60

On 5 April 2019, the Labor Protection Act was published in the Royal Thai Government Gazette, which determined employer to pay compensation if an employee works consecutively for a period of 20 years or more. The employee has right to receive severance payment of 400 days of wages at the most recent rate.

The combined entity expects not to pay long-term employee benefit during the next financial year.

15. BORROWINGS

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Non-current					
Secured:-					
Term loans	20,327,374	20,673,982	18,562,048	17,669,472	25,396,202
Current					
Secured:-					
Term loans	883,942	1,604,293	1,536,381	2,568,317	2,745,986
Bank overdraft	3,722,260	2,384,695	3,669,584	1,946,432	2,573,002
	4,606,202	3,988,988	5,205,965	4,514,749	5,318,988
Total borrowings					
Term loans	21,211,316	22,278,275	20,098,429	20,237,789	28,142,188
Bank overdraft	3,722,260	2,384,695	3,669,584	1,946,432	2,573,002
	24,933,576	24,662,970	23,768,013	22,184,221	30,715,190
Effective interest rate:-					
Term loans (%)	1.53 - 10.29	0.61 - 7.65	1.28 - 8.10	3.24 - 7.25	3.26 - 7.80
Bank overdraft (%)	7.65	6.67	6.42	6.42	6.42

The above borrowings are secured by the followings:-

(i) Pledge of keyman insurance contracts of a combined entity;
(ii) A legal charge over freehold and leasehold properties and investment properties of the Group as disclosed in Notes 4, 5 and 6 to the combined financial statements;
(iii) Joint and several guarantee and indemnity by the Directors of the Group; and
(iv) Guaranteed for up to 80% of the principal sum by Credit Corporation Malaysia Berhad (CGC).

16. LEASE LIABILITIES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Non-current	823,551	485,225	270,038	799,193	1,171,647
Current	396,766	333,367	321,370	632,658	736,183
	1,220,317	818,592	591,408	1,431,851	1,907,830

The maturity analysis of lease liabilities is disclosed in Note 29.2.2 to the combined financial statements.

16. **LEASE LIABILITIES (CONT'D)**

The following are the amounts recognised in profit or loss:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Depreciation of right-of-use assets	692,266	755,925	659,482	813,467	399,689	214,060
Interest expense on lease liabilities	79,474	70,521	44,744	54,775	31,772	12,558
Short-term leases	83,795	31,626	30,008	91,150	37,677	6,275
	855,535	858,072	734,234	959,392	469,138	232,893

The total cash outflow for leases of the Group amounted to RM456,172 (31.12.2022: RM592,561, 30.4.2022: RM129,262, 31.12.2021: RM422,122, 31.12.2020: RM503,972 and 31.12.2019: RM721,672).

The effective interest rates of lease liabilities of the Group are charged at rates ranging from 3.57% to 11.37% (31.12.2022, 31.12.2021, 31.12.2020 and 31.12.2019: 3.57% to 11.37%) per annum.

The lease liabilities of the Group amounting to RM744,448 (31.12.2022: RM553,191, 31.12.2021: RM236,869, 31.12.2020: RM297,295 and 31.12.2019: RM361,280) are secured by way of guarantee by certain Directors of the Group.

17. **AMOUNT DUE TO A DIRECTOR**

The amount due to a Director is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Non-current	279,732	274,171	254,870	-	-
Current	902,128	823,499	21,218	-	-
	1,181,860	1,097,670	276,088	-	-

18. **TRADE PAYABLES**

The trade payables are non-interest bearing and the normal credit terms granted by the suppliers to the Group ranging from 30 to 90 days (31.12.2022, 31.12.2021, 31.12.2020 and 31.12.2019: 30 to 90 days).

19. OTHER PAYABLES

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Non-trade payables	194,459	143,723	96,095	272,832	103,584
Accruals	401,364	376,930	342,206	962,816	780,088
Director withholding tax	1,706	2,046	2,771	4,410	4,082
Deposit received in advance	505,715	102,793	93,893	213,285	219,044
GST payable	61,596	70,232	44,556	38,348	72,265
	1,164,840	695,724	579,521	1,491,691	1,179,063

20. REVENUE

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Revenue from contract with customers						
Products transferred at a point in time:						
- Sales of goods	40,195,428	38,804,441	34,359,347	45,019,715	16,429,344	13,470,412

21. FINANCE INCOME

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Current account	43,053	23,254	23,482	75,881	36,816	13,900

22. FINANCE COSTS

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Interest expense:						
- Bank overdraft	181,877	221,461	171,990	140,743	58,600	52,905
- Lease liabilities	79,474	70,521	44,744	54,775	31,772	12,558
- Term loans	867,383	705,442	776,634	902,534	384,454	252,320
	1,128,734	997,424	993,368	1,098,052	474,826	317,783

23. PROFIT BEFORE TAX

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

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Bad debts written off	18,576	5,598	-	11,734	-	-
Depreciation of property, plant and equipment	832,321	1,056,286	1,076,349	987,943	321,358	258,819
Depreciation of right-of-use assets	692,266	755,925	659,482	813,467	399,689	214,060
Directors' fee	169,432	214,759	181,968	388,715	183,082	118,140
Expense arising from leases:						
- Expenses relating to short-term lease	83,400	28,578	28,961	84,601	37,398	5,741
- Expenses relating to low-value assets	395	3,048	1,047	6,549	279	534
Gain on disposal of right-of-use assets	(105,200)	-	-	-	(134,802)	-
Gain on disposal of property, plant and equipment	-	-	(600,764)	(2,062,887)	-	(68,925)
Gain on early termination of lease contract	(30,431)	-	-	-	-	-
Loss on early settlement of term loan	-	-	-	50,772	-	-
Property, plant and equipment written off	-	10,231	4,259	7,464	-	-
Realised loss/(gain) on foreign exchange	315,148	59,372	397,934	2,687	63,313	(10,368)
Unrealised loss/(gain) on foreign exchange	471,952	146,629	3,949	(101,355)	(24,014)	7,240

24. TAX EXPENSE

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated taxable profits for the financial years/periods.

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Current tax						
- Current years/periods	1,924,556	1,658,488	2,512,397	3,199,565	639,793	655,277
- Over provision in prior financial years	(1,671)	(13,361)	-	(33,633)	-	(24,958)
	1,922,885	1,645,127	2,512,397	3,165,932	639,793	630,319
Deferred tax						
- Current years/periods	(51,565)	(263,883)	(94,785)	(222,100)	(278,532)	(125,323)
- Under recognised in prior financial years	188,414	-	-	-	-	-
	136,849	(263,883)	(94,785)	(222,100)	(278,532)	(125,323)
	2,059,734	1,381,244	2,417,612	2,943,832	361,261	504,996

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

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Profit before tax	10,247,570	5,567,771	10,756,000	13,493,085	2,271,978	2,059,699
Tax at Malaysian statutory tax rate of 24%	2,459,417	1,336,265	2,581,440	3,238,340	545,275	494,328
Tax effects in respect of:-						
Change in tax rate for first tranche of chargeable income	(115,987)	(92,955)	(118,888)	(84,000)	(87,000)	(42,000)
Changes in fair value of investment properties	(307,953)	-	-	-	-	-
Different tax rate in different country	(55,199)	(92,727)	(147,855)	(108,220)	(64,243)	(40,032)
Expenses not deductible for tax purposes	303,663	381,195	494,316	729,232	125,603	105,991
Effect of real property gain tax	94,000	-	-	-	-	-

24. TAX EXPENSE (CONT'D)

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated taxable profits for the financial years/periods (cont'd).

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Effect of forex exchange	7,341	(5,275)	(1,511)	-	-	-
Income tax rebate	(22,962)	(16,163)	-	-	-	-
Movement of deferred tax assets not recognised	68,635	-	-	83,164	(43,642)	53,729
Non-taxable income	(489,160)	(115,735)	(329,979)	(612,557)	(53,427)	(20,301)
Over provision of tax expense in prior financial years	(1,671)	(13,361)	-	(33,633)	-	(24,958)
Singapore statutory stepped income tax exemption	(68,804)	-	(59,911)	(268,494)	(61,305)	(21,761)
Under recognised of deferred tax in prior financial years	188,414	-	-	-	-	-
	2,059,734	1,381,244	2,417,612	2,943,832	361,261	504,996

Deferred tax assets have not been recognised in respect of these items (stated as gross) as it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Inventories written down	404,046	404,046	404,046	477,231	477,231	404,046
Property, plant and equipment	-	-	17,398	3,637	-	3,501
Unabsorbed business losses	-	-	-	236,303	-	303,019
Unutilised capital allowance	-	-	-	14,553	-	14,006
	404,046	404,046	421,444	731,724	477,231	724,572

