

ANNUAL REPORT

2024



CN ASIA CORPORATION BHD
(199601027090 (399442-A))
(Incorporated In Malaysia)



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TEL: 03-8942 6888 WEBSITE: <http://www.cnasia.com>

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Notice of Twenty-Eighth Annual General Meeting

NOTICE IS HEREBY GIVEN that the **Twenty-Eighth (28th) Annual General Meeting (“AGM”)** of CN Asia Corporation Bhd (“the Company”) will be held at **Office Building, Lot 7907, Batu 11, Jalan Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan** on **Thursday, 19 September 2024** at **10:30 a.m.** to transact the following businesses:-

1. To receive the Audited Financial Statements of the Company for the year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Notes (i) below)*
2. To approve the payment of Directors’ fee and benefits of RM300,000.00 for the period from the 28th AGM until the next AGM of the Company. **(RESOLUTION 1)**
(Please refer to Explanatory Notes (ii) below)
3. To re-elect the following Directors retiring in accordance with Clause 23.3 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - a. Mr. Chang Chee Ching **(RESOLUTION 2)**
 - b. Datuk Mohamad Fazly Bin Zainudin **(RESOLUTION 3)**
4. To re-elect the following Directors who were appointed during the year and retire under Clause 23.11 of the Company’s Constitution and being eligible, have offered themselves for re-election:
 - (i) YM Tengku Ummil Zulaikha Kalsom Binti Tengku Shamsulbhari **(RESOLUTION 4)**
 - (ii) Encik Ashraf Bin Kahasani **(RESOLUTION 5)**
5. To re-appoint Messrs Chengco PLT as the Company’s Auditors for the ensuing year and to authorize the Directors to fix their remuneration. **(RESOLUTION 6)**

AS SPECIAL BUSINESS: -

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

6. PROPOSED WAIVER OF THE PRE-EMPTIVE RIGHTS OF THE SHAREHOLDERS UNDER SECTION 85 OF THE COMPANIES ACT 2016 AND CLAUSE 18.2 OF THE COMPANY’S CONSTITUTION (“PROPOSED WAIVER”) **(RESOLUTION 7)**
(Please refer to Explanatory Notes (iii) below)

“THAT the shareholders of the Company do hereby waive their statutory pre-emptive rights to be offered new Shares ranking equally to the existing issued Shares of the Company under Section 85 of the Act and read together with Clause 18.2 of the Company’s Constitution AND THAT the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company.

THAT the Proposed Waiver shall be valid until the conclusion of the next annual general meeting of the Company;

7. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 **(RESOLUTION 8)**
(Please refer to Explanatory Notes (iv) below)

“THAT subject always to the Companies Act, 2016 (“Act”), the Company’s Constitution, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant governmental and/or regulatory authorities, where such approval is required, the Directors be authorised and empowered pursuant to the Act to:

- (1) issue and allot shares in the Company; and/or
- (2) grant rights to subscribe for shares in the Company; and/or
- (3) convert any security into shares in the Company; and/or
- (4) allot shares under an agreement or option or offer,

Notice of Twenty-Eighth Annual General Meeting (cont'd)

at any time and from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being.

AND THAT the Directors of the Company be also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities, AND FURTHER THAT such authority shall commence immediately upon passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company or at the expiry of the period within which the next AGM is required to be held, whichever is earlier, unless such approval be revoked or varied by the Company at a general meeting.”

8. To transact any other ordinary business of the Company for which due notice shall have been given.

BY ORDER OF THE BOARD

CHIEW LIYAH
Company Secretary
(MAICSA 7040924)
SSM PC No. 201908003992
Selangor Darul Ehsan
30 July 2024

Notes:-

Members entitled to attend

1. Only depositors whose name appear in the record of depositors as at **11 September 2024** shall be regarded as members and entitled to attend, speak and vote at the meeting or appoint a proxy or proxies to attend and/or vote in his hand.

Appointment of Proxy

2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend, participate, speak and vote on the same meeting instead of him and that a proxy may but need not be a member of the Company and there should not be no restriction as to the qualification of the proxy.
3. Where a member appoints two (2) proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.
4. A member who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“SICDA”) may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account (“Omnibus Account”), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. An Exempt Authorised Nominee refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation’s seal or under the hand of an officer or attorney duly authorised. Any alteration to the proxy forms must be initialled.

Notice of Twenty-Eighth Annual General Meeting (cont'd)

6. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is sign on notarially certified copy of such power or authority, shall be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd (Registration No.1971101000970 (11324-H)) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Counter, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, alternatively online via Share Registrars' website, TIIH Online at <https://tiih.online>. Please refer to Administrative Notes for further information on submission via TIIH Online. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote or, in the case of a poll, not less than twenty-four (24) hours before the time for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
7. By submitting the duly executed proxy form, a member and his/her proxy consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein under the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

Voting by Poll

8. The resolutions as set out in this notice of the general meeting are to be voted by-poll.

Registration of Members/Proxies

9. Registration of members/proxies attending the meeting will commence thirty (30) minutes before meeting time. Members/proxies are required to produce identification documents for registration.

Explanatory Notes

(i) Audited Financial Statements

This Agenda is meant for discussion only under the provision of Section 340(1)(a) of the Act of which does not require shareholders' approval for the Audited Financial Statements. Hence, is not put forward for voting.

(ii) Resolution 1- Payment of Directors' fees and benefits

In compliance with Section 230(1) of the Act, the Company is requesting shareholders' approval for the payment of Directors' fees and benefit for the period from the 28th AGM until the next AGM of the Company.

The payment of Directors' fees and benefits on a current year basis, calculated based on the current Board size. In the event the proposed amount is insufficient (due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

(iii) Resolution 7 – Waiver of pre-emptive rights

The proposed Resolution, if passed, the shareholders of the Company will waive their pre-emptive rights under Section 85 of the Companies Act and Clause 18.2 of the Constitution and thus allow the Directors to issue new shares to any person without having to offer the new shares to be issued equally to all existing shareholders of the Company prior to issuance.

(iv) Resolution 8 - Authority to Issue Share

The proposed Resolution, if passed, will give authority to the Directors under Section 75 and 76 of the Act, from the date of this AGM, to issue and allot ordinary shares to such persons at any time in their absolute discretion without the convening a general meeting. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The general mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for funding future investment, working capital and/or acquisitions.

Statement Accompanying Notice of the Twenty-Eighth Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. As at the date of this Notice, there is no person seeking for election as Director of the Company (excluding the Directors who are standing for re-election) at the forthcoming AGM.
2. The proposed Ordinary Resolution 8 on the general mandate for issuance of shares is a renewal mandate. As at the date of the Notice of the 28th AGM, no new shares were issued pursuant to the general mandate granted to the Directors at the last AGM held on 29 August 2023. Details on the authority to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are provided under the Explanatory Note on Special Business in this Notice of the 28th AGM.

Vision

To become a global manufacturer providing total containment solutions & engineering services of integrity through teamwork and innovation.



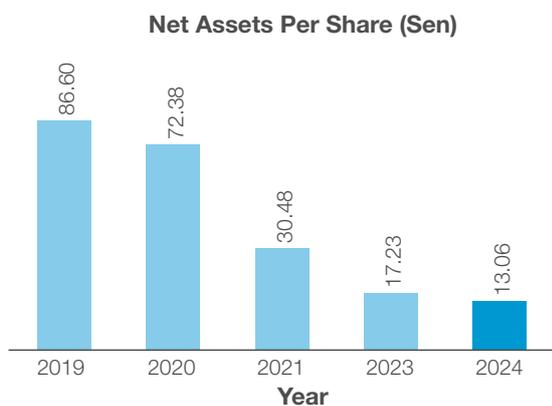
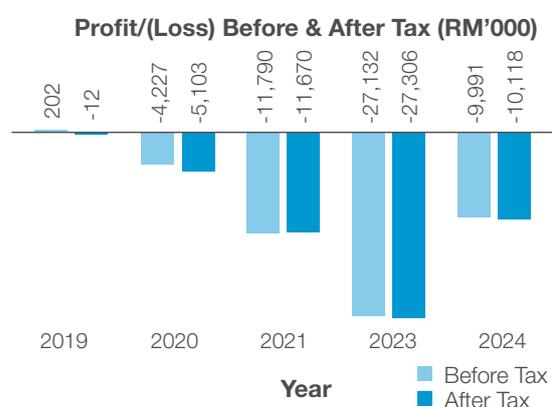
Mission

1. To continuously improve the quality of products and services delivered to customers through better quality of containment solutions and engineering services.
2. To continuously provide employees with training and development opportunities to further enhance knowledge, develop skills and enrich the organization with skilled employees to address customers' needs and requirements.
3. To prioritize safety and environmental protection on manufacturing process and procedures in furtherance of organization policies.
4. To expand and develop into diversified markets and products in order to ensure the company's stability into the next century.



5-Year Group Financial Highlights

Year	Revenue (RM'000)	Profit/(Loss) before tax (RM'000)	Profit/(Loss) after tax (RM'000)	Shareholders' equity (RM'000)	Basic earnings/(loss) per share (sen)	Net assets per share (sen)	Return on shareholders' equity (%)
2019	15,566	202	-12	43,231	-0.02	86.60	-0.03
2020	14,718	-4,227	-5,103	39,746	-9.74	72.38	-12.84
2021	11,657	-11,790	-11,670	54,481	-9.95	30.48	-21.42
2023	12,629	-27,132	-27,306	42,143	-14.11	17.23	-64.79
2024	19,552	-9,991	-10,188	31,955	-4.16	13.06	-31.88



BOARD OF DIRECTORS

Datuk Seri Tan Choon Hwa
(Non-Independent Non-Executive Director)
Deputy Chairman

YM Tengku Shamsulbhari Bin Tengku Azman Shah
(Executive Director)

Chang Chee Ching
(Executive Director)

Nadanarajah A/L Ramalingam
(Independent Non-Executive Director)

Datuk Mohamad Fazly Bin Zainudin
(Independent Non-Executive Director)

**YM Tengku Ummil Zulaikha Kalsom
Binti Tengku Shamsulbhari**
(Appointed w.e.f. 13 December 2023)
(Non-Independent Non-Executive Director)

Ashraf Bin Kahasani
(Appointed w.e.f. 29 March 2024)
(Independent Non-Executive Director)

Dato' Sri Zulkifli Bin Abdullah
(Resigned w.e.f. 24 November 2023)
(Independent Non-Executive Chairman)

Low Yong Heng
(Resigned w.e.f. 18 January 2024)
(Independent Non-Executive Director)

William H Van Vliet III
(Resigned w.e.f. 13 March 2024)
(Independent Non-Executive Director)

BOARD COMMITTEES

AUDIT AND RISK MANAGEMENT COMMITTEE

Datuk Mohamad Fazly Bin Zainudin (Chairman)
(Redesignated w.e.f. 22 February 2024)

Nadanarajah A/L Ramalingam

Ashraf Bin Kahasani
(Appointed w.e.f. 18 April 2024)

Low Yong Heng
(Resigned w.e.f. 18 January 2024)

NOMINATION COMMITTEE

Nadanarajah A/L Ramalingam (Chairman)

Datuk Seri Tan Choon Hwa

Datuk Mohamad Fazly Bin Zainudin

REMUNERATION COMMITTEE

Datuk Seri Tan Choon Hwa (Chairman)

Datuk Mohamad Fazly Bin Zainudin

Ashraf Bin Kahasani
(Appointed w.e.f. 25 April 2024)

Low Yong Heng
(Resigned w.e.f. 18 January 2024)

SHARE ISSUANCE SCHEME COMMITTEE

Nadanarajah A/L Ramalingam (Chairman)

YM Tengku Shamsulbhari Bin Tengku Azman Shah

Datuk Seri Tan Choon Hwa

INVESTMENT COMMITTEE

YM Tengku Shamsulbhari Bin Tengku Azman Shah
(Chairman)

Chang Chee Ching

Lim Paik Goot

Corporate Information

(cont'd)