25. DIVIDENDS

The amount of dividends declared since the end of previous financial year were as follows:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
In respect of the financial year ended 31 December 2022:-						
Final single tier dividend at RM1.00 per ordinary share of MST MY paid on 12 September 2022	-	-	-	1,500,000	-	-
In respect of the financial year ended 31 December 2021:-						
First interim single tier dividend at RM30.84 per ordinary share of Minox SG paid on 30 December 2021	-	-	308,420	-	-	-
First interim single tier dividend at RM0.61 per ordinary share of MST MY paid on 19 December 2021	-	-	909,670	-	-	-
Final interim single tier dividend at RM64.80 per ordinary share of Minox TH paid on 8 December 2021	-	-	647,961	-	-	-
In respect of the financial year ended 31 December 2020:-						
First interim single tier dividend at RM169.12 per ordinary share of Minox SG paid on 11 May 2021	-	-	-	-	-	-
Final single tier dividend at RM154.21 per ordinary share of Minox SG paid on 11 May 2021	-	-	1,542,099	-	-	-
First interim single tier dividend at RM15.23 per ordinary share of Minox SG paid on 30 December 2020	-	152,311	-	-	-	-
Final interim single tier dividend at RM80.58 per ordinary share of Minox TH paid on 8 December 2020	-	805,772	-	-	-	-

25. DIVIDENDS (CONT'D)

The amount of dividends declared since the end of previous financial year were as follows (cont'd):-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
In respect of the financial year ended 31 December 2019:-						
Final single tier dividend at RM24.37 per ordinary share of Minox SG paid on 25 August 2020	-	243,698	-	-	-	-
First interim single tier dividend at RM106.81 per ordinary share of Minox TH paid on 1 August 2019	1,068,106	-	-	-	-	-
In respect of the financial year ended 31 December 2018:-						
Final single tier dividend RM30.37 per ordinary share of Minox SG paid on 1 June 2019	303,696	-	-	-	-	-
	1,371,802	1,201,781	3,408,150	1,500,000	-	-

The Directors do not propose any final dividend for the respective financial years.

26. EMPLOYEE BENEFITS EXPENSE

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Fees	169,432	214,759	181,968	388,715	183,082	118,140
Salaries, bonus and other emoluments	7,226,433	7,433,837	7,121,172	7,520,460	3,420,793	2,753,242
Defined contribution plans	577,901	605,209	600,196	681,139	341,087	253,562
Social security contribution	23,531	25,951	24,895	28,405	11,950	8,907
	7,997,297	8,279,756	7,928,231	8,618,719	3,956,912	3,133,851

26. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Included in the employee benefits expense is the Directors' remuneration as follows:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Fees	169,432	214,759	181,968	388,715	183,082	118,140
Salaries, bonus and other emoluments	2,345,731	2,560,477	2,431,619	2,790,797	1,243,590	991,763
Defined contribution plans	204,008	208,228	200,106	223,431	117,233	82,767
Social security contribution	1,658	1,658	1,658	1,885	1,386	552
	2,720,829	2,985,122	2,815,351	3,404,828	1,545,291	1,193,222

27. RELATED PARTY DISCLOSURES

(a) Significant related party transactions for the financial years/periods were as follows:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Sales to related parties	3,276,178	2,408,997	2,102,564	410,450	-	329,397
Purchase from related parties	1,237,189	1,594,199	629,632	1,437,183	-	760,080
Rental paid to a Director of the Group	18,000	18,000	18,000	-	-	-

(b) The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 12 and 17 to the combined financial statements.

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

27. **RELATED PARTY DISCLOSURES (CONT'D)**

(c) Key management includes all the Directors and certain members of senior management of the Group. The remuneration of key management personnel are as follows:-

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Salaries and other emoluments	925,804	985,506	952,812	1,220,865	612,322	507,418
Defined contribution plans	96,491	98,909	99,842	127,476	69,645	48,645
Benefit-in-kind	-	-	7,000	5,522	9,000	1,167
	1,022,295	1,084,415	1,059,654	1,353,863	690,967	557,230
Directors' remuneration (Note 26)	2,720,829	2,985,122	2,815,351	3,404,828	1,545,291	1,193,222
	3,743,124	4,069,537	3,875,005	4,758,691	2,236,258	1,750,452

28. **CAPITAL COMMITMENT**

Capital expenditure in respect of the following is not provided for in the combined financial statements.

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Authorised and contracted for:					
- Purchase a piece of land	-	-	-	10,230,00	-
- Installation of racking system	-	-	-	-	108,437
- Renovation building	579,207	615,902	-	-	-
- Motor vehicles	-	-	277,130	-	-

29. **FINANCIAL INSTRUMENTS**

29.1 **Categories of Financial Instruments**

The table below provides an analysis of financial instruments measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income.

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Financial assets					
Amortised cost					
Trade receivables	9,057,214	8,913,169	7,145,957	9,025,540	10,175,284
Other receivables	343,619	243,842	639,967	2,157,030	364,432
Amount due from related parties	1,838,917	2,862,492	3,471,404	-	-
Cash and bank balances	4,819,327	4,867,365	7,659,367	12,540,665	9,192,565
	16,059,077	16,886,868	18,916,695	23,723,235	19,732,281
Other investments:					
- FVTPL	1,031,411	997,916	979,472	958,300	976,096
- FVTOCI	1,484,945	1,484,945	1,484,945	-	-

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 Categories of Financial Instruments (cont'd)

The table below provides an analysis of financial instruments measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income (cont'd).

	31.12.2019	31.12.2020	31.12.2021	31.12.2022	30.4.2023
	RM	RM	RM	RM	RM
Financial liabilities					
Amortised cost					
Trade payables	6,043,929	8,202,395	5,705,051	2,755,792	4,200,229
Other payables	1,101,538	623,446	532,194	1,448,933	1,102,716
Amount due to related parties	549,199	706,681	490,294	-	-
Amount due to a Director	1,181,860	1,097,670	276,088	-	-
Borrowings	24,933,576	24,662,970	23,768,013	22,184,221	30,715,190
	33,810,102	35,293,162	30,771,640	26,388,946	36,018,135

29.2 Financial Risk Management

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The Group has established policies and procedures to ensure effective management of credit risk, liquidity risk, interest rate risk and foreign exchange risk.

The following sections explain key risks faced by the Group and its management. Financial assets and financial liabilities of the Group are summarised in Note 3.4 to the combined financial statements.

29.2.1 Credit Risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

It is the Group's policy to enter into a financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses on their financial assets or other financial instruments.

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

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

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial Risk Management (cont'd)

29.2.1 Credit Risk (cont'd)

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

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Financial assets					
Trade receivables	9,057,214	8,913,169	7,145,957	9,025,540	10,175,284
Other receivables	343,619	243,842	639,967	2,157,030	364,432
Amount due from related parties	1,838,917	2,862,492	3,471,404	-	-
Cash and bank balances	4,819,327	4,867,365	7,659,367	12,540,665	9,192,565
	16,059,077	16,886,868	18,916,695	23,723,235	19,732,281

Trade Receivables and Other Receivables

Recognition and Measurement of Impairment Loss

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

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

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

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

(a) overall past trend payments of customers;
(b) financial performances of each individual customers; and
(c) gross domestic product growth rate, base lending rate and historical rate.

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

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial Risk Management (cont'd)

29.2.1 Credit Risk (cont'd)

Trade Receivables and Other Receivables (cont'd)

Recognition and Measurement of Impairment Loss (cont'd)

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

	Gross carrying amount RM	Expected credit loss - Collective RM	Net carrying amount RM
31.12.2019			
Not past due	4,960,786	-	4,960,786
Past due 1 to 30 days	2,440,965	-	2,440,965
Past due 31 to 60 days	718,682	-	718,682
Past due 61 to 90 days	312,502	-	312,502
Past due 91 to 120 days	560,011	-	560,011
Past due more than 120 days	64,268	-	64,268
	9,057,214	-	9,057,214
31.12.2020			
Not past due	3,799,379	-	3,799,379
Past due 1 to 30 days	1,709,323	-	1,709,323
Past due 31 to 60 days	894,681	-	894,681
Past due 61 to 90 days	211,911	-	211,911
Past due 91 to 120 days	588,054	-	588,054
Past due more than 120 days	1,709,821	-	1,709,821
	8,913,169	-	8,913,169
31.12.2021			
Not past due	4,743,491	-	4,743,491
Past due 1 to 30 days	1,710,212	-	1,710,212
Past due 31 to 60 days	475,307	-	475,307
Past due 61 to 90 days	43,862	-	43,862
Past due 91 to 120 days	173,085	-	173,085
	7,145,957	-	7,145,957
31.12.2022			
Not past due	5,361,444	3,840	5,357,604
Past due 1 to 30 days	1,143,927	2,243	1,141,684
Past due 31 to 60 days	1,066,152	2,269	1,063,883
Past due 61 to 90 days	740,772	473	740,299
Past due 91 to 120 days	718,801	16,240	702,561
Past due more than 120 days	19,509	-	19,509
	9,050,605	25,065	9,025,540

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial Risk Management (cont'd)

29.2.1 Credit Risk (cont'd)

Trade Receivables and Other Receivables (cont'd)

Recognition and Measurement of Impairment Loss (cont'd)

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

	Gross carrying amount RM	Expected credit loss - Collective RM	Net carrying amount RM
30.4.2023			
Not past due	6,248,264	782	6,247,482
Past due 1 to 30 days	2,366,128	192	2,365,936
Past due 31 to 60 days	1,119,474	297	1,119,177
Past due 61 to 90 days	156,220	390	155,830
Past due 91 to 120 days	310,735	23,876	286,859
	10,200,821	25,537	10,175,284

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

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

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

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

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial Risk Management (cont'd)

29.2.1 Credit Risk (cont'd)

Trade Receivables and Other Receivables (cont'd)

Credit risk concentration

As at reporting date, the Group has significant concentration of credit risk related to two (31.12.2022: two, 31.12.2021: two, 31.12.2020: one and 31.12.2019: two) customers which constituted approximately 30% (31.12.2022: 26%, 31.12.2021: 26%, 31.12.2020: 33% and 31.12.2019: 25%) of the Group's trade receivables.

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

Other receivables

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

Intercompany balances

The outstanding balances with intercompany are trade and there was no indication that the balances are not recoverable.

Cash and cash equivalents

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

29.2.2 Liquidity Risk

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

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

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

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial Risk Management (cont'd)

29.2.2 Liquidity Risk (cont'd)

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

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	Between 1 to 5 years RM	More than 5 years RM
31.12.2019					
Trade payables	6,043,929	6,043,929	6,043,929	-	-
Other payables	1,101,538	1,101,538	1,101,538	-	-
Amount due to a Director	1,181,860	1,181,860	1,181,860	-	-
Amount due to related parties	549,199	549,199	549,199	-	-
Borrowings	24,933,576	32,036,123	5,267,708	7,727,308	19,041,107
Lease liabilities	1,220,317	1,353,992	448,567	905,425	-
	35,030,419	42,266,641	14,592,801	8,632,733	19,041,107
31.12.2020					
Trade payables	8,202,395	8,202,395	8,202,395	-	-
Other payables	623,446	623,446	623,446	-	-
Amount due to a Director	1,097,670	1,097,670	1,097,670	-	-
Amount due to related parties	706,681	706,681	706,681	-	-
Borrowings	24,662,970	31,282,762	4,769,626	9,157,183	17,355,953
Lease liabilities	818,592	881,784	376,872	504,912	-
	36,111,754	42,794,738	15,776,690	9,662,095	17,355,953
31.12.2021					
Trade payables	5,705,051	5,705,051	5,705,051	-	-
Other payables	532,194	532,194	532,194	-	-
Amount due to a Director	276,088	276,088	276,088	-	-
Amount due to related parties	490,294	490,294	490,294	-	-
Borrowings	23,768,013	29,526,674	5,866,957	7,858,720	15,800,997
Lease liabilities	591,408	625,856	348,247	277,609	-
	31,363,048	37,156,157	13,218,831	8,136,329	15,800,997
31.12.2022					
Trade payables	2,755,792	2,755,792	2,755,792	-	-
Other payables	1,448,933	1,448,933	1,448,933	-	-
Borrowings	22,184,221	25,649,571	3,274,486	9,297,817	13,077,268
Lease liabilities	1,431,851	1,541,459	713,541	827,918	-
	27,820,797	31,395,755	8,192,752	10,125,735	13,077,268

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial Risk Management (cont'd)

29.2.2 Liquidity Risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follow (cont'd):-

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	Between 1 to 5 years RM	More than 5 years RM
30.4.2023					
Trade payables	4,200,229	4,200,229	4,200,229	-	-
Other payables	1,102,716	1,102,716	1,102,716	-	-
Borrowings	30,715,190	39,566,162	4,116,387	10,996,797	24,452,978
Lease liabilities	1,907,830	2,083,051	837,317	1,101,130	144,604
	37,925,965	46,952,158	10,256,649	12,097,927	24,597,582

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

29.2.3 Interest Rate Risk

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

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

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

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

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Fixed rate instruments					
Financial liabilities					
Lease liabilities	1,220,317	818,592	591,408	1,431,851	1,907,830
Floating rate instrument					
Financial liabilities					
Term loans	21,211,316	22,278,275	20,098,429	20,237,789	28,142,188
Bank overdraft	3,722,260	2,384,695	3,669,584	1,946,432	2,573,002
	24,933,576	24,662,970	23,768,013	22,184,221	30,715,190

29. **FINANCIAL INSTRUMENTS (CONT'D)**

29.2 **Financial Risk Management (cont'd)**

29.2.3 **Interest Rate Risk (cont'd)**

Fair Values Sensitivity Analysis for Fixed Rate Instruments

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

Cash Flows Sensitivity Analysis for Floating Rate Instrument

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rate of +/-50 (31.12.2022, 31.12.2021, 31.12.2020 and 31.12.2019: +/-50) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on a change in the average market interest rate for each period, and the financial instrument held at each reporting date that is sensitive to changes in interest rate. All other variables are held constant.

	Increase/(Decrease) in profit/equity	
	+50bp	-50bp
	RM	RM
31.12.2019	(124,668)	124,668
31.12.2020	(123,315)	123,315
31.12.2021	(118,840)	118,840
31.12.2022	(110,921)	110,921
30.4.2023	(153,576)	153,576

29.2.4 **Foreign Currency Risk**

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

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

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial Risk Management (cont'd)

29.2.4 Foreign Currency Risk (cont'd)

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

	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
Denominated in USD					
Financial assets					
Trade receivables	1,778,689	1,819,869	5,877	1,430,638	886,011
Other receivables	5,878	6,636	-	-	-
Amount due from related parties	1,838,917	2,862,492	3,471,404	-	-
Cash and bank balances	796,975	609,690	634,583	733,707	1,586,148
	4,420,459	5,298,687	4,111,864	2,164,345	2,472,159
Financial liabilities					
Trade payable	(5,814,725)	(8,033,931)	(5,597,623)	(2,612,558)	(4,138,563)
Other payable	(549,199)	(1,715)	(1,778)	-	-
Amount due to related parties	(1,748)	(706,681)	(490,294)	-	-
	(6,365,672)	(8,742,327)	(6,089,695)	(2,612,558)	(4,138,563)
Net exposure	(1,945,213)	(3,443,640)	(1,977,831)	(448,213)	(1,666,404)

Foreign currency risk sensitivity analysis

The following table illustrates the sensitivity of profit/equity with regards to the Group's financial assets and financial liabilities and the RM/USD exchange rate assuming all other things being equal.

A +/-1% (31.12.2022, 31.12.2021, 31.12.2020 and 31.12.2019: +/-1%) change in the RM/USD exchange rate at the reporting period is deemed possible. The percentages have been determined based on average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the RM had strengthened/weakened against the USD by 1% (31.12.2022, 31.12.2021, 31.12.2020 and 31.12.2019: 1%), then the impact would be as follows:-

	Increase/(Decrease) in profit/equity				
	31.12.2019 RM	31.12.2020 RM	31.12.2021 RM	31.12.2022 RM	30.4.2023 RM
RM/USD					
Strengthened 1%	19,452	34,436	19,778	4,482	16,664
Weakened 1%	(19,452)	(34,436)	(19,778)	(4,482)	(16,664)

29. FINANCIAL INSTRUMENTS (CONT'D)

29.3 Fair Value of Financial Instruments

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

29.4 Fair Value Hierarchy

The following table shows the valuation techniques used in the determination of fair values within level 3, as well as the key unobservable inputs used in the valuation models.

Type	**Description of valuation technique and inputs used**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Keyman insurance contracts	The fair value of keyman insurance contracts is based on the cash surrender value in accordance with the insurance policy provided by the insurance company.	Cash surrender value quoted by the insurance company	The estimated fair value would higher if the surrender value were higher.
Unquoted shares	The fair value of unquoted shares is based on the net assets of the invested company.	Net assets	The estimated fair value would increase/decrease if the net assets were higher/lower.

Policy on transfer between level

The fair value of the financial instruments to be transferred between levels are determined as of the date of the event or change in circumstances that caused the transfer. There is no transfer between all 3 level during the financial years/period.

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1.1.2019 RM	Cash flows RM	Additions RM	Other RM	31.12.2019 RM
Amount due to a Director	1,624,042	(462,818)	-	20,636	1,181,860
Lease liabilities	1,478,941	(558,403)	330,000	(30,221)	1,220,317
Term loans	19,590,485	(1,262,000)	2,806,961	75,870	21,211,316
	22,693,468	(2,283,221)	3,136,961	66,285	23,613,493

	1.1.2020 RM	Cash flows RM	Additions RM	Other RM	31.12.2020 RM
Amount due to a Director	1,181,860	(78,836)	-	(5,354)	1,097,670
Lease liabilities	1,220,317	(401,825)	-	100	818,592
Term loans	21,211,316	(916,337)	2,000,000	(16,704)	22,278,275
	23,613,493	(1,396,998)	2,000,000	(21,958)	24,194,537

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

	1.1.2021 RM	Cash flows RM	Additions RM	Other RM	31.12.2021 RM
Amount due to a Director	1,097,670	(803,098)	-	(18,484)	276,088
Lease liabilities	818,592	(347,370)	122,186	(2,000)	591,408
Term loans	22,278,275	(1,527,496)	(711,796)	59,446	20,098,429
	24,194,537	(2,677,964)	(589,610)	38,962	20,965,925

	1.1.2022 RM	Cash flows RM	Additions RM	Other RM	31.12.2022 RM
Amount due to a Director	276,088	(278,686)	-	2,598	-
Lease liabilities	591,408	(446,636)	1,286,022	1,057	1,431,851
Term loans	20,098,429	(3,677,391)	3,500,000	316,751	20,237,789
	20,965,925	(4,402,713)	4,786,022	320,406	21,669,640

	1.1.2023 RM	Cash flows RM	Additions RM	Other RM	30.4.2023 RM
Lease liabilities	1,431,851	(386,723)	861,399	1,303	1,907,830
Term loans	20,237,789	(696,690)	8,500,000	101,089	28,142,188
	21,669,640	(1,083,413)	9,361,399	102,392	30,050,018

	1.1.2022 RM	Cash flows RM	Additions RM	Other RM	Unaudited 30.4.2022 RM
Amount due to a Director	276,088	(21,367)	-	5,149	259,870
Lease liabilities	591,408	(110,429)	253,500	1,178	735,657
Term loans	20,098,429	(489,058)	3,500,000	118,302	23,227,673
	20,965,925	(620,854)	3,753,500	124,629	24,223,200

31. SEGMENTAL INFORMATION

Business Segments

(a) **Operating Segments**

The Group is principally involved in the distribution of stainless steel sanitary valves, tube & fittings, installation components & equipment, rubber hoses under the "MINOX®" brand and other related products.