PRINCIPAL BANKERS

Public Bank Berhad

Maybank Islamic Berhad

United Overseas Bank (Malaysia) Berhad

Alliance Bank Malaysia Berhad

Hong Leong Bank Berhad

REGISTERED OFFICE

Lot 7907, Batu 11, Jalan Balakong

43300 Seri Kembangan

Selangor Darul Ehsan, Malaysia

Tel : +603-8942 6888

+6010 – 2052278

+6010 – 2062278

Fax : +603-8942 3365

Email : corporate@cnasia.com

AUDITORS

Chengco PLT (LLP 0017004-LLA)

(Firm No.: AF 0886)

Wisma Cheng & Co,

No. 8-2 & 10-2, Jalan 2/114

Kuchai Business Centre

Off Jalan Klang Lama

58200 Kuala Lumpur, Malaysia

Tel: +603-7984 8988 Fax: +603-7984 4402

COMPANY SECRETARY

Chiew Liyah (MAICSA 7040924)

(SSM PC NO. 201908003992)

(Appointed w.e.f. 22 January 2024)

Mohd Zakie bin Soad (LS0008268)

(SSM PC NO. 201908002382)

(Resigned w.e.f. 22 January 2024)

REGISTRARS

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, Malaysia

Tel: +603-2783 9299 Fax: +603-2783 9222

INVESTOR RELATIONS

Kathy Lim Paik Goot

Lot 7907, Batu 11, Jalan Balakong

43300 Seri Kembangan

Selangor Darul Ehsan, Malaysia

Tel : +603-8942 6888

+6010 – 2052278 / 2062278

Fax : +603-8942 3365

Email : corporate@cnasia.com

STOCK EXCHANGE LISTING

Main Market

Bursa Malaysia Securities Berhad

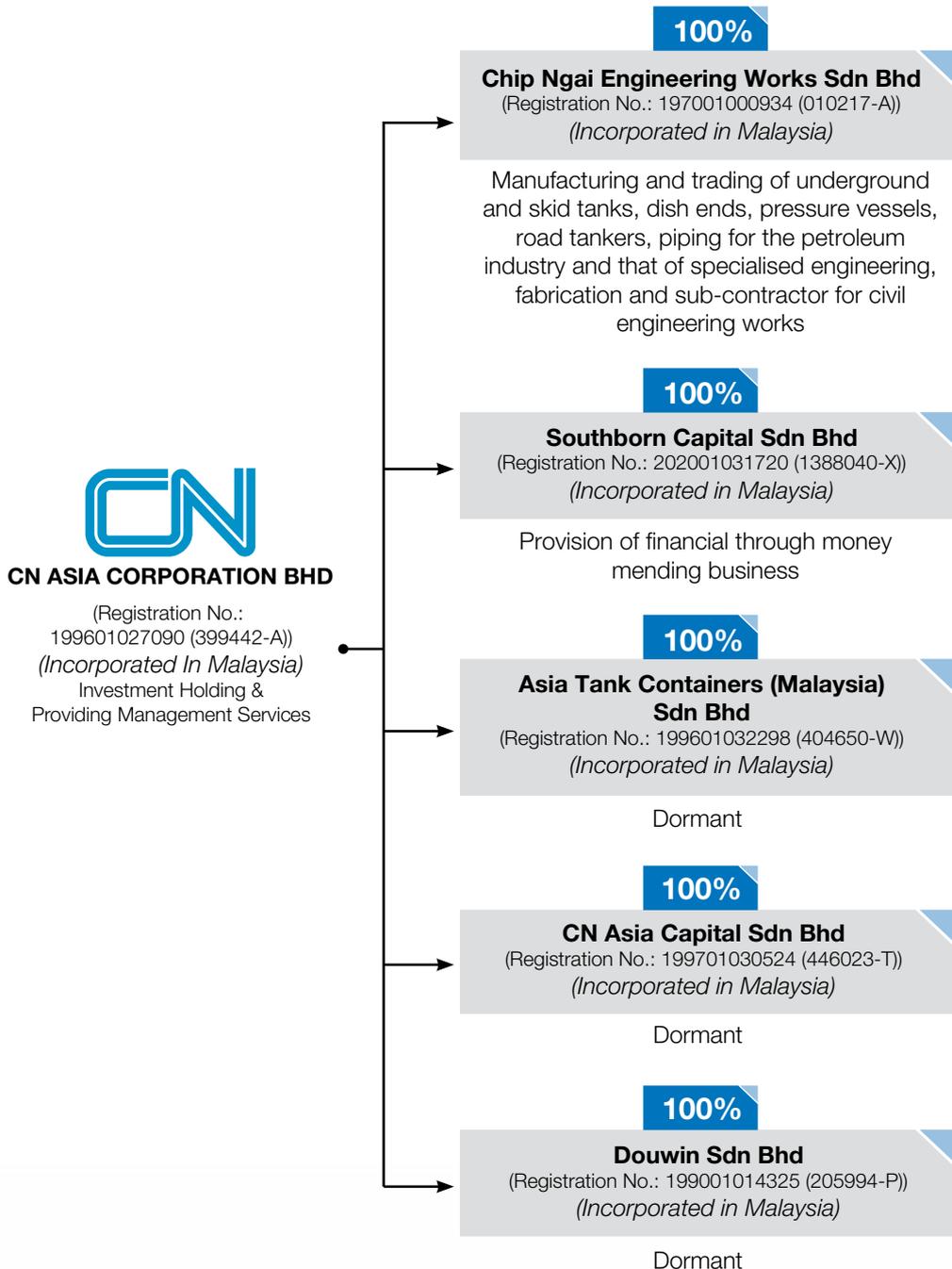
Stock name: CNASIA

Stock code: 7986

CORPORATE WEBSITE

<https://www.cnasia.com/>

Corporate Structure



Certification and Accreditation



ISO 9001:2015



CIDB



Moneylending Licence



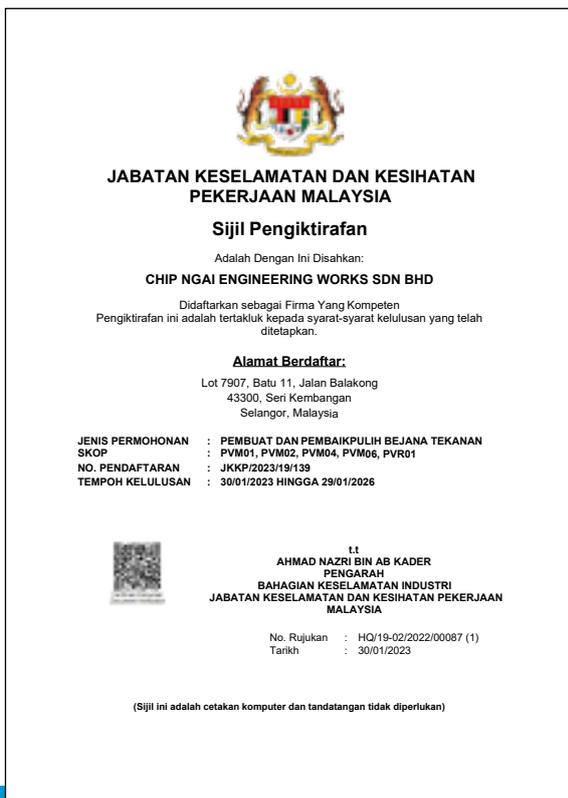
UL 58 & UL 1746



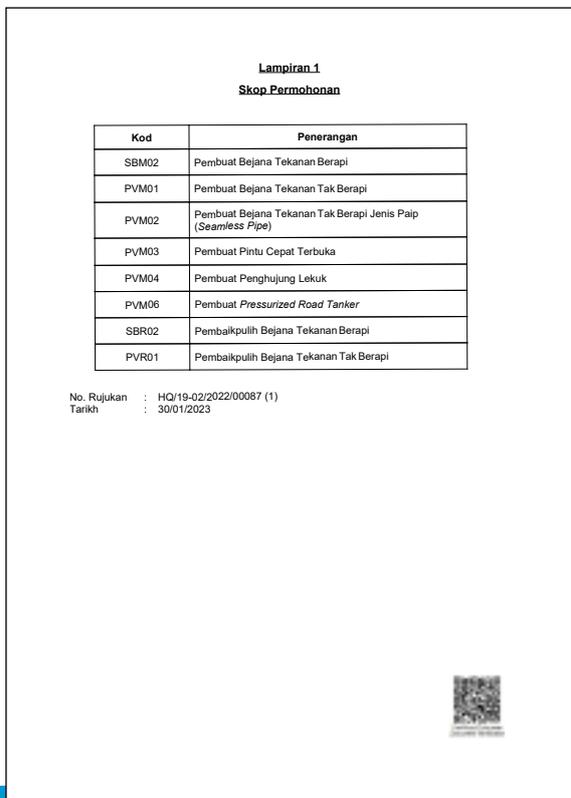
MOF 1/2



MOF 2/2



Dosh - Pressure Vessel & Dish End - 1/2



Dosh - Pressure Vessel & Dish End - 2/2

Certification and Accreditation

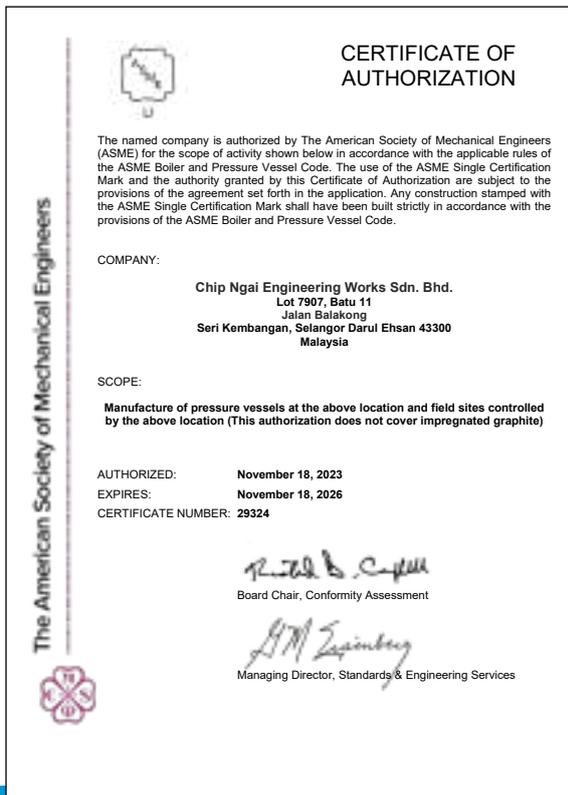
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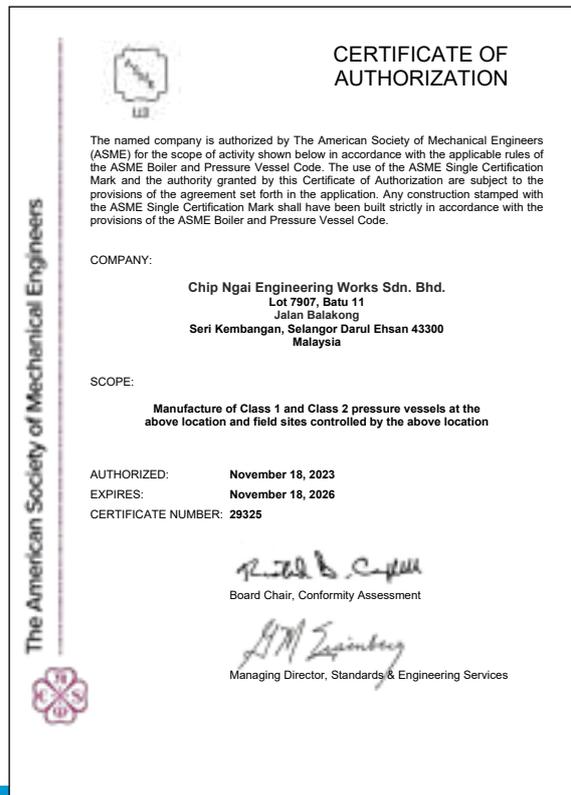
NB Stamp



R Stamp



U Stamp



U2 Stamp

The Group's Business

CN Asia Corporation Bhd was incorporated in Malaysia on 23 August 1996 as an investment holding company. The main activities of the Group can be categorized under 3 business segments as follows:

1. MANUFACTURING SEGMENT

A. Storage Tanks

Manufacturing of underground and aboveground storage tanks for the petroleum, logistics and power and general process industries for the local and global market.