No products and service segment information are presented as the Group views the Group as a single reportable segment.

31. **SEGMENTAL INFORMATION (CONT'D)**

Business Segments (cont'd)

(b) **Geographical Information**

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

	1.1.2019 to 31.12.2019 RM	1.1.2020 to 31.12.2020 RM	1.1.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.1.2023 to 30.4.2023 RM	Unaudited 1.1.2022 to 30.4.2022 RM
Revenue						
Primary geographical market:-						
- Malaysia	11,925,313	10,557,439	11,174,230	16,230,460	4,441,229	4,412,360
- Singapore	7,303,727	8,727,528	5,166,147	7,735,026	4,243,982	2,010,611
- Thailand	6,141,187	6,532,568	3,989,049	4,224,450	1,289,026	1,166,230
- Indonesia	10,428,452	10,057,397	11,122,518	14,592,316	5,689,226	5,451,460
- Others	4,396,749	2,929,509	2,907,403	2,237,463	765,881	429,751
	40,195,428	38,804,441	34,359,347	45,019,715	16,429,344	13,470,412

(c) **Information about Major Customers**

There is no major customers with revenue equal to or more than ten percent of revenue of the Group.

32. **CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjusts the dividend payment to shareholders, return capital to shareholders or issue new share capital. No changes were made in the objective, policies or processes during the financial years/periods.

33. **SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS/PERIOD AND SUBSEQUENT TO THE REPORTING PERIOD**

(i) The global and domestic economies encountered unprecedented challenges during the financial years ended 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and financial period ended 30 April 2023 as a result of the continuing Coronavirus ("COVID-19") pandemic. The Malaysian government implemented several counter-measures by imposing strict lockdowns, movement restrictions and closing borders to curb the COVID-19 outbreak in Malaysia. Despite the challenges, the Company does not expect any material financial impact on the combined financial statements of the Company.

33. **SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS/PERIOD AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)**

(ii) On 22 May 2019, MVF Manufacturing Taiwan Co., Ltd. ("MVFM TW") (formerly known as MSTSS Manufacturing Taiwan Co., Ltd.) was incorporated by a combined entity, MST MY with ownership own 55% and remaining 45% held by five other shareholders to venture into the manufacturing of sanitary valves and unions. On 5 December 2021, MST MY had issued a Directors Circular Resolution to propose disposal of MVFM TW as the Group opted to exclude MVFM TW from the listing structure.

MST MY had disposed its entire shareholdings, representing 55% equity interest in MVFM TW for a total cash consideration of 11,000,000 Taiwanese Dollar (equivalent to approximately RM1.60 million). The disposal was completed on 19 July 2022.

Arising from the above, MVFM TW is no longer under common control of the Group and hence being excluded from the listing structure. Thus, the financial statements of MVFM TW is not included in the combined financial statements.

(iii) On 14 June 2022, a combined entity, Minox SG has issuance of 260,000 units of ordinary shares at an issue price of SGD 1 (equivalent to RM3.1822) per ordinary shares and issuance of bonus issue of 730,000 units of ordinary shares via capitalisation of retained earnings.

(iv) On 4 November 2022, a combined entity, MST MY entered into a sale and purchase agreement to acquire a piece of freehold industrial land, measuring approximately 2,099.59 square metres bearing postal address, 4, Jalan Industri PBP 9, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan for a total consideration of RM11,000,000. The acquisition was completed on 13 March 2023.

(v) On 1 December 2022, the Company entered into a share sale agreement with the shareholders of MST MY to acquire the entire equity interest in MST MY, comprising 1,500,000 ordinary shares for a total purchase consideration of RM21,365,430. The purchase consideration for the acquisition of MST MY was satisfied by the issuance of 124,299,999 new shares to the shareholders at an issue price of RM0.1719 per share and the acquisition was completed on 8 June 2023.

On 1 December 2022, the Company entered into a share sale agreement with the shareholders of Minox MY to acquire the entire equity interest in Minox MY, comprising 200,000 ordinary shares for a total purchase consideration of RM4,016,810. The purchase consideration for the acquisition of Minox MY was satisfied by the issuance of 23,370,000 new shares to the shareholders at an issue price of RM0.1719 per share and the acquisition was completed on 8 June 2023.

On 1 December 2022, the Company entered into a share sale agreement with the shareholders of Minox TH to acquire the entire equity interest in Minox TH, comprising 9,800 ordinary shares for a total purchase consideration of RM2,620,680. The purchase consideration for the acquisition of Minox TH was satisfied by the issuance of 15,250,000 new shares to the shareholders at an issue price of RM0.1719 per share and the acquisition was completed on 8 June 2023.

On 1 December 2022, the Company entered into a share sale agreement with the shareholders of Minox SG to acquire the entire equity interest in Minox SG, comprising 1,000,000 ordinary shares for a total purchase consideration of RM3,505,940. The purchase consideration for the acquisition of Minox SG was satisfied by the issuance of 20,400,000 new shares to the shareholders at an issue price of RM0.1719 per share and the acquisition was completed on 15 June 2023.

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS/PERIOD AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)

(v) Cont'd

On 1 December 2022, the Company entered into a share sale agreement with the shareholders of MST SG to acquire the entire equity interest in MST SG, comprising 50,000 ordinary shares for a total purchase consideration of RM1,922,830. The purchase consideration for the acquisition of MST SG was satisfied by the issuance of 11,190,000 new shares to the shareholders at an issue price of RM0.1719 per share and the acquisition was completed on 15 June 2023.

On 1 December 2022 and 15 February 2023, the Company entered into a share sale agreement and supplemental agreement with the shareholders of Minox ID to acquire the entire equity interest in Minox ID, comprising 25,500 ordinary shares for a total purchase consideration of RM12,975,740. The purchase consideration for the acquisition of Minox ID was satisfied by the issuance of 75,490,000 new shares to the shareholders at an issue price of RM0.1719 per share and the acquisition was completed on 24 July 2023.

The above acquisition by Minox is to facilitate the Initial Public Offering ("IPO") exercise of Minox on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The acquisition by Minox is conditional upon the approval of Bursa Securities being obtained for Minox's IPO application. Upon the completion of acquisition, the combining entities become subsidiaries of Minox, as indicated in the group structure disclosed in Note 1.4 to the combined financial statements.

MINOX INTERNATIONAL GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, the undersigned, being the Directors of the Group, do hereby state that, in our opinion, the accompanying combined financial statements set out on pages 4 to 77 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the combined financial position as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 30 April 2023, and of their financial performance and combined cash flows for the financial years/period then ended.

....	....
CHEONG CHEE SON	LOOI POO POO

Kuala Lumpur
25 August 2023

MINOX INTERNATIONAL GROUP BERHAD
(Registration No.: 202201025834 (1471531-H))
(Incorporated in Malaysia)

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2023

GRANT THORNTON MALAYSIA PLT

CHARTERED ACCOUNTANTS

Member Firm of Grant Thornton International Ltd.

GrantThornton

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REPORTING ACCOUNTANTS' REPORT ON COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2023
(Prepared for inclusion in the Prospectus)

Date: 25 August 2023

The Board of Directors
Minox International Group Berhad
3, Jalan Industri PBP 11
Taman Industri Pusat Bandar Puchong
47100 Puchong, Selangor

Dear Sirs,

**MINOX INTERNATIONAL GROUP BERHAD ("COMPANY" OR "MINOX")
REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2023**

We have completed our assurance engagement to report on the compilation of the Pro Forma Combined Statements of Financial Position of Minox International Group Berhad and its subsidiaries ("Minox Group" or "the Group") as at 30 April 2023 together with the notes and assumptions thereto (which we have stamped for the purpose of identification). The Pro Forma Combined Statements of Financial Position have been compiled and prepared by the Directors of the Company for inclusion in the prospectus of the Company in connection with the initial public offering ("IPO") and the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

The Pro Forma Combined Statements of Financial Position as at 30 April 2023 have been compiled by the Directors of the Company, for illustrative purposes only, to show the effects of the Listing on the Combined Statement of Financial Position presented had the Listing been effected at the date stated. As part of this process, information about the Group's Combined Statements of Financial Position has been extracted by the Directors of the Company from the Group audited combined financial statements as at 30 April 2023.

Directors' Responsibility for the Pro Forma Combined Statements of Financial Position

The Directors of the Company are responsible for compiling the Pro Forma Combined Statements of Financial Position on the basis set out in Note to the Pro Forma Combined Statements of Financial Position ("Applicable Criteria").

Our Independence and Quality Control

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

Our firm applies International Standard on Quality Management ("ISQM") 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express an opinion, as required by the prospectus Guidelines, about whether the Pro Forma Combined Statements of Financial Position have been properly compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Combined Statements of Financial Position on the basis of the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Combined Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Combined Statements of Financial Position.

The purpose of the Pro Forma Combined Statements of Financial Position included in the Prospectus is solely to illustrate the impact as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro Forma Combined Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions enumerated in the notes thereto, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The Pro Forma Combined Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

GrantThornton

Our Responsibility (cont'd)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Combined Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Combined Statements of Financial Position.

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

Opinion

In our opinion, the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis set out in the notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with requirements of Prospectus Guidelines.

Other Matter

This report has been prepared solely for the purpose of inclusion in the Prospectus in connection with the Listing. It is not intended to be used for any other purposes. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

GRANT THORNTON MALAYSIA PLT	LIM CHOOI LING
(201906003682 & LLP0022494-LCA)	(NO: 03537/11/2024(J))
CHARTERED ACCOUNTANTS (AF 0737)	CHARTERED ACCOUNTANT

Kuala Lumpur
25 August 2023

MINOX INTERNATIONAL GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2023

The Pro Forma Combined Statements of Financial Position of the Group as at 30 April 2023 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note on the assumption that these transactions were completed on 30 April 2023, and should be read in conjunction with the accompanying notes to the Pro Forma Combined Statements of Financial Position.

	Note	Statement of Financial Position as at 30.4.2023	Adjustments for Acquisitions	Pro Forma I After Acquisitions	Adjustments for Proposed Public Issue ("IPO")	Pro Forma II After Proposed IPO	Adjustments for Utilisation of Proceeds from IPO	Pro Forma III After Utilisation of Proceeds from IPO
		RM	RM	RM	RM	RM	RM	RM
ASSETS								
Non-current assets								
Property, plant and equipment		-	22,214,843	22,214,843	-	22,214,843	-	22,214,843
Right-of-use assets		-	8,655,865	8,655,865	-	8,655,865	-	8,655,865
Investment properties		-	9,500,000	9,500,000	-	9,500,000	-	9,500,000
Other investments		-	976,096	976,096	-	976,096	-	976,096
Deferred tax assets		-	1,915,366	1,915,366	-	1,915,366	-	1,915,366
Total non-current assets		-	43,262,170	43,262,170	-	43,262,170	-	43,262,170
Current assets								
Inventories		-	27,304,312	27,304,312	-	27,304,312	-	27,304,312
Trade receivables		-	10,175,284	10,175,284	-	10,175,284	-	10,175,284
Other receivables		-	2,686,991	2,686,991	-	2,686,991	-	2,686,991
Tax recoverable		-	195,068	195,068	-	195,068	-	195,068
Cash and bank balances	4.1	1	9,192,564	9,192,565	22,500,000	31,692,565	(7,900,000)	23,792,565
Total current assets		1	49,554,219	49,554,220	22,500,000	72,054,220	(7,900,000)	64,154,220
Total assets		**1**	**92,816,389**	**92,816,390**	**22,500,000**	**115,316,390**	**(7,900,000)**	**107,416,390**

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION *(Cont'd)*

MINOX INTERNATIONAL GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2023 (CONT'D)

The Pro Forma Combined Statements of Financial Position of the Group as at 30 April 2023 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note on the assumption that these transactions were completed on 30 April 2023, and should be read in conjunction with the accompanying notes to the Pro Forma Combined Statements of Financial Position (cont'd).

	Note	Statement of Financial Position as at 30.4.2023 RM	Adjustments for Acquisitions RM	Pro Forma I After Acquisitions RM	Adjustments for Proposed Public Issue ("IPO") RM	Pro Forma II After Proposed IPO RM	Adjustments for Utilisation of Proceeds from IPO RM	Pro Forma III After Utilisation of Proceeds from IPO RM
EQUITY AND LIABILITIES								
EQUITY								
Equity attributable to owners of parent:-								
Share capital	4.2	1	46,407,430	46,407,431	22,500,000	68,907,431	(907,750)	67,999,681
Legal reserve		-	12,439	12,439	-	12,439	-	12,439
Foreign exchange translation reserves		-	1,113,976	1,113,976	-	1,113,976	-	1,113,976
Retained earnings	4.3	(12,093)	42,745,876	42,733,783	-	42,733,783	(2,492,250)	40,241,533
Merger deficit	4.4	-	(40,516,131)	(40,516,131)	-	(40,516,131)	-	(40,516,131)
		(12,092)	49,763,590	49,751,498	22,500,000	72,251,498	(3,400,000)	68,851,498
Non-controlling interest		-	3,035,168	3,035,168	-	3,035,168	-	3,035,168
Total equity		(12,092)	52,798,758	52,786,666	22,500,000	75,286,666	(3,400,000)	71,886,666
LIABILITIES								
Non-current liabilities								
Employee benefits obligation		-	151,816	151,816	-	151,816	-	151,816
Deferred tax liabilities		-	282,000	282,000	-	282,000	-	282,000
Borrowing	4.5	-	25,396,202	25,396,202	-	25,396,202	(4,163,000)	21,233,202
Lease liabilities	4.5	-	1,171,647	1,171,647	-	1,171,647	-	1,171,647
Total non-current liabilities		-	27,001,665	27,001,665	-	27,001,665	(4,163,000)	22,838,665

MINOX INTERNATIONAL GROUP BERHAD AND ITS SUBSIDIARIES
PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2023 (CONT'D)

The Pro Forma Combined Statements of Financial Position of the Group as at 30 April 2023 as set out below are provided for illustrative purposes only to show the effects of th mentioned in Note on the assumption that these transactions were completed on 30 April 2023, and should be read in conjunction with the accompanying notes to the Pro Forma Combined Statements of Financial Position (cont'd).

	Note	Statement of Financial Position as at 30.4.2023	Adjustments for Acquisitions	Pro Forma I After Acquisitions	Adjustments for Proposed Public Issue ("IPO")	Pro Forma II After Proposed IPO	Adjustments for Utilisation of Proceeds from IPO	Pro Forma III After Utilisation of Proceeds from IPO
		RM	RM	RM	RM	RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)								
LIABILITIES (CONT'D)								
Current liabilities								
Trade payables		-	4,200,229	4,200,229	-	4,200,229	-	4,200,229
Other payables		12,093	1,166,970	1,179,063	-	1,179,063	-	1,179,063
Borrowings	4.5	-	5,318,988	5,318,988	-	5,318,988	(337,000)	4,981,988
Lease liabilities	4.5	-	736,183	736,183	-	736,183	-	736,183
Tax payable		-	1,593,596	1,593,596	-	1,593,596	-	1,593,596
Total current liabilities		12,093	13,015,966	13,028,059	-	13,028,059	(337,000)	12,691,059
Total liabilities		12,093	40,017,631	40,029,724	-	40,029,724	(4,500,000)	35,529,724
Total equity and liabilities		**1**	**92,816,389**	**92,816,390**	**22,500,000**	**115,316,390**	**(7,900,000)**	**107,416,390**
Issued ordinary share capital (Unit)		1	269,999,999	270,000,000	90,000,000	360,000,000	-	360,000,000
Net assets per share (RM)		-		0.18		0.20		0.19
Borrowings [1] (RM)		-		31,748,219		31,748,219		27,248,219
Gearing ratio (times)		-		0.64		0.44		0.40

Note:
[1] Based on total borrowings and lease liabilities excluding lease liabilities arising from the lease arrangement of warehouse.

MINOX INTERNATIONAL GROUP BERHAD AND ITS SUBSIDIARIES

1. BACKGROUND

Minox International Group Sdn. Bhd. ("Company" or "Minox") was incorporated on 18 July 2022 as a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur. On 16 December 2022, the Company was converted into a public limited liability company and assumed its current name of Minox International Group Berhad.

The principal place of business of the Company is located at 3, Jalan Industri PBP 11, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor.

2. BASIS OF PREPARATION

The Pro Forma Combined Statements of Financial Position of Minox International Group Berhad and its subsidiaries (collectively referred to as "Group" or "Minox Group") have been prepared for illustrative purposes only.

The Pro Forma Combined Statements of Financial Position of the Group have been prepared on the basis consistent with the accounting policies adopted by the Group for the financial period ended 30 April 2023, in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Prospectus Guidelines.