Aboveground Skid Tank



Saddle Tank



API 650 Bulk Vertical Storage Tank



UL 58 Underground Double Wall Storage Tank

B. Metal Forming

Manufacturing of dish heads and provision of plate rolling services for the food and beverage, petrochemical, energy and heavy engineering industries worldwide.



Dish Head Pressing



Metal Plate Rolling

C. Transportation Equipment/Road Tankers

Design and Manufacture testing and commissioning of all types of transportation equipment such as:



Vacuum Tankers



LPG and Chemical Tankers



High Pressure Cleaner and Jetters



Desludging + Water Jetter Combination Unit



Chemical Storage Tanker



LPG Tanker



Sludge Tanker

The Group's Business

(cont'd)

D. Pressure Vessel

Provision of engineering, procurement and construction (EPC) services for the following industries:-

Petrochemical: Carbon steel, clad steel and stainless steel pressure vessels and heat exchangers



Pressure Vessels



Heat Exchanger



HP Separator

Food and Beverage Plant: Stainless steel vessels, sterilizers and etc

Power Generation: Supply and erection of flue stacks, heat recovery steam generator (HRSG), pressure vessels and diesel storage tank

Bulk Terminal: API 620 and 650 bulk vertical storage tanks inclusive of:

- Piling Work
- Civil foundation
- Laying of pipe
- Pigging and pump system
- Loading station
- Office and warehouse



API 620 Pressurized Vertical Storage Tank

Civil Engineering and construction is carried out in conjunction with the above products.



E. Heat Treatment

Provision of heat treatment services (stress relief and normalizing) to a varied range of vessel design and fabrication codes, be they ASME, PD, AS etc complete with the necessary heat treatment reports and charts.



F. Hot Flanging

Provision of dish head forming of thickness up to 70 mm using hot flanging process. The pressed head is first heated to a temperature of 900 degree Celsius, taken out from the furnace and then flanged to the required knuckle radius and diameter.

G. Mechanical and Engineering

- a) Provision of engineering consultancy services for pressure vessel design for approval and certification from Authorities / Third Parties.
- b) Design / Manufacture and supply of all types of related steel fabrications and mechanical equipment.



The Group's Business

(cont'd)

2. FINANCIAL SERVICES SEGMENT

Moneylending Business

To provide moneylending financing schemes that caters to a wide range of customers, ranging from start-up entrepreneurs to small-medium enterprises.

3. ENERGY MANAGEMENT SEGMENT

A. Nano Technology Lighting

Energy enhancement, energy optimization and energy wastage reduction which emphasis on product and function enhancements that constitute to optimise the maximising energy consumption by eliminating wastage.

B. Urban Farming

Urban farming is a concept of growing plants within a city where it can take the form of traditional farm plots and community gardens, as well as modern indoor techniques like aquaponics and hydroponics to address environmental health and food security.



Seeding Stage



Harvest Stage

**DATUK SERI TAN
CHOON HWA**

*Non-Independent
Non-Executive Director
- Deputy Chairman*

- Aged 67
- Male
- Malaysian

Y. Bhg. Datuk Seri Tan Choon Hwa was appointed to the Board on 05 February 2021 as a Non-Independent Non-Executive Director and Deputy Chairman. He is a businessman with 27 years of experience in various industries such as timber mining, hotel resort, housing land development and finance and investment holding.

Datuk Seri Tan is the Executive Chairman of TCH Resources Group, his family company, and also holds directorship in Wazlian Group, the Vice President of TA PAY Group as well as IBG Group. He also holds other chairmanships in several associations, President of Malaysia-China Chamber of Commerce (Kelantan Branch), Vice President of Malaysia-Guangzhou Investment Association, and Advisor to Hongkong Chamber of Commerce and ASEAN Chamber of Commerce (Thailand).

Currently, he sits on the Board of Jiankun International Berhad and SMTrack Berhad.

**Y.M TENGKU
SHAMSULBHARI
BIN TENGKU AZMAN
SHAH**

Executive Director

- Aged 66
- Male
- Malaysian

Y.M Tengku Shamsulbhari Bin Tengku Azman Shah was appointed to the Board on 08 January 2021 as an Executive Director. He graduated with a Diploma in Finance from the Institute of Cost & Executive Accountants, London. He is the director and shareholder of several private companies engaged in the business of manufacturing, logistics management and construction.

Y.M Tengku is also the advisor to the Malay Businessman and Industrialist Association of Malaysia (Selangor). His wide exposure in the business circle and network, management skills, leadership and experience is the major asset which helps to set strategic direction and goals for the Company.

Currently, Y.M. Tengku is the Honorary Consul of The Gambia to Malaysia.

CHANG CHEE CHING

Executive Director

- Aged 69
- Male
- Malaysian

Mr. Chang Chee Ching was appointed to the Board on 05 January 2021. He is a member of the Chartered Association of Certified Accountants (United Kingdom), a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, Association of Chartered Certified Accountants and the Chartered Tax Institute of Malaysia and he is a licensed Auditor, Liquidator and Tax Agent.

Between 1998 to 2004, he was the Group Managing Director of a public company, listed on the Second Board of Bursa Malaysia involved in the manufacture of packaging materials with subsidiaries in the print and packaging industry and optical fibre, servicing multi-national clientele worldwide. Between 2014 to 2016, he was appointed as an Executive Director of a company listed on the Main Board of Bursa Malaysia, principally engaged in the business of timber moulding and other related business. He was subsequently appointed as an executive director of a small information technology company listed on the Ace Market of Bursa Malaysia in 2016, which he resigned in 2017.

Apart from the various businesses that he managed, Mr. Chang, also has extensive experience in the audits of public listed companies and Multinational Corporations, small and medium enterprises and Private Companies. He is also engaged to carry out investigations, due diligent review, quality assurance reviews of internally prepared management accounts, budgets, forecasts, review of accounting procedures and internal control processes and procedures to identify risk areas and internal audit. He is also experienced in advising business start-ups and compliance with Government rules and regulations, tax compliance, planning and advisory, corporate advisory, management consulting, corporate restructuring including mergers and acquisitions.

Profile of Directors

(cont'd)

NADANARAJAH A/L RAMALINGAM

Independent Non-Executive Director

- Aged 79
- Male
- Malaysian

Mr. Nadanarajah A/L Ramalingam was appointed to the Board on 08 January 2021 as an Independent Non-Executive Director. He is a retired Senior Assistant Commissioner of Police and is a disciplined individual, with vast and varied experiences and knowledge in the fields of law, investigation, security related matters, training and human resource development. He graduated in 1970, majoring in History, from University of Malaya. In the same year, he also completed his Diploma of Education from the same University.

Upon graduation, Mr. Nadanarajah joined the Royal Malaysian Police as a Cadet Assistant Superintendent of Police. As a career police officer, he spent more than thirty years in the Police Force acquiring vast and varied experiences and knowledge in various fields of policing in the field of criminal investigation, training, leadership and command. He was then posted to head the Research and Development Department as Deputy Director prior to his retirement. He attended many courses, both internal by the Police Force and other external agencies. He was awarded the Panglima Setia Pasukan Polis (PSPP) and the Kesatria Mangku Negara (KMN). From 2000 to 2009, he served as the Security Manager of various companies.

DATUK MOHAMAD FAZLY BIN ZAINUDIN

Independent Non-Executive Director

- Aged 44
- Male
- Malaysian

Datuk Mohamad Fazly Bin Zainudin was appointed to the Board on 23 June 2023 as an Independent Non-Executive Director. He graduated with a Bachelor of Accountancy from Mara University of Technology in 2003.

Datuk Mohamad Fazly participated in various government constitution, association and non-profitable organisations. He involved in Malaysia Youth Movement between 2014 to 2018. He was also committee member of Publishers and Distributors Bumiputera Books Malaysia and member of Kuala Lumpur Malay Chamber of Commerce until 2022. He then appointed as Deputy President of Persatuan Industri Buku Bumiputera Malaysia between 2021 to 2023.

Prior to his appointment, Datuk Mohamad Fazly was the Managing Director of Zafani Teguh Sdn. Bhd. between 2003 until 2021 and was then appointed as Special Officer Minister of Federal Territories from 2021 until 2022.

Y.M TENGKU UMMIL ZULAIKHA KALSOM BINTI TENGKU SHAMSULBHARI

Non-Independent Non-Executive Director

- Aged 26
- Female
- Malaysian

Y.M Tengku Ummil Zulaikha Kalsom Binti Bin Tengku Shamsulbhari was appointed to the Board on 13 December 2023 as a Non-Independent Non-Executive Director. She graduated with a Bachelor Degree of Business, majoring in Economics and Finance from RMIT University of Melbourne, Australia in 2020.

Y.M Tengku was involved in Peace Summit 2020 in Seoul, South Korea as one of Malaysian representative. She was actively involved in volunteer works and gained rewarding experience of her academic career while studied in Australia. Upon graduation, she started her career in human resources from 2021 till now.

ASHRAF BIN KAHASANI

Independent Non-Executive Director

- Aged 32
- Male
- Malaysian

Encik Ashraf Bin Kahasani was appointed to the Board on 29 March 2024 as an Independent Non-Executive Director. He has a Diploma in Public Administration from UITM Seri Iskandar and is currently pursuing a degree in the field of Administrative Science at UITM Shah Alam.

Encik Ashraf has vast experience in project management where he leads an entire project from planning, implementation to completion. He is a Special Officer to Perak State Assembly Member N.24 Hulu Kinta under the Tambun Parliament Constituency since 2018 and holds the position as a Project Manager in Mega Mass Holdings Sdn Bhd since 2022.

Profile of Directors

(cont'd)

Additional information:

1. Saved as disclosed, other particulars of the above directors are as follow: -

Name of Director	Interest in the securities of the company*	Family Relationships with any Director / Major Shareholder	Convictions For Offences within the past five (5) years other than Traffic Offences	Directorship in Other Public Companies and Listed Issuers
Datuk Seri Tan Choon Hwa	Yes	None	Yes @	Yes
YM Tengku Shamsulbhari Bin Tengku Azman Shah	None	Yes #	Yes @	None
Chang Chee Ching	None	None	Yes @	None
Nadanarajah A/L Ramalingam	None	None	Yes @	None
Datuk Mohamad Fazly Bin Zainudin	None	None	None	None
Y.M Tengku Ummil Zulaikha Kalsom Binti Tengku Shamsulbhari	None	Yes #	None	None
Ashraf Bin Kahasani	None	None	None	None

* The securities holding in the Company is set out in Analysis of shareholdings of this Annual Report

Father and daughter relationship

@ In relation to the fines and public reprimand imposed by Bursa Securities for breach of Paragraph 10.13(1)(a) read together with Paragraph 8.29(1) of the MMLR pursuant to Paragraph 16.19 of the MMLR

2. Detailed of Board Committees to which the directors belong: -

Name of Directors	Audit & Risk Management	Board Committee (Date appointed)		
		Remuneration	Nomination	Share Issuance Scheme
Datuk Seri Tan Choon Hwa	-	√ (24 Feb 2021)*	√ (24 Feb 2021)	√(01 Jun 2021)
YM Tengku Shamsulbhari Bin Tengku Azman Shah	-	-	-	√(01 Jun 2021)
Nadanarajah A/L Ramalingam	√(26 Jan 2021)	-	√(07 July 2023)*	√(01 Jun 2021)*
Datuk Mohamad Fazly Bin Zainudin	√(07 July 2023) *^	√(07 July 2023)	√(07 July 2023)	-
Ashraf Bin Kahasani	√(18 April 2024)	√(25 April 2024)	-	-

* Chairman of Board Committee

^ Redesignated as Chairman w.e.f. 22 February 2024

3. Other than disclosed in the financial statements of this Annual Report, the above directors have no other conflict of interest with the Group.
4. Detail of the Directors' attendance at Board meetings held during the financial year ended 31 March 2024 are set out in the Corporate Governance Overview Statement of this Annual Report.