Merger method of accounting

For the purpose of accounting for the acquisition of its subsidiaries, MST Stainless Steel Sdn. Bhd. ("MST MY"), Minox Valves and Fittings Sdn. Bhd. ("Minox MY"), Minox Valves & Fittings Pte. Ltd. ("Minox SG"), MST Stainless Steel (S.E.A) Pte. Ltd. ("MST SG"), PT Minox Indonesia ("Minox ID) and Minox Valves & Fittings Co., Ltd ("Minox TH"), the Company has adopted the merger accounting principles as the Combined entities are under common control by the same parties before and after the Initial Public Offering. Under merger method of accounting, the difference between the cost of investment recorded by the Company (i.e. the consideration for the acquisition of its subsidiaries) and the share capital of its subsidiaries are accounted for as merger reserve, computed as follows:-

	RM
Consideration for the acquisition of its subsidiaries	46,407,430
Less: Issued share capital of its subsidiaries as at 30 April 2023	(5,891,299)
Merger reserve	40,516,131

MINOX INTERNATIONAL GROUP BERHAD AND ITS SUBSIDIARIES

3. **EVENT AFTER THE FINANCIAL PERIOD AND LISTING SCHEME**

(i) **Pro Forma I: Acquisitions**

The Acquisitions involve the acquisitions of MST MY, Minox MY, Minox SG, MST SG, Minox ID and Minox TH by the Company for a total purchase consideration of RM46,407,430 satisfied via the issuance of 269,999,999 new ordinary shares of the Company at an issue price of RM0.1719 per share.

(ii) **Pro Forma II: Proposed Initial Public Offering ("IPO")**

(a) **Proposed Public Issue**

A total of 90,000,000 new Minox ordinary shares ("Issued Shares") representing 25.0% of the enlarged share capital of Minox are offered at an issue price of RM0.25 per share and shall be allocated in the following manner:-

- 18,000,000 new Issue Shares, representing 5.0% of the enlarged share capital will be made available for application by the Malaysian Public,

- 10,800,000 new Issue Shares, representing 3.0% of the enlarged share capital will be made available for application by eligible Directors, employees and persons who have contributed to the success of the Group,

- 45,000,000 new Issue Shares, representing 12.5% of the enlarged share capital will be made available for application by way of private placement to Bumiputera investors approved by the Ministry of International Trade and Industry; and

- 16,200,000 new Issue Shares, representing 4.5% of the enlarged share capital will be made available for application by way of private placement to selected investors.

(b) **Proposed Offer for Sale**

Mr. Cheong Chee Son, Ms. Looi Poo Poo, Mr. Gamal Abdul Nashir and Mr. Liew Siang Ji (collectively "Selling Shareholders") will undertake an offer for sale of 18,000,000 existing ordinary shares in Minox ("Offer Shares"), representing 5.0% of the enlarged share capital of Minox, at RM0.25 per Offer Share, by way of private placement to selected investors.

(c) **Proposed Listing**

Subsequent to the above, the Company's entire enlarged share capital of RM68,907,431 comprising 360,000,000 ordinary shares shall be listed on the ACE Market of Bursa Malaysia Securities Berhad.

MINOX INTERNATIONAL GROUP BERHAD AND ITS SUBSIDIARIES

(iii) **Pro Forma III: Proposed Utilisation of Proceeds from IPO**

Gross proceeds from the IPO of RM22,500,000 are expected to be utilised as follows:

Details of utilisation	**Estimated timeframe for utilisation upon listing**	**RM**
Capital expenditure		
- Product development and deployment[1]	Within 24 months	4,000,000
- Construction of Warehouse 4 [1]	Within 24 months	4,000,000
- Setting up a new warehouse in Singapore [1]	Within 36 months	5,010,000
Repayment of bank borrowings	Within 6 months	4,500,000
General working capital	Within 12 months	1,590,000
Estimated listing expenses	Within 1 month	3,400,000
Total estimated proceeds		22,500,000

Note:

(1) As at latest practicable date of 21 August 2023, none of the above total utilisation of proceeds for product development and deployment, construction of Warehouse 4 and setting up a new warehouse in Singapore is factually supportable by any purchase orders, sales and purchase agreements or contractual binding arrangements. The utilisation of proceeds earmarked for the aforementioned purposes are not reflected in the pro forma combined statements of financial position.

MINOX INTERNATIONAL GROUP BERHAD AND ITS SUBSIDIARIES

NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

4.1 CASH AND BANK BALANCES

The movements of cash and bank balances are as follows:-

	RM
Current assets	
As at 30 April 2023	1
Pursuant to Acquisitions	9,192,564
As per Pro Forma I	9,192,565
Pursuant to IPO	22,500,000
As per Pro Forma II	31,692,565
Pursuant to Utilisation of Proceeds	(7,900,000)
As per Pro Forma III	23,792,565

4.2 SHARE CAPITAL

The movements of the issued share capital are as follows:-

	Number of ordinary shares Unit	Amount RM
As at 30 April 2023	1	1
Pursuant to Acquisitions	269,999,999	46,407,430
As per Pro Forma I	270,000,000	46,407,431
Pursuant to IPO	90,000,000	22,500,000
As per Pro Forma II	360,000,000	68,907,431
Pursuant to Utilisation of Proceeds		
- Portion of estimated listing expenses set-off against issued share capital	-	(907,750)
As per Pro Forma II	360,000,000	67,999,681

MINOX INTERNATIONAL GROUP BERHAD AND ITS SUBSIDIARIES

NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

4.3 RETAINED EARNINGS

The movements of retained earnings are as follows:-

	RM
As at 30 April 2023	(12,093)
Pursuant to Acquisitions	42,745,876
As per Pro Forma I/II	42,733,783
Pursuant to Utilisation of Proceeds	(2,492,250)
As per Pro Forma III	40,241,533

4.4 MERGER DEFICIT

The movements of merger deficit are as follows:-

	RM
As at 30 April 2023	-
Pursuant to Acquisitions	(40,516,131)
As per Pro Forma I/II/III	(40,516,131)

4.5 LEASE LIABILITIES AND BORROWINGS

The movements of lease liabilities and borrowings are as follows:-

	RM
As at 30 April 2023	-
Pursuant to Acquisitions	32,623,020
As per Pro Forma I/II	32,623,020
Pursuant to Utilisation of Proceeds	(4,500,000)
As per Pro Forma III	28,123,020

15. STATUTORY AND OTHER INFORMATION

15.1 SHARE CAPITAL

(a) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another.

(b) Save for the Pink Form Allocations as disclosed in Section 4.3.2:

(i) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and

(ii) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.

(c) Save for the new Shares issued for the Acquisitions and to be issued for the Public Issue as disclosed in Sections 6.2.2 and 4.3.1 respectively, no shares of our Company have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus.

(d) Other than our Public Issue as disclosed in Section 4.3.1, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.

(e) As at the date of this Prospectus, our Company does not have any outstanding convertible debt securities.

15.2 SHARE CAPITAL OF OUR SUBSIDIARIES

Details of our Company's share capital are set out in Section 6.1. Details of the share capital of our subsidiaries are set out below.

15.2.1 MST MY

MST MY's share capital as at LPD is RM1,500,000 comprising 1,500,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
18 March 2004	3	RM3/Subscribers' shares	3
14 November 2005	199,997	(1)RM199,997/ Otherwise than cash	200,000
16 August 2007	300,000	RM300,000/ Cash	500,000
26 December 2007	500,000	RM500,000/ Cash	1,000,000
3 May 2016	500,000	RM500,000/ Cash	1,500,000

Note:

(1) Being full satisfaction of the consideration arising from the take-over of assets of the partnership business of MST Stainless Steel Enterprise.

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in MST MY. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.2 MST SG

MST SG's share capital as at LPD is SGD50,000 comprising 50,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			SGD
11 January 2011	50,000	SGD50,000/ Subscribers' shares	50,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in MST SG. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.3 Minox ID

Minox ID's issued and paid up share capital as at LPD is IDR2,550,000,000 comprising 25,500 ordinary shares, whereby its authorised share capital as at LPD is IDR10,000,000,000. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
7 February 2013	5,500	IDR550,000,000/ Subscribers' shares	550,000,000
8 January 2019	20,000	IDR2,000,000,000/ Cash	2,550,000,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Minox ID. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.4 Minox MY

Minox MY's share capital as at LPD is RM200,000 comprising 200,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			RM
27 July 2006	3	RM3/ Subscribers' shares	3
16 July 2013	99,997	RM99,997/ Cash	100,000
15 May 2018	100,000	RM100,000/ Cash	200,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Minox MY. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.5 Minox SG

Minox SG's share capital as at LPD is SGD1,000,000 comprising 1,000,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			SGD
12 November 2007	100	SGD100/ Subscribers' shares	100
20 March 2008	9,900	SGD9,900/Cash	10,000
14 June 2022	730,000	SGD730,000/Bonus shares	740,000
14 June 2022	260,000	SGD260,000/Cash	1,000,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Minox SG. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.6 Minox TH

Minox TH's share capital as at LPD is THB2,000,000 comprising 20,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital
			THB
5 October 2008	20,000	THB2,000,000/ Subscribers' shares	2,000,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Minox TH. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.3 CONSTITUTION

The following provisions are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

15.3.1 Changes in share capital and variation of class rights

The provisions in our Constitution dealing with changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

Clause 10 – Authority of Directors to allot shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to Section 75 of the Act and to the conditions, restrictions and limitations expressed in this Constitution, the Directors shall have the power to issue and allot shares, grant Options over shares, grant rights to subscribe for shares.

Subject to the Listing Requirements, Constitution and the provision of any resolution of the Company, the Directors are authorised, to:

(a) allot shares or grant any rights to subscribe for shares, under an offer made to shareholders in proportion to the shareholders' shareholdings;

(b) allot shares or grant any rights to subscribe for shares, on a bonus issue to shareholders in proportion to the shareholders' shareholdings;

(c) allot shares to a Promoter of the Company which the Promoter has agreed to take;

(d) allot shares or grant any rights where shares are to be issued as consideration or part consideration for the Company to acquire shares or assets. Shareholders must be notified of the intention to issue such shares at least 14 days before their issue.

Clause 12 – Power to issue preference shares

The Company shall have power to issue preference shares ranking equally with or in priority to preference shares already issued and the Directors may, subject to the provisions of the Act, redeem such shares on such terms and in such manner as they may think fit.

Clause 13 – Rights of preference shareholders

(1) Save as otherwise specifically provided for under this Constitution in respect of any particular class of preference shares and subject to the Act, preference shareholders shall have the same right as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending general meetings of the Company.

(2) Save as otherwise specifically provided for under this Constitution in respect of any particular class of preference share, preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the share capital of the Company or sanctioning a disposal of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend or part of the dividend on the preference shares is in arrears for more than 6 months or on a proposal to wind-up the Company or during the winding up of the Company, but shall have no other rights whatsoever.

(3) The holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.

Clause 16 – Power of paying commission

In addition to all other powers of paying commissions, the Company (or the Board on behalf of the Company) may exercise the powers conferred by Section 80 of the Act of applying its shares or cash in paying commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do whether absolutely or conditionally, provided that the percentage or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act, and shall not exceed 10.0% of the price at which the shares, in respect whereof the commission is paid, are issued or an amount equivalent thereto. The Company (or the Board on behalf of the Company) may also, on any issue of the shares, pay such brokerage as may be lawful.

Clause 17 – Shares issued for purposes of raising money for the construction of works or building

Subject to Section 130 of the Act and any other conditions and restrictions prescribed by the Act, if any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant or equipment which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, and may charge the sum so paid by way of interest to capital as part of the costs of construction of the work or building or the provision of plant or equipment.

Clause 20 – Trust not to be recognised

Except as required by law and as provided under the Rules, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not, even when having notice thereof, be bound or compelled to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by this Constitution otherwise expressly provided or as required by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

Clause 21 – Issue of securities

Subject to the provisions of this Constitution and Listing Requirement, and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company shall ensure that it shall not issue any shares or convertible securities if the total number of shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds the allowed threshold by the prevailing rules and regulation, except where the shares or convertible securities are issued with the prior approval of the members in general meeting of the precise terms and conditions of the issue.

Clause 25 – Modification of rights

If at any time the share capital of the Company, by reason of the issuance of preference shares or otherwise is divided into different classes, the repayment of such preferred capital or all or any of the rights and privileges attached to each class of shares may subject to the provisions of Section 91 of the Act, this Constitution and the provisions of any written law, be varied, modified, commuted, affected, abrogated or dealt with by resolution passed by the holders of at least three-fourth of the issued shares of that class at a separate meeting of the holders of that class and all the provisions hereinafter contained as to general meetings shall mutatis mutandis apply to every such meeting except that the quorum hereof shall be 2 persons at least holding or representing by proxy one third of the issued shares of the class and for an adjourned meeting 1 person holding shares of such class.

Provided however that in the event of the necessary majority for such a resolution not having been obtained in the manner aforesaid consent in writing may be secured by members holding at least three- fourths of the issued shares of the class and such consent if obtained within 2 months from the date of the separate meeting shall have the force and validity of a resolution duly carried. To every such resolution the provisions of Section 91 of the Act, shall with such adaptations as are necessary apply.

Clause 26 – Special right to any class of share

The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto, the Company purchasing its own shares and the Company redeeming redeemable preference shares.

Clause 60 – Increase of share capital

The Company may, from time to time, whether all the shares for the time being issued shall have been fully paid up or not, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may direct in the resolution authorising such increase.

Clause 61 – Issue of new shares to existing members

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause.

Clause 62 – Alteration of share capital

Subject to the Statutes, the Company may from time to time alter its share capital by passing a special resolution to:

(a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share, shall be the same as it was in the case of the share from which the subdivided share is derived;

(b) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares;

(c) subdivide its shares or any of the shares, whatever is in the subdivision, the proportions between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;

(d) cancel any shares, which at the date of the passing of the resolution, which have not been taken or agreed to be taken by any person or which have been forfeited, and diminish the amount of its share capital by the amount of the shares so cancelled; or

(e) subject to the provisions of this Constitution and the Act, convert and/or reclassify any class of shares into any other class of shares.

Clause 63 – Capital reduction

The Company may by special resolution, reduce its share capital in accordance with Section 84 of the Act.

15.3.2 Borrowing and voting powers of the directors

The provisions in our Constitution dealing with voting and borrowing powers of our Directors including voting powers in relation to proposals, arrangements or contracts in which they are interested in are as follows:

Clause 120 – Directors' borrowing powers

To the extent that the Act, the Listing Requirements and the Constitution allow, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any related third party, PROVIDED ALWAYS that nothing contained in this Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party. Provided also that the Directors shall not issue any debt securities convertible to ordinary shares without the prior approval of the Company in meeting of members.

Clause 133 – Chairman has casting vote

In case of equality of votes, the Chairman shall have a second or casting vote, except where only 2 Directors are competent to vote on the question at issue, or at the meeting where only 2 Directors form the quorum.

Clause 137 – Disclosure of interest in contracts, property, offices, etc

Every Director shall comply with the provisions of Sections 219 and 221 of the Act in connection with the disclosure of his shareholding and interest in any contract or proposed contract with the Company. This clause is subject to the Listing Requirements.

Clause 138 – Directors refrained from voting in interested transactions

A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest. Without prejudice to the generality of the foregoing, a Director shall also not vote in regard to any contract or proposed contract or arrangement with any other company in which he is interested, either as an officer of that other company or as a holder of shares or other securities in that other company.

Clause 140 – Director may vote on the giving of security or indemnity where he is interested

Subject to Clause 137, a Director may vote in respect of:

(a) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or

(b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.

15.3.3 Remuneration of directors

The provisions in our Constitution dealing with remuneration of Directors are as follows:

Clause 115 – Remuneration of Directors

The fees and any benefits payable to the Directors from time to time, be subject to annual shareholder approval at general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, except that any Director, who shall hold office for part only of the period in respect of which such fees are payable, shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office, PROVIDED ALWAYS that:

(a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;

(b) salaries payable to executive Directors shall not include a commission on or percentage of turnover;

(c) fees and any benefits payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and

(d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of that Director.

15.3.4 Transfer of Shares

The provisions in our Constitution dealing with transfer of Shares are as follows:

Clause 49 – Transfer of securities

The transfer of any Listed Securities or class of Listed Securities in the Company shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of Listed Security.

Clause 50 – Instrument of transfer

Every instrument of transfer (for any share not being a Deposited Security) must be left for registration at the office of the Company's Registrar accompanied by the certificate of the shares comprised therein (if any) and such evidence as the Directors may reasonably require to prove the right of the transferor to make the transfer and the due execution by him of the instrument of transfer which is executed in accordance with the Statutes , and subject to the power vested in the Directors by this Constitution or the provisions of any other written law and if required, to reasonable evidence of nationality, the Company shall register the transferee as shareholder.

Clause 51 – Person under disability

No share shall in any circumstances be transferred to any minor, bankrupt or person of unsound mind.

Clause 52 – Refusal to transfer and notice of refusal

(1) Subject to Section 106 and any other relevant provisions of the Act, the Directors may refuse or delay to register the transfer of a share, not being a Deposited Security, to a person of whom they shall not approve.

(2) If the Directors passed a resolution to refuse or delay the registration of a transfer, they shall, within 7 days of the resolution being passed, give to the lodging broker, transferor and the transferee written notice of the resolution setting out the precise reasons thereof.

Clause 53 – Non-liability of the Company, its Directors and Officers in respect of transfer

Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

15.4 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFITS

The relevant governmental laws, decrees, regulations, legislations and/or other requirements in Singapore, Thailand and Indonesia in relation to the repatriation of capital and the remittance of profit by or to our Group are set out below.

15.4.1 Singapore

(a) Exchange controls

Subject to MST SG and Minox SG adhering to the applicable provisions of the Companies Act 1967 of Singapore ("**Singapore Companies Act**"), there are no significant restrictions on the remittance of profits, dividend and the return of capital by MST SG and Minox SG to non-resident holders of Minox SG's and MST SG's shares. Under the laws of Singapore, MST SG and Minox SG may repatriate capital and/or remit profits to Minox by way of:

(i) share buy-backs;

(ii) capital reduction;

(iii) distribution of assets on a winding-up; and

(iv) declaration of dividends.