Profile of Key Senior Management

The disclosure on the particulars of the Key Senior Management of the Group is made in compliance with the requirements under Appendix 9C of Bursa Securities' MMLR:-

Name / Position	Age / Gender / Nationality	Qualification	Work Experience
Lim Paik Goot Financial Controller / Company Secretary	54/ Female/ Malaysian	<ul style="list-style-type: none"> Bachelor of Accountancy (Hons.), University Utara Malaysia Master in Business Administration, University Putra Malaysia Member of Malaysian Institute of Accountants & The Malaysian Institute of Chartered Secretaries and Administrators 	<ul style="list-style-type: none"> Joined in May 1997 and has more than 25 years of experiences in the finance, accounting, corporate finance, management information system, legal and corporate secretarial.
Muhammad Amin Bin Zainudin / Head of QA/QC	36/ Male/ Malaysian	<ul style="list-style-type: none"> Bachelor of Degree in Material Engineering, University Malaysia Perlis 	<ul style="list-style-type: none"> Joined in February 2013 as an Assistant QA/QC Engineer and was promoted to QA/QC Engineer in 2018; and subsequently promoted to current position in January 2023.
Chai Shim Yee / HR & Admin Manager	35/ Female/ Malaysian	<ul style="list-style-type: none"> Bachelor of International Business, University Tunku Abdul Rahman 	<ul style="list-style-type: none"> Joined in May 2017 as an Assistant HR & Admin Manager and was promoted to current position in January 2021.
Benjamin Lee Wen Feng / Head of Engineering	29/ Male/ Malaysian	<ul style="list-style-type: none"> Master in Engineering (Hons.) in Mechanical Engineering, University of Nottingham 	<ul style="list-style-type: none"> Joined in September 2020 as a Design Engineer, and was promoted to current position in January 2023.
Wilson Ngan Kai Chuen / Head of Operation	28/ Male/ Malaysian	<ul style="list-style-type: none"> Master in Engineering (Hons.) in Chemical Engineering with Oil & Gas Technology, University of Heriot-Watt, Scotland 	<ul style="list-style-type: none"> Joined in October 2020 as a Production Engineer, and was promoted as Head of Operation in December 2023.

Additional Information:

Save as disclosed, none of the Key Senior Management has:-

- any directorship in public companies and listed issuers;
- any family relationship with any director and/or major shareholder of the Company;
- any conflict of interests with the Company;
- any conviction for offences within the past five (5) years other than traffic offences; and
- any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Statement from Executive Director and Management Discussion and Analysis

Dear Valued Shareholders and Stakeholders, I am pleased to present to you the Annual Report together with the Audited Financial Statements of CN Asia Corporation Bhd (“CN Asia” or “the Company” or “the Group”) for the financial year ended 31 March 2024 (“FYE 2024”). On behalf of the Board, I would like to record our sincere appreciation for your continued support of our Company, while we endeavour to create sustainable value for all of you. I also summarise hereunder the Management Discussion and Analysis (“MD&A”) to provide insights into CN Asia’s business operations, financial performance and expectations moving forward.

This MD&A should be read in conjunction with the financial statements and the related notes thereto for the FYE 2024. The Group reports its financial position, results of operations and cash flows in accordance with Malaysia Financial Reporting Standards (“MFRS”) and applicable International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act 2016 in Malaysia. The Group’s functional currency is in Ringgit Malaysia (“RM”) and all amounts in this MD&A are expressed in RM, unless stated otherwise.

OVERVIEW OF GROUP’S BUSINESS AND OPERATIONS

CN Asia is an investment holding company whilst the Group is primarily involved in the manufacture of steel-based products including structural steel, liquefied petroleum gas (“LPG”) vessels, tanks, road tankers and pressure vessels, as well as the provision of metal forming services. Its newly acquired subsidiary, Southborn Capital Sdn Bhd (“Southborn”) is principally engaged in the provision of financial services, particularly to provide moneylending financing schemes that caters to a wide range of customers, ranging from start-up entrepreneurs to small-medium enterprises.

The overall performance of the Group for the FYE 2024 has exhibited an improvement over the preceding years. During the FYE 2024, the Group reported profit for the three (3) consecutive quarters and a loss in the fourth quarter. The loss in the fourth quarter was mainly attributable to impairment losses on capital work in progress and expected credit losses amounting to RM10.1 million.

Following the change of the Company’s financial year end from 31 December to 31 March, the comparative figures are in respect of a period of fifteen (15) months from 1 January 2022 to 31 March 2023. As such, the comparative figures in the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are not comparable and therefore no comparative numbers are available in this financial performance review.

As the Group is principally focused on its manufacturing segment during the financial year, there was no material progress in its energy management business. The Group has set-up the new division and engaged a marketing personnel and an in-house agricultural management personnel to further assess and develop the processes to achieve efficiency in urban farming. As of 31 March 2024, there was no revenue generated from this segment.

Save for the abovementioned, there has been no significant change in the Group’s customer base, products, services and revenue stream as compared to the preceding year.

PERFORMANCE REVIEW

Revenue and Earnings

The Group’s revenue and earnings for the past three (3) financial years are summarized below where the FPE 2023 was a 15 months reporting period.

Statement from Executive Director and Management Discussion and Analysis (cont'd)

	FYE 2024 RM'000	FPE 2023 RM'000	FYE 2021 RM'000
Revenue	19,552	12,629	11,657
Gross profit	4,700	1,094	211
Loss before tax	(9,991)	(27,132)	(11,790)
Tax expense	(197)	(174)	120
Loss after tax	(10,188)	(27,306)	(11,670)
Loss per share (sen)	(4.16)	(14.11)	(9.95)
Net assets per share (sen)	13.06	17.23	30.48

The Group achieved total revenue of RM19.6 million and loss after tax of RM10.2 million for the FYE 2024, representing an increase in revenue of approximately 54.8% and improved results of 99.3% compared to FPE 2023. The bulk of the revenue was from the manufacturing segment, followed by the financial services segment.

For the FYE 2024, the Group's gross profit ("GP") margin was 24.0% mainly attributable to revenue from the manufacturing segment.

The Group reported a loss before tax ("LBT") of RM10.2 million mainly attributable to the following: -

- (i) provision for credit losses on receivables amounting to RM7.4 million; and
- (ii) allowance for impairment of development and construction cost amounting to RM2.7 million.

The tax for the FYE 2024 was in respect of tax provided on revenue from financial services offset by the overprovision of tax expense in prior year.

	FYE 2024 RM'000	FPE 2023 RM'000	FYE 2021 RM'000
Selling and distribution expenses	35	37	26
Administrative expenses	4,518	5,649	11,922
Other operating expenses	10,104	22,430	146
Other income	(332)	(360)	(320)
Finance costs	365	470	227

For the FYE 2024, other operating expenses of RM10.1 million comprises of provision for credit losses on receivables, write off of development and construction cost collectively amounting to RM10.1 million.

The Group recorded a basic loss per ordinary share ("LPS") of 4.16 sen in FYE 2024 and net assets per share of 13.06 sen as at 31 March 2024 (As at 31 March 2023: 17.23 sen per share). The basic earnings per share and net assets per share for FYE 2024 was calculated based on 244,656,910 ordinary shares, representing the total number ordinary shares in issue of the Company as at 31 March 2024. There was no share issued during the period under review.

Statement from Executive Director and Management Discussion and Analysis (cont'd)

	As At 31 March 2024 RM'000	As At 31 March 2023 RM'000	As At 31 December 2021 RM'000
Assets			
Non-current	11,469	15,534	25,820
Current	32,867	37,071	38,278
Total assets	<u>44,336</u>	<u>52,605</u>	<u>64,098</u>
Equity and Liabilities			
Equity	<u>31,955</u>	<u>42,143</u>	<u>54,481</u>
Liabilities			
Non-current	3,028	3,413	3,982
Current	9,353	7,049	5,635
Total liabilities	<u>12,381</u>	<u>10,462</u>	<u>9,617</u>
Total equity and liabilities	<u>44,336</u>	<u>52,605</u>	<u>64,098</u>

The Group's total assets decreased from RM52.6 million as at 31 March 2023 to RM44.3 million as at 31 March 2024, representing a decrease of RM8.3 million or 15.7%. The decrease in non-current assets was mainly attributable to the impairment on development and construction cost of its new factory amounting to RM2.7 million. The current assets decreased from RM37.1 million as at 31 March 2023 to RM32.9 million as at 31 March 2024, representing a decrease of approximately 11% compared to the previous financial year.

The Group's total liabilities increased from RM10.5 million as at 31 March 2023 to RM12.4 million as at 31 March 2024, an increase of RM1.9 million or 18.3% mainly attributable to the increase in bankers' acceptance facilities drawdown in the current financial year to part finance the purchase of raw material for the manufacturing segment resulting from the increased revenue recorded during the period under review.

As at 31 March 2024, the Group's current assets exceeded current liabilities by RM23.4 million (FPE 2023: RM30.0 million) which indicates that the Group has adequate resources to meet its short-term obligations as and when they fall due.

The Group's average inventory turnover period decreased to 90 days in FYE 2024 from 122 days in FPE 2023 with inventories of RM3.7 million as at 31 March 2024 compared to RM3.9 million as at 31 March 2023.

The Group's total trade receivables, net of impairment, comprises of loan receivables of RM11.0 million (FPE 2023: RM13.2 million) and manufacturing and interest receivables of RM3.3 million (FPE 2023: RM1.7 million). The Group recorded higher average trade receivables to turnover of 61 days in FYE 2024 as compared to 51 days in FPE 2023 as a result of increased volume of business during the financial year and delay in collection of interest from the financial services segment. The Group will continue its effort and take active steps in collecting its trade receivables which include holding regular meetings between the finance team and the sales team to co-ordinate and monitor the collection process. The manufacturing and interest receivables that are past due for more than 60 days amounted to RM0.5 million, representing 15% of the manufacturing and interest receivables of the Group as at 31 March 2024. Given the credit exposure of the Group's portfolio of interest receivables, an additional allowance for impairment of approximately RM1.2 million (FPE 2023: NIL) was made during the FYE 2024 and the impairment allowance of RM0.6 made on the manufacturing receivables in prior years was deemed sufficient.

For the moneylending business, the Group will continue to monitor the existing borrowers' profile and credit standing to ensure the recoverability of the loans extended as at 31 March 2024 of RM23.0 million (As at 31 March 2023: RM19.0 million). In view of the credit exposure of the Group's loan receivables, an additional impairment on expected credit loss of RM7.4 million (FPE 2023: RM5.8 million) has been made and the total impairment on expected credit loss stood at RM13.2 million as at 31 March 2024.

Statement from Executive Director and Management Discussion and Analysis (cont'd)

The shareholders' equity decreased from RM42.1 million as at 31 March 2023 to RM31.9 million as at 31 March 2024, representing a decrease of RM10.2 million or 24.2%. The decrease was mainly attributable to loss after tax of RM10.2 million recorded during the FYE 2024.

Cash, Bank Balances and Borrowings

	FYE 2024 RM'000	FPE 2023 RM'000	FYE 2021 RM'000
Net Cash Used In Operating Activities	(4,275)	(7,935)	(14,510)
Net Cash Used In Investing Activities	(85)	(8,546)	(17,111)
Net Cash Generated From Financing Activities	1,152	14,520	21,267
Net Decrease in Cash and Cash Equivalents	(3,208)	(1,961)	(10,354)
Cash And Cash Equivalents At End of the Financial Year/Period	(1,554)	1,654	3,615

The Group's cash and cash equivalents decreased from RM1.7 million as at 31 March 2023 to a deficit of RM1.6 million as at 31 March 2024, representing a drop of RM3.2 million or 193.9% mainly due increase in volume of business during the FYE 2024. The Group continues to maintain a relatively low debt to equity ratio of 0.39 times as at 31 March 2024 as compared to 0.25 times as at 31 March 2023.

ANTICIPATED OR KNOWN RISKS

Despite the improve results recorded for the FYE 2024, the Group may continue to be exposed to risks posed by the continued uncertainty of the global economic and geopolitical environment and the volatility of the Malaysian Ringgit against other foreign currencies. Accordingly, the Group is also exposed to several key business risks that may have adverse effect to the Group's operation and financial performance in the FYE 2025. In the second quarter of year 2024, like most other businesses globally, the Group will be subject to the key market forces of inflation from the uplifting of government subsidies, foreign currencies fluctuations and interest rate adjustments. In this regard, the Group will continue to take precautionary measures and remain resilient to manage the price competitiveness of its products and services which forms the major part of the Group's strategy to mitigate the adverse effects of the risks in order to sustain its business. Besides that, challenges pertaining to recruiting sufficient local and/or foreign workers which will continue to persist that affects the Group's manufacturing segment.

In view of the above, the Group remains committed in strengthening its core business in its manufacturing segment and will continue to explore and identify new opportunities and markets to deliver value to its shareholders. In the FYE 2024, the Group's subsidiary, Southborn, has granted additional loans of RM4.0 million to third parties small-medium enterprises and start-ups involved in multi-media businesses. In view of the substantial amount of loans extended, the moneylending business may expose the Group to other credit risks. The Group will continue with its efforts by imposing strict credit checks on potential borrowers prior releasing the loan and constantly monitor the credit standing of its existing borrowers to ensure recoverability of the interest and principal loan sums extended. Upon assessment of the expected credit loss on these loans, an additional impairment on expected credit loss on receivables amounting to RM7.4 million was made for the FYE 2024.

The Group remain resilient in strengthening its core business and continue to expand new strategies to identify new opportunities and markets. Nonetheless, the Group continues to face keen competition in our industry which is compounded by clients' requirement to be cost-efficient in supporting their operations. Our key advantage is the long track record we have established over the last half century and customer relationships built over the years. In order to constantly improve our quality, our project and sales team have been actively communicating with clients to ensure order execution is seamless and any issues are resolved soonest possible to maintain continuous good relationship with our clients.

Statement from Executive Director and Management Discussion and Analysis (cont'd)

As part of the Group's effort in focusing on Health, Safety and Environment ("HSE") practices to ensure the safety and wellbeing of its employees, customers, suppliers and contractors whilst charting a path towards recovery and growth, the Group has documented Safe Operating Procedure ("SOP") for the major machineries in the production area and ensure the safety of the production personnels while operating the machines during the production processes. These SOPs are pasted at the respective machine as guidelines and reminders for the production personnels to ensure adherence and compliance.

In addition to the above, the Audit and Risk Management Committee together with members of the Board, and the outsourced Internal Auditors will continue to provide their independent oversight on the effectiveness of the Group's internal control and risk management process. The Group is confident that the risk mitigation measures currently practiced will help to mitigate the adverse effects to its business.

MOVING FORWARD

Memorandum of Understanding/Agreement

Throughout the period under review, the Group continued its effort in exploring new business ventures to expand its revenue base with the intention to improve its financial performance. The Memorandum of Agreement ("MOA") that the Group entered into with Poly China United Capital Holdings Limited ("Poly") to collaborate in exploring opportunities in green energy and drones' technology ("Proposed Collaboration") was extended for another period of twelve (12) months till 12 October 2023. As the parties to the MOA were unable to synergise the proposed Collaboration with the existing businesses, the parties to the MOA allowed it to lapse upon its expiry on 12 October 2023.

On 16 June 2023, the Group entered into a central processing complex ("CPC") agreement ("CPC Agreement") with Markmore Energy (Labuan) Limited ("MELL") and CaspiOil Gas LLP ("COG") to invest and to set up a CPC Plant and First Pipeline at the Rakushechnoye Oil and Gas Field in the Republic of Kazakhstan ("Kazakhstan") to process the natural gas extracted from the Rakushechnoye Oil and Gas Field in Kazakhstan into liquefied petroleum gas and condensate and other residue gas and to purchase 2 million barrels of crude oil from COG (as defined therein).

(Collectively, the "Proposed Gas Processing")

In conjunction with the Proposed Gas Processing, the Group announced multiple proposals comprising of proposed private placement, proposed renounceable rights issue with free detachable warrants, proposed RCPS, proposed diversification of the business into the downstream oil and gas industry and proposed amendments to the Company's Constitution to facilitate the proposed issuance of RCPS ("Proposals").

On behalf of the Board, M&A Securities Sdn Bhd had made the announcements of the Proposed Gas Processing and multiple Proposals to Bursa Securities on 16 June 2023, of which the Proposals are subject to various approvals which are inter-conditional.

The Board is currently in the midst of reviewing the structure of the proposals as per the Company's announcement dated 10 July 2024 in relation to, among others, the CPC Agreement. Further announcement will be made once the revision of the proposals has been finalised in the future.

Corporate Proposals

Save as disclose below, there was no corporate proposal undertaken or announced during the period under review: -

- (a) On 15 July 2024, CN Asia proposed to undertake a private placement of up to 10% of the existing total number of issued shares of CN Asia to independent third-party investor(s) to be identified later and at an issue price to be determined later. ("Proposed Private Placement"). The Proposed Private Placement entails an issuance of up to 24,525,600 new ordinary shares of CN Asia based on the maximum scenario.

Statement from Executive Director and Management Discussion and Analysis (cont'd)

Future Outlook

As we look ahead, the business of the Group will continue to remain challenging and competitive in view of the compounded impact of rising inflation rate and the worldwide geographical turmoil to global oil and gas supply and demand. Moving forward, the group's performance may continue to be affected by the fluctuations in foreign currency exchange rates and material prices. Amidst the uncertainties and unpredictable business environment, the Group remain cautiously optimistic that the demand for our products and services will not be significantly dampened. The Group will continue to remain cautious and constantly monitor the developments of the global economic growth situation by taking appropriate measures to pursue more projects to expand its revenue base to sustain the Group's business and improve the Group's performance.

In our manufacturing segment, we will focus on product development to expand our product range to existing customers and increase our customer base. In order to further enhance our operation efficiency, we have focused on the key operational highlights which include: -

- Implementation of new technology solutions to streamline processes by procuring more advance equipment for the production;
- Continuous improvement initiatives to enhance product quality and reduce waste; and
- Strengthening of our supply chain to ensure reliability and flexibility in achieving customer satisfaction.

The Group's moneylending business has continued to grow in the FYE 2024 with additional loans extended to third parties amounting to RM4.0 million. In view of the increasing credit risks exposed to our moneylending business, which has adversely affected the financial performance of the Group for the FYE 2024, the Company, together with its wholly-owned subsidiary, Southborn Capital Sdn Bhd ("Southborn"), had on 26 June 2024 entered into a Settlement Agreement ("SA" or the "Agreement") with SMTRACK Berhad ("SMTRACK") and its wholly-owned subsidiary, SMT Turbojet Resources Sdn Bhd ("SMTRSB") to settle a loan together with interest accrued thereon, up to 23 November 2024 of RM7,630,000 ("Settlement Sum"), owing by SMTRSB to Southborn, via the issuance and allotment of up to 218,000,000 new ordinary shares of SMTRACK ("Settlement Shares") to CN Asia at an issue price of RM0.035 per Settlement Share ("Issue Price"), representing approximately a 10% discount to the 5-day volume weighted average price ("VWAP") of SMTRACK shares calculated up to 25 June 2024, being the last practicable day preceding the date of this Announcement ("Proposed Debt Settlement" or "Proposal"). The Proposed Debt Settlement will enable CN Asia to participate in the investment in quoted shares and reduce the exposure to credit risk.

During the period under review, the Group continued its effort to diversify its business into other segments to strengthen its position and financial performance by embarking into energy management business, where the focus was on nano technology lighting and urban farming.

The concept of energy management derived by way of energy enhancement, energy optimization and energy wastage reduction. The Group emphasis on product and function enhancements to maximise energy consumption by eliminating wastage and also minimizing electricity used by reducing wattage of lighting systems. The Group believes that with the proof of concept successfully implemented and the potential opportunities in this business, CN Asia strives to take major steps in creating a society that functions and prospers with sustainability in the context of economic viability, environmental protection and reduction in carbon emission.

Urban farming is a concept of growing plants within a city where it can take the form of traditional farm plots, green house and community gardens, as well as modern indoor techniques like aquaponics and hydroponics. In view of the rising threat of food insecurity and the increased in hunger index from 10.9 in 2014 to 12.5 in 2022 in Malaysia, the Group view the importance and key benefits of urban farming in addressing environmental health and food security. Urban farming presents an attractive and sustainable form of ensuring food security, in either unused building and also creating greenhouses on rooftops.

The urban farming project is spearheaded by our Executive Director, Mr. Chang Chee Ching, who has spent effort and time to explore the various methods of indoor vertical farming to grow the vegetables and also other food products. A showroom with small scale indoor vertical farming facilities within the Group's business premises has been set up during the period under review.

Statement from Executive Director and Management Discussion and Analysis (cont'd)

We are excited about the opportunities that lie ahead to embrace the energy management business that will encompass environmental, economic, and social benefits to the surrounding communities as part of the Group's sustainability effort.

Premised on the above and barring any unforeseen circumstances, the Board is cautiously optimistic that the Group is well positioned to navigate the challenging environment for the financial year ending 31 March 2025.

DIVIDEND

The Board do not propose any dividend for the FYE 2024.

BOARD CHANGES

The rapid board changes since the date of the last report have been an unprecedented year to CN Asia. On behalf of the Board, I would like to express my gratitude to the outgoing Board members, namely Mr. Low Yong Heng, Mr. William H Van Vliet III and our former chairman, Dato' Sri Zulkifli Bin Abdullah for their valuable insight and contribution to the Group.

Further, I would like to take this opportunity to extend a warm welcome to YM Tengku Ummil Zulaikha Kalsom Binti Tengku Shamsulbhari and Encik Ashraf Bin Kahasani, who joined the Board as Non-Independent Non-Executive Director effective on 13 December 2023 and Independent Non-Executive Director effective on 29 March 2024 respectively.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my deep appreciation to CN Asia's management team and employees for their dedication, commitment and continuous support, especially under the stewardship of the executive director, Mr Chang Chee Ching, who helped the Group to achieve its goals amid a difficult operating environment over the past years.

I would also like to extend my warmest gratitude to our valued shareholders, customers, suppliers, bankers, advisors, business associates, the relevant authorities and government agencies for their steadfast support, commitment, contribution and trust in CN Asia. We are grateful that you have placed your trust in us and we will strive to continuously deliver value to you.

Last but not least, I would like to place on record my heartfelt appreciation to my fellow Board members for their devotion and wise counsel in the various Board Committees during the period under review.

We recognize that the path ahead remains challenging, our long-term commitment is to strive to accomplish our strategic goals by generating profitable growth for the Group, improving productivity and enhancing shareholders' value.

I am confident that with their continued support and commitment, the Group will be well poised to endure the challenging environment and to sustain its business for the years ahead.

YM Tengku Shamsulbhari bin Tengku Azman Shah

Executive Director

Audit and Risk Management Committee Report

The Board of Directors (the “Board”) of CN Asia Corporation Bhd (“CN Asia” or the “Company” or the “Group”) is pleased to present the Audit and Risk Management Committee (“ARMC” or the “Committee”) Report for the financial year ended 31 March 2024 (“FYE 2024”).

MEMBERS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman

Datuk Mohamad Fazly Bin Zainudin *(Independent Director) (Redesignated w.e.f. 22.02.2024)*
Low Yong Heng *(Independent Director) (Resigned w.e.f. 18.01.2024)*

Members

Nadanarajah A/L Ramalingam *(Independent Director)*
Ashraf Bin Kahasani *(Independent Director) (Appointed w.e.f. 18.04.2024)*

As at the FYE 2024, the ARMC comprises three (3) Non-Executive Directors, all of whom are Independent Directors. The current Chairman of the ARMC, Datuk Mohamad Fazly Bin Zainudin, graduated with a Bachelor of Accountancy from Mara University of Technology.

The composition of the ARMC and the qualification of the members comply with Paragraph 15.09 (1) of the Main Market Listing Requirement of Bursa Securities (“MMLR”).

The Committee carries out its duties and responsibilities in accordance with its Terms of Reference which is available on the Company’s website at <https://www.cnasia.com>.

The ARMC has the authority to investigate any matter within its Terms of Reference. In this regard, ARMC has full and unrestricted access to any information pertaining to the Group, co-operation from Management, direct communication channels with the external and internal auditors and reasonable resources to enable it to discharge its functions appropriately.