(b) Dividend distribution

Subject to the Singapore Companies Act, the constitution of MST SG and Minox SG, and the payment of applicable taxes under the laws of Singapore:

(i) dividends may be paid only out of profits available for distribution. The constitution of MST SG and Minox SG provides for the declaration of dividends by ordinary resolution in a general meeting, but any dividend declared must not exceed the amount recommended by the directors of MST SG and Minox SG. There are no restrictions on payment of dividends to its shareholders provided there is no breach of any rule for internal monitoring for countering money laundering and terrorism; and

(ii) the constitution of MST SG and Minox SG also provides that the directors of MST SG and Minox SG may from time to time pay to Minox such interim dividends as appear to the directors to be justified by the profits of MST SG and Minox SG.

(c) Withholding tax

Dividends received in respect of the ordinary shares of MST SG and Minox SG by either Singapore tax resident or non-Singapore tax resident taxpayers are not subject to Singapore withholding tax, even if paid to non-Singapore resident shareholders.

Currently, subject to certain transitional rules, Singapore has adopted the "One-Tier" Corporate Tax System ("**One-Tier System**"). Under this One-Tier System, the tax payable in respect of taxable corporate profits is the final tax and MST SG and Minox SG can pay tax exempt (1-tier) dividends which are tax exempt in the hands of its shareholders, regardless of the tax residence status or the legal form of its shareholders.

15.4.2 Thailand

(a) Exchange controls

Under the laws of Thailand, Minox TH may repatriate capital and/or remit profits to Minox, by way of:

(i) capital reduction where Minox TH may reduce its capital by reducing the par value of each share or by reducing the number of its shares by way of a special resolution passed at a shareholders' meeting. However, the capital of Minox TH cannot be reduced to below 25.0% of its total capital per time;

(ii) distribution of dividend where dividends distributed by Minox TH must be made from its profits in proportion to its paid-up share capital of each share by way of resolution of either a board of directors' meeting only for interim dividend or a shareholders' meeting (as detailed in Section 15.4.2(b); and

(iii) distribution of capital or benefits pursuant to a winding-up procedure where the remaining capital of Minox TH can be returned to its shareholders, including Minox, based on their shareholding proportion upon its liquidation but only if Minox TH has sufficient assets or funds to pay all its debts or perform all its obligations.

In addition, under the Thailand Foreign Exchange Regulation, dividends or proceeds from sales (including capital gains from the transfer of shares), or capital reduction after payment of the applicable Thai taxes, if any, can be remitted out of Thailand in foreign currencies without any requirement for prior approval from the Bank of Thailand. However, for each payment offshore, if the amount is USD200,000 or more in the relevant currency, a request form must be submitted to an authorised agent (commercial bank) together with relevant supporting documents to support the remittance.

(b) Dividend distribution

Any declaration of dividends must be approved by a resolution passed at an annual general meeting or an extraordinary general meeting of the shareholders of Minox TH. An interim dividend payment can be declared from time to time if the board of directors of Minox TH resolves that it has profits justified to be distributed to its shareholders, including Minox, in proportion to their shareholding proportion.

When distributing dividends, Minox TH must reserve funds of at least 5.0% of its profits until its reserve funds reaches 10.0% of its registered capital.

(c) Withholding tax

The Thailand Revenue Code provides that assessable income includes any distribution made by a company on the reduction of its capital to its shareholders to the extent the company possesses accumulated profits and any reserves set aside out of the profits.

Any capital reduction amount of Minox TH payable to Minox is a taxable/assessable income of Minox but only for the amount not exceeding the total amount of the profits and the reserve funds of Minox TH and it is subject to the withholding tax at the rate of 15.0%. The capital reduction amount that exceeds the total amount of the profits and the reserve funds of Minox TH is not a taxable/assessable income.

The dividend of Minox TH payable to Minox is a taxable/assessable income and it is subject to withholding tax at the rate of 10.0%.

When Minox TH repatriates funds to Minox, Minox TH is required to withhold applicable withholding taxes mentioned above from the funds payable and remit the taxes withheld to the Thai Revenue Department.

15.4.3 Indonesia

(a) Exchange controls

Indonesian Investment Law No. 25 of 2007 as amended by Law No. 11 of 2020 ("**Capital Investment Law"**) only permits foreign direct investment in Indonesia by establishing an Indonesian limited liability company.

Under the Capital Investment Law, Minox ID may repatriate its investment to Minox in the form of:

(i) capital;

(ii) profits, bank interest, dividends, and other income;

(iii) funds required to:

(aa) purchasing raw and auxiliary materials, half-finished goods or finished goods; or

(bb) replacing capital goods to protect the viability of the investment;

(iv) additional funds required for investment financing i.e. funds for repayment of loans;

(v) royalties or fees payable;

(vi) income of individual foreign citizens working in the investment company;

(vii) proceeds from the sales or liquidation of an investment;

(viii) compensation for losses;

(ix) compensation for acquisitions;

(x) payments made in connection with technical assistance, fees payable for technical and management services, payments made under the project contract, and payment of intellectual property rights; and

(xi) proceeds of sales of assets.

There are no foreign exchange controls in Indonesia save for the physical inflow or outflow of IDR into and out of the country. For the purposes of repatriation or transfer of money by Minox ID to Minox, the IDR can be converted into any currency.

The laws of Indonesia specifically provide that these repatriation rights do not prejudice the government's rights to require reports on the implementation of repatriation activities and compliance with related taxation/royalties regulations. In addition, the repatriation rights do not prejudice the implementation of any law that gives protection to creditors' rights or laws to avoid losses to the government.

(b) Dividend distribution

As the shareholders of Minox ID are Minox, a Malaysian entity, and Cheong Chee Son, a Malaysian individual, the applicable tax for the dividend distribution of Minox ID is subject to the prevailing Double Tax Agreement between Indonesia and Malaysia. Such dividends paid by Minox ID to Minox may be taxed in Indonesia at a rate not exceeding 15.0% of the gross amount of the dividends.

(c) Withholding tax

Dividend payments will be subject to a withholding tax according to the prevailing Double Tax Agreement between Indonesia and Malaysia. Minox ID has the obligation to withhold the tax of dividends distribution and pay to the tax authority.

15.5 GENERAL INFORMATION

(a) Save for the dividends paid to our shareholders in FYE 2019 to 2022, and Directors' remuneration as disclosed in Sections 12.17 and 5.2.4 respectively, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoters, Directors or substantial shareholders.

(b) None of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.

(c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 16.

(d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

15.6 CONSENTS

(a) The written consents of the Adviser, Sponsor, Underwriter, Placement Agent, Solicitors, Share Registrar, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn;

(b) The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and report relating to the pro forma combined financial information in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn; and

(c) The written consent of the IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not been subsequently withdrawn.

15.7 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

(a) Constitution;

(b) Audited financial statements of Minox for FYE 2022 and FPE 2023;

(c) Audited financial statements of MST MY, Minox ID, Minox MY and Minox TH for FYE 2019 to 2022 and FPE 2023[(1)];

(d) Accountants' Report as set out in Section 13;

(e) Reporting Accountants' Report relating to our pro forma combined financial information as set out in Section 14;

(f) IMR Report as set out in Section 8;

(g) Material contracts as set out in Section 6.5; and

(h) Letters of consent as set out in Section 15.6.

Note:

(1) Minox SG and MST SG did not prepare audited financial statements for FYE 2019 to 2022 and FPE 2023 as they are both a small company as defined in the Companies Act 1967 of Singapore and accordingly are each an exempt private company limited by shares. As such, they are exempted from audit requirements pursuant to Section 205 of the Companies Act 1967 of Singapore.

15.8 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M&A Securities acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 20 September 2023

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 3 October 2023

In the event of any changes to the date or time for closing, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia, and make an announcement on Bursa Securities' website.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS

16.2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application Method
Applications by Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

16.2.2 Placement

Types of Application	Application Method
Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions
Applications by Bumiputera investors approved by MITI	MITI will contact the Bumiputera investors directly. They should follow MITI's instructions

Selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. **The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Application**.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

16.3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(a) You must be one of the following:

(i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(ii) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(b) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(c) You must submit Applications by using only one of the following methods:

(i) White Application Form; or

(ii) Electronic Share Application; or

(iii) Internet Share Application.

16.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO shares. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

16.4 APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.25 for each IPO Share.

Payment must be made out in favour of "**TIIH SHARE ISSUE ACCOUNT NO. 748**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(a) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(b) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 3 October 2023 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

(a) reject Applications which:

   (i) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

   (ii) are illegible, incomplete or inaccurate; or

   (iii) are accompanied by an improperly drawn up or improper form of remittance; or

(b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(c) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER/UNDER SUBSCRIPTION

In the event of over-subscription, the Issuing House, will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the issuing house to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the issuing house's website at https://tiih.online within 1 Market Day after the balloting date.

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing. In such an event, we will return in full, without interest, all monies paid in respect of all Applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.3, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

(a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(b) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (a) and (b) above (as the case may be).

(d) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

(a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.

(b) You may check your account on the 5th Market Day from the balloting date.

(c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

(a) Our IPO Shares allotted to you will be credited into your CDS Account.

(b) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(c) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(d) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. 03-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at https://tiih.online, **1 Market Day** after the balloting date.

You may also check the status of your Application at the above website, **5 Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

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