MEETINGS

There were six (6) ARMC meetings held during the FYE 2024. The details of attendance of the ARMC members are as follows: -

ARMC Member	Meeting Attendance
Datuk Mohamad Fazly Bin Zainudin <i>(Redesignated w.e.f. 22.02.2024)</i>	3/3
Low Yong Heng <i>(Resigned w.e.f. 18.01.2024)</i>	5/5
Nadanarajah A/L Ramalingam	6/6
Ashraf Bin Kahasani <i>(Appointed w.e.f. 18.04.2024)</i>	N/A

The meetings were conducted with the quorum of at least two (2) ARMC members and all the members present at the meetings were Independent Non-Executive Directors.

The Company Secretary was in attendance during all the meetings. The Group Financial Controller, the outsourced internal auditors, GovernanceAdvisory.com Sdn Bhd, the external auditors, Messrs. Chengco PLT, were invited to deliberate on matters within their responsibilities during the meetings.

Audit and Risk Management Committee Report (cont'd)

Minutes of each ARMC meeting were recorded and tabled for confirmation at the following ARMC meeting. The ARMC has been given adequate resources to discharge its functions and has full and unrestricted access to and cooperation of Management. After each ARMC meeting, the ARMC Chairman reported on matters deliberated to the Board for their notation including matters of significant concern as and when raised by the External Auditors or Internal Auditors. Matters reserved for Board approvals are tabled at Board meetings. The Committee may also take action by way of circular resolutions in lieu of convening a formal meeting as and when deemed necessary.

SUMMARY OF ACTIVITIES

The main activities carried out by the ARMC during the FYE 2024 are summarised below: -

- Reviewed the quarterly reports including the unaudited financial results of the Group to ascertain compliance with approved accounting standards, other relevant legal and regulatory requirements, and prior to recommending to the Board for approval.
- Reviewed and considered the audit planning memorandum and audit review memorandum of the external auditors for recommendation to the Board for approval.
- Reviewed the audit reports of the external auditors.
- Reviewed the annual audited financial statements of the Group and recommended to the Board for approval.
- Reviewed and considered the propose objectives and scope of work of internal audit review carried out during the FYE 2024.
- Reviewed and deliberated on the internal audit reports and monitored the remedial actions taken by the Management based on the recommendation of the outsourced internal auditors.
- Reviewed and considered the External Auditors' Assessment Policy and recommended to the Board for adoption.
- Assessed the performance of External Auditors and their independence, and recommended to the Board for approval.
- Assessed the performance of the external consultant for internal audit function and recommended to the Board for approval.
- Discussed and considered the audit fees of the External Auditors for the FYE 2024 and recommended to the Board for approval.
- Reviewed the Audit and Risk Management Committee Report, Additional Compliance Information, Statement on Risk Management and Internal Control and Particulars of Properties owned by the Company, and recommended to the Board for approval for inclusion in the Company's annual report.
- Review all recurrent related party transactions of the Group for the FYE 2024 and recommend the same for Board's approval, if any.
- Reviewed and considered the analysis of expected credit losses on financial assets of the Group to consider the impairment on the Group's receivables and recommended to the Board for approval.
- Reviewed and verified the allocation of share options to the Group's eligible employees in compliance with the criteria set out in the By-Laws of the Company's Share Issuance Scheme at the end of the financial year.
- Reviewed the adequacy of credit risk assessment of the moneylending operations undertaken by its wholly-owned subsidiary.
- Reviewed the quarterly reports of its moneylending activities to ascertain compliance with the relevant legal and regulatory requirements, prior to recommending to the Board for approval.
- Reviewed Group's risk exposures, including review risk assessment model used to monitor the risk exposures and Management's views on the acceptable and appropriate level of risks faced by the Group.
- Oversee the risk management activities of the Group with the support from the Executive Directors and Senior Management of the Group in the implementation of the Board's policies & procedures on risk management.
- Reviewed and evaluated operational and financial performance of the Group to ensure that appropriate measures were taken to address any significant risk.
- Reviewed and deliberated the group's risk profile including the risk assessment process conducted by the respective department and recommended to the Board for approval.

Audit and Risk Management Committee Report (cont'd)

INTERNAL AUDIT FUNCTIONS

The Group's internal audit function is outsourced to the external consultant, Messrs. GovernanceAdvisory.com Sdn Bhd ("GA") who reports administratively to the Executive Director and functionally to the Committee. The professional fees paid to the outsourced Internal Auditors during the FYE 2024 amounted to RM16,960 (FPE 2023: RM23,320). The scope of the internal audit covers the examination and evaluation of the adequacy and effectiveness of the Group's system of internal control, the efficiency of operations and the quality of performance of the relevant departments in carrying out respective assigned responsibilities. The Internal Auditors' primary function is to submit reports that highlight the risks and control weaknesses and provide appropriate recommendations for improvement to assure the senior management and the Committee that the state of internal controls of the Group is satisfactory. The activities of the internal audit function during the financial year are summarised as follows: -

- Reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal audit functions.
- Performed internal audit reviews to evaluate the adequacy of the internal control system on the overall control environment within the Group.
- Performed review and assessment on the Group's financial function which include the review of competency of accounts team, adequacy and adherence of the financials' standard operating policy and procedure and timeliness and accuracy of financial reporting of the Group
- Carried out special reviews and more detailed inquiries on issues noted during the audits and/or as requested by the management and/or the ARMC, and issued reports accordingly to the management and/or the ARMC, where applicable.

Further details on the risk management and internal control of the Company are set out in the Statement on Risk Management and Internal Control as set out in this Annual Report.

Corporate Governance Overview Statement

The Board of Directors of CN Asia Corporation Bhd (the “Board”) recognises that the practice of high standards of corporate governance throughout the Group is a fundamental part of discharging their responsibilities to safeguard the interests of the shareholders and to enhance shareholders’ value and financial performance of the Group.

The Board is pleased to present this Corporate Governance Overview Statement to report the manner in which the Group has applied the principles and practices as set out in the Malaysian Code on Corporate Governance 2021 (the “Code”) and the extent of compliance with the Code pursuant to paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Company has disclosed the application of each principle and practice as set out in the Code to Bursa Securities in its Corporate Governance Report (“CG Report”) pursuant to paragraph 15.25(2) of the MMLR of Bursa Securities. This Corporate Governance Overview Statement should also be read together with the CG Report for the financial year ended 31 March 2024 (“FYE 2024”), which is made available on the Company’s website at <https://www.cnasia.com>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Part I - Board Responsibilities

1. Board’s Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

The vital responsibilities of the Board are to lead the Group towards its mission by providing entrepreneur leadership and direction as well as management oversight. The Board assumes the following responsibilities for the Group: -

- determining strategic planning and direction of the Group;
- overseeing the overall conduct of the Group’s business;
- identifying principal financial and non-financial risks, risk appetite and ensuring the implementation of systems to analyse, evaluate, manage and monitor risks;
- developing succession planning for the board and senior management;
- reviewing the adequacy and integrity of the Group’s internal control systems and management information systems;
- establishing goals for management and their performance;
- monitoring the achievement of these goals;
- ensuring the integrity of the Company’s financial and non-financial reporting; and
- ensuring that the Company has in place procedures for effective communication with stakeholders.

There is a clear division of responsibilities between the Board members to ensure that there is a balance of power and authority as well as to enhance the accountability of each member. The Board is always guided by the Board Charter of which the Board’s roles, responsibilities and authorities are defined and practiced ensuring the maximisation of shareholders’ value and safeguarding the stakeholders’ interests including securing sustainable long-term value creation with proper social and environmental considerations. The authorisation procedures for key processes are stated in the Group’s policies and procedures.

As part of its initiative for the effective discharge of its leadership role and enhancement of accountability, the Board has delegated specific powers to the Chairman, the Executive Directors and the following Board Committees: -

- Audit and Risk Management Committee
- Nomination Committee
- Remuneration Committee
- Share Issuance Scheme Committee
- Investment Committee

Corporate Governance Overview Statement

(cont'd)

The powers delegated to each of the Board Committees are set out in the respective Terms of Reference as approved and regularly reviewed by the Board. These Terms of Reference are made available on the Company's website at <https://www.cnasia.com>.

Notwithstanding the delegation of specific powers, the Board retains full responsibility for the direction and control of the Group to safeguard the interests of the shareholders and to enhance shareholders' value.

1.2 The Chairman

The former Chairman, Dato' Sri Zulkifli Bin Abdullah, an Independent Director, was able to ensure effective conduct and deliberate matters at Board meetings. He had provided strong leadership leading the Board's priority more objectively in driving the focus on governance and compliance, though his primary responsibility is running and leading the discussion at the Board level. Dato' Sri Zulkifli resigned as Director of the Company on 24 November 2023 and the Company is currently sourcing for a suitable candidate to fill up the vacant position.

1.3 Chairman and Executive Directors

Currently, the position of the Chairman is vacant. The former Chairman and Executive Directors are held by three (3) distinct individuals which are in line with the recommendations of the Code. The distinct and separate roles of the former Chairman and the two (2) Executive Directors promote accountability and facilitate the division of responsibilities between them. The Chairman leads the Board in the oversight of management whereas the Executive Directors focuses on the day-to-day operations and management of the Group.

YM Tengku Shamsulbhari Bin Tengku Azman Shah and Mr. Chang Chee Ching, the Executive Directors, with the assistance and support from the Key Senior Management, are responsible for managing the day-to-day operations and management of the Company and the Group, implementing the Board's policies and decisions to achieve the short term and long term objectives as well as coordinating the development and implementation of business and corporate strategies.

The respective duties and responsibilities of the Chairman and Executive Directors are set out in the Board Charter.

1.4 Chairman is not a member of Board Committees

The former Chairman, Dato' Sri Zulkifli Bin Abdullah, was not a member of any of the Company's Board Committees. Currently the position of Chairman is vacant.

1.5 Suitably qualified and competent company secretaries

The Board is assisted by a qualified competent Company Secretary, Encik Mohd Zakie bin Soad, who is a Licensed Secretary and is qualified to act as Company Secretary under the Companies Act 2016. He provides sound governance advice and advocates the adoption of corporate governance best practices to the Board. The Company Secretary discharges his function with his attendance in the Board and Board Committee meetings and advises the Board on the Board's adherence of rules, policies and procedures in compliance with the relevant regulatory requirements, codes or guidance and legislations. As a practicing company secretary, he keeps abreast with the regulatory changes and corporate governance development, and had attended seminars during the FYE 2024.

The Company Secretary also ensures that there is good information flow within the Board and between the Board members, Board Committees and Key Senior Management. The Company Secretary is also entrusted with recording the Board's deliberations, in terms of issues discussed, and the conclusions and the minutes of the previous Board and Board Committees meetings are distributed to the Board prior to the meetings for their perusal before confirmation of the minutes at the commencement of the next Board and Board Committee meetings.

Corporate Governance Overview Statement

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The Board has full and unlimited access to the Company Secretary who is always available to provide the Directors with the appropriate advice.

The Company Secretary circulated the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and briefed the Board quarterly on these updates, where applicable at Board meetings. Hence, the Directors are continually updated on the Group's business and the regulatory requirements.

Encik Zakie resigned as Company Secretary of the Company and in place thereof, Ms. Chiew Liyah was appointed as Company Secretary with effect from 22 January 2024.

1.6 Access to information and advice

All members of the Board have full and unrestricted access to any information about the Company, the advice and services of the Company Secretary, Key Senior Management and external independent professional advisers may be engaged, where necessary, with approval from the Board or the Board Committees, at the Company's expense to enable the Board to discharge their duties. The meeting materials including agenda and Board papers which are complete and accurate had been circulated to all Directors before the Board meetings to enable the Directors to obtain and access further information and clarification to be well informed of the matters before the meetings for consideration.

The Board is updated with the new amendments and updates on the regularisations from the authorities from time-to-time as and when notified/issued by circulating through emails and briefings, whichever deemed appropriate and applicable.

In addition, the Board is notified of any corporate announcements released to Bursa Securities and is also kept informed of the requirements and updates issued by the various regulatory authorities through the Company Secretary.

The decisions made at the Board and Board Committees meetings are also communicated to the Management promptly to ensure appropriate execution.

The deliberations and conclusions of issues discussed in the Board and Board Committees meetings are duly recorded in the minutes. The draft of which is circulated for Board and Board Committees' review within a reasonable timeframe after the meeting.

2. Demarcation of Responsibilities

2.1 Board Charter

The Board is guided by the Board Charter which set out the roles and responsibilities of the Board, Chairman, Executive Directors and Board Committees. The Board has adopted the Board Charter, and the objectives of this Board Charter are to ensure that all Board members are aware of their duties and responsibilities as a member of the Board and that the relevant legislation and the principles and practices of good Corporate Governance are applied in discharging their duties and responsibilities.

The Board Charter will be reviewed periodically and updated by the Board to ensure it is kept up-to-date with changes in regulations and best practices to ensure its effectiveness and relevance to the Board's objectives and responsibilities. The Board Charter is available on the Company's website at <https://www.cnasia.com>.

Corporate Governance Overview Statement

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3. Good Business Conduct and Corporate Culture

3.1 Code of Ethics and Conduct

The Code of Ethics and Conduct (“COE”) has been put in place for all Directors and employees of the Group as a guide in discharging their duties and responsibilities by demonstrating healthy corporate culture, good judgment transparency, fairness and honesty as well as loyalty and ethics in the conduct of its business that are aligned with best practices and applicable laws, rules and regulations.

This COE adopted are reviewed periodically by the Board. It is made available on the Company’s website at <https://www.cnasia.com>.

3.2 Whistleblowing Policy

The Company believes that the Whistleblowing Policy will facilitate and encourage disclosure of genuine concerns about any possible violations and improprieties in matters related to financial reporting, compliances and other malpractices that may be committed within the organisation. Should any employee have information regarding the violation or improprieties, he/she should report the matter immediately to the line manager, higher management or the Board. All reports or complaints of this nature shall be treated in strict confidence unless otherwise required to be disclosed by the law or court order.

The Whistleblowing Policy is reviewed periodically by the Board to ensure it is in line with the relevant laws and legislations. It is made available on the Company’s website at <https://www.cnasia.com>.

3.3 Anti-Bribery and Corruption Policy

The Company has established an Anti-Bribery and Corruption (“ABC”) Policy to observe and uphold its position in the case of bribe, corruption, gifts, facilitation payment and kickbacks. The objectives of this policy is to ensure that the Board, all employees and officers of the Group comply with the anti-bribery and corruption procedures and, at the same time promote integrity, transparency and avoid conflict of interest in accordance with the Group’s principles of good corporate governance.

The ABC Policy is reviewed periodically by the Board to ensure it remains consistent with the Company’s objectives and conform with applicable laws and legislations. This Policy is made available on the Company’s website at <https://www.cnasia.com>.

4. Governance of Sustainability

The Board together with the Management acknowledges their responsibility to ensure sustainability efforts are embedded in the strategic direction of the Group to promote sustainability in areas covering health, safety and environment (“HSE”), social and governance. The Board exercises oversight over the company’s performance with respect to sustainability practices and reporting. As part of the fiduciary duty to our shareholders, the Board is focused on maintaining good corporate governance practices, which are in line with our values and culture. The Board entrusted the Company’s Sustainability Working Committee, a management committee comprising a director from the Board which acts as Chairman, key management personnel and heads of department within the Group where material sustainable matters are managed by various departments within the Group with the support from all staff within the Group. Further information on the Company’s approach towards sustainability is provided in the Sustainability Statement as set out in this Annual Report.

Part II - Board Composition

5. Board's Objectivity

5.1 Composition of the Board

Currently, the Board comprises of seven (7) members as set out below: -

Name of Directors	Designation	Independent
Datuk Seri Tan Choon Hwa	Non-Independent Non-Executive Deputy Chairman	No
Y.M Tengku Shamsulbhari Bin Tengku Azman Shah	Executive Director	No
Chang Chee Ching	Executive Director	No
Nadanarajah A/L Ramalingam	Independent Director	Yes
Datuk Mohamad Fazly Bin Zainudin	Independent Director	Yes
YM Tengku Ummil Zulaikha Kalsom Binti Tengku Shamsulbhari ¹	Non-Independent Non-Executive Director	No
Ashraf Bin Kahasani ²	Independent Director	Yes

- Appointed w.e.f. 13 December 2023¹ and 29 March 2024²

As at 31 March 2024, there were three (3) Independent Directors representing approximately 43% of the Board who demonstrates independence of judgement and ensure board decisions are made objectively in the best interests of the Company. The Independent Directors provide checks and balances for the effective and efficient functioning of the Board.

In the event of any vacancy, resulting in less than two (2) directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors, the Company must fill the vacancy within three (3) months.

The Board is of the opinion that the current size and composition of the Board constitute an effective Board with the different backgrounds and specialisation, collectively bringing with them a wide range of business, management, financial, law and technical experiences. The profile of each Director is set out in this Annual Report.

5.2 Tenure of Independent Director

The Board is mindful of the recommended best practices in relation to limiting the tenure of independent director to nine (9) years and set the policy that limit the tenure of its Independent Director to a cumulative term of nine (9) years in its Board Charter. However, an Independent Director may continue to serve the Board upon reaching the nine (9) years limit subject to re-designation as Non-Independent Director. In the event the Board intends to retain the Director as Independent Director after serving for nine (9) years, the Board must justify the decision and seek for shareholders' approval.

In order to ensure independent and objective judgment is brought to the Board's deliberation by the Independent Directors and to ensure conflict of interest or undue influence from interested parties is well taken care of, the Board is committed to ensure the Independent Directors are assessed by the Nominating Committee before their appointment based on formal nomination and selection process with the results of the review reported to the Board for consideration and decision.

As at the FYE 2024, none of the Independent Directors of the Company has served the Board for more than nine (9) years.

Corporate Governance Overview Statement

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5.3 Diverse Board and Senior Management

Appointment of Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Board has in place a set of directors' selection criteria for use in the selection and recruitment process. This set of criteria will be used as a reference by the Group's Human Resource department for the selection and recruitment of Senior Management of the Group. The Profile of Directors and the Senior Management Team are set out in this Annual Report.

5.4 New Candidates for Board Appointment

Save as disclosed for the newly appointed directors in Item 5.1 above, there were no other appointment of directors since the date of the last report.

The Nomination Committee is responsible for identifying, assessing and recommending to the Board suitably qualified candidates for directorship on the Board as well as members of the Board Committees.

The Nomination Committee will assess candidate's suitability based on a set of criteria as set out in the Criteria for Selection of Directors established and approved by the Board.

The Board does not solely rely on recommendations from existing Board members, management and major shareholders in identifying suitable candidates. It is also open to referrals from external independent sources available, such as industry and professional associations, Financial Institution Directors Education ("FIDE") Forum and independent search firms to identify suitably qualified candidates, when necessary.

5.5 Nomination Committee

The Nomination Committee is chaired by an Independent Director. The Nomination Committee is tasked by the Board to amongst others, identify, assess and recommend to the Board suitably qualified candidates for appointment to the Board and Board Committees, re-election and re-appointment of Directors, and review the independence of Independent Directors, considering the Board's succession planning and training programmes as well as performing a formal assessment of the effectiveness of individual Directors and the annual appraisal of the Executive Directors' performance based on the selected performance criteria. In addition, the Committee is also tasked to review the required mix skills, experiences and other qualities, including core competencies of the members of the Board.

The company has in place the Directors' Fit and Proper Policy which sets out the approach, guidelines and procedures to ensure quality and integrity process on the appointment and re-election of Directors. The policy serves as a guide to the Nomination Committee and the Board in their review and assessment of candidates for appointment to the Board as well as directors who are seeking for re-election to ensure that each director candidate or Director possesses the character integrity, experience, competence, time commitment and independence to carry out his/her role and responsibility effectively in the best interest of the Company. The Directors' Fit and Proper Policy is made available on the Company's website at <https://www.cnasia.com>.

As at 31 March 2024, the Nomination Committee comprises exclusively of Non-Executive Directors, a majority of whom are Independent Directors and the members are as follows: -

Name of Directors	Directorate	Designation
Nadanarajah A/L Ramalingam	Independent Director	Chairman
Datuk Seri Tan Choon Hwa	Non-Independent Non-Executive Director	Member
Datuk Mohamad Fazly Bin Zainudin	Independent Director	Member

The Terms of Reference of the Nomination Committee are reviewed, updated, where necessary, and adopted at a Board meeting held during the financial year. It is made available on the Company's website at <https://www.cnasia.com>.

5.6 Gender Diversity Policy

The Board is supportive of the gender diversity in the boardroom as recommended by the Code. In considering Board appointment, the Board, through its Nomination Committee, provides equal opportunity to candidates who have the necessary skills, experience, commitment (including time commitment), core competencies and other qualities regardless of gender, ethnicity and age.

The Board has not formalised a specific policy on female participation on the Board. Nevertheless, the Board is committed to providing fair and equal opportunities, through its Nomination Committee, in considering gender diversity to achieve the optimum composition of the Board.

As at 31 March 2024, there was one (1) female director on Board, YM Tengku Ummil Zulaikha Kalsom Binti Tengku Shamsulbhari who succeeded Madam Tania Scivetti, representing 14.3% female participation on the Board.

The Board, through the Nomination Committee, will continue to observe the female participation in the Board and will take steps towards formalising such policy, targets and measures to reflect company commitment towards gender diversity. In fact, the Board has established a sustainability target for gender diversity as disclosed in the Sustainability Statement that is to achieve 30% female director by the year 2030.

6. Overall Board Effectiveness

6.1 Annual Evaluation

During the Nomination Committee meeting held during the FYE 2024, an evaluation was carried out through a set of questionnaires with the results collated, summarised and reported to the Board by the Chairman of the Nomination Committee. The Board, through the recent review and assessment of the Nomination Committee, confidently believes that the size and composition of the Board is appropriate, balanced and that there is an appropriate mix of skills, experiences and expertise as well as core competency to discharge their duties effectively.

The current criteria for an annual assessment of Directors are outlined in the Director's Evaluation Form. The effectiveness of the Board is assessed in the terms of board size, composition, the conduct of board meetings, boardroom activities and directors' skills set matrix. The Board Committees are assessed based on their roles and scope of work, the supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their duties.

In the case of individual Directors, peer and self-assessment are carried out to evaluate their strategic direction, ethical and values are driven, knowledgeable, diligent, team player and personal development, such as the ability to give constructive suggestions and assertive in expressing their viewpoint, provide a logical and honest opinion on issues deliberated, maintain confidentiality, demonstrate objectivity and integrity in the decision making process, understand critical issues affecting the Company, offer practical and realistic advice and demonstrate a willingness to devote adequate time and effort to the Board and Board Committees. In the case of Independent Directors, they are also assessed on the level of their independence and ability to defend stand through constructive deliberation where necessary. In addition, the Directors are also being evaluated on their personal development and identified their strengths and weaknesses in discharging their duties and responsibility as a member of the Board as well as continuously improving themselves to keep updated to counter the ever-changing environment.

In accordance with the Company's Constitution, newly appointed Directors shall hold office until the next following Annual General Meeting. They shall then be eligible for re-election by shareholders in the next Annual General Meeting subsequent to their appointment. The Constitution also provides that one-third (1/3) of the Board are required to retire at every annual general meeting and be subject to re-election by shareholders and all directors shall retire from office once every three (3) years but shall be eligible for re-election.

Corporate Governance Overview Statement

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6.2 Time Commitment of the Board

The Board is scheduled to meet at least four (4) times a year at quarterly intervals with additional meetings convened when necessary.

In the intervals between Board meetings, for exceptional matters requiring urgent Board decisions, Board approvals are obtained via circular resolutions which are supported with information necessary for an informed decision. To facilitate Directors' planning and time management, an annual meeting calendar is discussed during the Board of Directors Meeting before the beginning of each new financial year.

During the FYE 2024, the Board held seven (7) meetings to deliberate and decide on various issues including the Group's financial results, strategic decisions, the appointment of external auditors, remuneration of Directors, recommendation for re-election/re-appointment of Directors at Annual General Meeting and the direction of the Group. The details of the attendance of each member of the Board at the Board Meetings held during the FYE 2024 are as follows:

Name of Directors	Attendance of Meetings	Percentage (%)
Datuk Seri Tan Choon Hwa	6/7	86
Y.M Tengku Shamsulbhari Bin Tengku Azman Shah	7/7	100
Chang Chee Ching	7/7	100
Nadanarajah A/L Ramalingam	7/7	100
Datuk Mohamad Fazly Bin Zainudin	4/4	100
YM Tengku Ummil Zulaikha Kalsom Binti Tengku Shamsulbhari ¹	1/1	100
Ashraf Bin Kahasani ²	N/A	N/A
Dato' Sri Zulkifli Bin Abdullah ³	4/6	67
Low Yong Heng ⁴	6/6	100
William H Van Vliet III ⁵	2/4	50

- Appointed w.e.f. 13 December 2023¹ and 29 March 2024²

- Resigned w.e.f. 24 November 2023³, 18 January 2024⁴ and 13 March 2024⁵

The following are the details of the attendance of the Board Committees at the Board Committees meetings held during the FYE 2024:-

(i) Audit and Risk Management Committee

Name of Directors	Designation	Attendance of Meeting	Percentage (%)
Datuk Mohamad Fazly Bin Zainudin ¹	Chairman	3/3	100
Nadanarajah A/L Ramalingam	Member	6/6	100
Ashraf Bin Kahasani ²	Member	N/A	N/A
Low Yong Heng ³	Chairman	5/5	100

(ii) Nomination Committee

Name of Directors	Designation	Attendance of Meeting	Percentage (%)
Nadanarajah A/L Ramalingam	Chairman	3/3	100
Datuk Seri Tan Choon Hwa	Member	3/3	100
Datuk Mohamad Fazly Bin Zainudin	Member	2/2	100

Corporate Governance Overview Statement

(cont'd)

(iii) Remuneration Committee

Name of Directors	Designation	Attendance of Meeting	Percentage (%)
Datuk Seri Tan Choon Hwa	Chairman	0/1	0
Datuk Mohamad Fazly Bin Zainudin	Member	1/1	100
Ashraf Bin Kahasani ⁴	Member	N/A	N/A
Low Yong Heng ³	Member	1/1	100

- Redesignated w.e.f. 22 February 2024¹

- Appointed w.e.f. 18 April 2024² and 25 April 2024⁴

- Resigned w.e.f. 18 January 2024³

Based on the attendance record of the Board Committees meetings above, the Board is satisfied with the time commitment given by the Directors. All the Directors are following the provision of Paragraph 15.06 of the MMLR on the restriction of not holding more than five (5) directorships in listed issuers. The Directors' directorship in other listed issuers are disclosed in their respective profiles. The Directors must notify the Board in a timely manner before accepting an invitation to serve on the board of another listed issuer taking into consideration any actual or apparent conflicts of interest and impairments to independence as well as time and energy necessary to satisfy the requirements of the Board and Board Committees memberships in the other listed issuers.

6.3 Assessment of Independent Directors

The Board, through the Nomination Committee, assesses the Independent Directors annually where the evaluation took into account the individual Director's ability to exercise independent judgment at all times and to contribute to the effective functioning of the Board.

In addition, none of the Independent Directors are employees of the Company and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Directors' judgment.

The Board is satisfied with the level of independence demonstrated by the Independent Directors and believed that the Independent Directors will continue to bring independent and objective judgment to Board deliberations.

6.4 Directors' Training

The Board acknowledges the importance of continuous training for the Directors to gain insight and keep abreast themselves to further enhance their skills and knowledge to enable them to discharge their roles and responsibilities effectively.

At the date of this report, all Directors have attended the Mandatory Accreditation Programme I ("MAPI") as prescribed by Bursa Securities. The Board, through the Nomination Committee, has undertaken an assessment of the training needs of each Director and the Directors will continue to undergo relevant training programmes, seminars, workshops, talks and conferences to keep abreast with new regulatory developments and relevant changes in the business environment on a continuous basis in compliance with paragraph 15.08 of the MMLR of Bursa Securities.

Corporate Governance Overview Statement

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During the FYE 2024, the Directors have attended seminars and trainings as follows:

Name of Director	Seminar and Training Programmes
Datuk Seri Tan Choon Hwa	● Understanding ESG: A Malaysia Perspective
Y.M Tengku Shamsulbhari Bin Tengku Azman Shah	● Understanding ESG: A Malaysia Perspective
Chang Chee Ching	● National Tax Confrence 2023 ● E-Invoicing – Is Your Business Ready for New Regulations? ● National Tax Seminar 2023 ● ISAs for Audit Planning: ISA 300, 315 (Revised), 320 & 450 ● MFRS 107 Statement of Cash Flows Including Consolidated Cash Flows on Acquisition of Subsidiary and Foreign Currency Translation ● Understanding ESG: A Malaysia Perspective
Nadanarajah A/L Ramalingam	● Understanding ESG: A Malaysia Perspective
Datuk Mohamad Fazly Bin Zainudin	● Mandatory Accreditation Programme
YM Tengku Ummil Zulaikha Kalsom Binti Tengku Shamsulbhari ¹	● Mandatory Accreditation Programme ● Understanding ESG: A Malaysia Perspective

- Appointed w.e.f. 13 December 2023¹

The Directors are encouraged to attend other relevant training programmes to enhance their insight of the business, improve their technical knowledge and professionalism in discharging their duties as Directors of the Company. The relevant trainings, briefings, seminars and conferences, covering topics on governance, risk management, accounting, general management and investor relations were circulated by the Company Secretary to the Board members for consideration with the aim to keep themselves updated on changes to the legislation and regulations affecting the Group.

In addition, the Directors are updated by the Company Secretary on any changes to the statutory, corporate and regulatory requirement relating to Directors' duties and responsibilities or the discharge of their duties as Directors as and when issued. The external auditors have also briefed the Board on the changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

Part III – Remuneration

7. Level and Composition of Remuneration

7.1 Remuneration Policy and Procedure ("RPP")

The Group's RPP sets out the procedure of determining the remunerations of directors and senior management which takes into account the demands, complexities and performance of the Group as well as skills and experience required for the position.

The objectives of this RPP is to ensure that the directors and senior management are offered an appropriate level and composition of remuneration and other benefits by taking into account the Group's desire to attract and retain the right talent and expertise with the aim to motivate the directors and senior management to achieve the Group's short-term and long-term business objectives.

The Group's RPP is adopted and will be reviewed periodically by the Board to ensure it remains effective, consistent with the Board's objectives and responsibilities and in line with the relevant laws and legislation. This RPP is made available on the Company's website at <https://www.cnasia.com>.

Corporate Governance Overview Statement

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7.2 Remuneration Committee

The Remuneration Committee is responsible to recommend the remuneration at levels that are sufficient to attract and retain the managers required to run the Company successfully taking into consideration all relevant factors including the functions, workload and responsibilities involved. In establishing the remuneration packages and benefits for the Executive Directors, the Remuneration Committee has regarded the packages offered by comparable companies and may obtain independent advice, where necessary. The remuneration of the Executive Directors comprises a fixed salary and allowance approved by the Board, which is in line with the Group's performance, overall policy on compensation and benefits.

The recommendation to the Board was made based on the results of the evaluation and review of the Committee conducted on an annual basis. The Board determines the remuneration of Executive and Non-Executive Directors. The Executive Directors are tasked to review and assess the remuneration packages of the senior management of the Group.

During the FYE 2024, there was one (1) Remuneration Committee meeting held to review the performance and remuneration package for Executive and Non-Executive Directors, which was attended by the majority of the committee members. The remuneration package of the Executive Directors was approved by the Board with a recommendation from the Remuneration Committee.

The remuneration package of Non-Executive Directors will be a matter to be decided by the Board as a whole with the Directors concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration. Fees and benefits payable to the Directors are determined by the Board with the approval from shareholders at the Annual General Meeting.

The Remuneration Committee comprises exclusively of Non-Executive Directors, a majority of whom are Independent Directors, and the members are as follows:

Name of Directors	Directorate	Designation
Datuk Seri Tan Choon Hwa	Non-Independent Non-Executive Director	Chairman
Datuk Mohamad Fazly Bin Zainudin	Independent Director	Member
Ashraf Bin Kahasani ¹	Independent Director	Member
Low Yong Heng ²	Independent Director	Member

- Appointed w.e.f. 25 April 2024¹ and resigned w.e.f. 18 January 2024²

For the financial year ending 31 March 2025, the Group is proposing the fees payable to all the Directors of the Group, excluding the Executive Directors, details of which are set out in item 8.1 below.

The Remuneration Committee has written Terms of Reference which deals with its duties and authorities. This Term of Reference is adopted and periodically reviewed by the Board and is made available on the Company's website at <https://www.cnasia.com>.

Corporate Governance Overview Statement

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8. Remuneration of Directors and Senior Management

8.1 Directors' remuneration

The proposed Directors' fees payable in respect of the financial year ending 31 March 2025 ("FYE 2025"), which are subject to shareholders' approval at the forthcoming Annual General Meeting, are as follows:

Name of Directors	Directorate	FYE 2025 RM
Datuk Seri Tan Choon Hwa	Non-Independent Non-Executive Director	36,000
Nadanarajah A/L Ramalingam	Independent Non-Executive Director	36,000
Datuk Mohamad Fazly Bin Zainudin	Independent Non-Executive Director	36,000
YM Tengku Ummil Zulaikha Kalsom Binti Tengku Shamsulbhari ¹	Non-Independent Non-Executive Director	36,000
Ashraf Bin Kahasani ²	Independent Non-Executive Director	36,000
Total		<u>180,000</u>

- Appointed w.e.f. 13 December 2023¹ and 29 March 2024²

The aggregate Directors' remuneration paid or payable to each Director of the Company for the FYE 2024 are categorised into appropriate components as follows:

(a) Received from the Company

Name of Director and Directorate	Fees RM	Salaries RM	Benefit-in-kind, defined contribution plan and other emoluments RM	Share options granted under SIS RM	Total RM
Independent Non-Executive					
Nadanarajah A/L Ramalingam	36,000	-	-	-	36,000
Datuk Mohamad Fazly Bin Zainudin	6,000	-	-	-	6,000
Dato' Sri Zulkifli Bin Abdullah ¹	46,800	-	-	-	46,800
Low Yong Heng ²	28,742	-	-	-	28,742
Tania Scivetti ³	7,500	-	-	-	7,500
Non-Independent Non-Executive					
Datuk Seri Tan Choon Hwa	36,000	-	-	-	36,000
YM Tengku Ummil Zulaikha Kalsom Binti Tengku Shamsulbhari ⁴	10,839	-	-	-	10,839
Total	<u>171,881</u>	-	-	-	<u>171,881</u>

Corporate Governance Overview Statement

(cont'd)

(b) Received on Group Basis

Name of Director and Directorate	Fees RM	Salaries RM	Benefit-in-kind, defined contribution plan and other emoluments RM	Total RM
Executive Director				
Y.M Tengku Shamsulbhari				
Bin Tengku Azman Shah	-	175,000	21,743	196,743
Chang Chee Ching	-	350,000	42,743	392,743
Independent Non-Executive Director				
Nadanarajah A/L Ramalingam	36,000	-	-	36,000
Datuk Mohamad Fazly Bin Zainudin	6,000	-	-	6,000
Dato' Sri Zulkifli Bin Abdullah ¹	46,800	-	-	46,800
Low Yong Heng ²	28,742	-	-	28,742
Tania Scivetti ³	7,500	-	-	7,500
Non-Independent Non-Executive Director				
Datuk Seri Tan Choon Hwa	36,000	-	-	36,000
YM Tengku Ummil Zulaikha Kalsom				
Binti Tengku Shamsulbhari ⁴	10,839	-	-	10,839
Total	171,881	525,000	64,486	761,367

- Resigned w.e.f. 24 November 2023¹, 18 January 2024² and 13 June 2023³

- Appointed w.e.f. 13 December 2023⁴

8.2 Remuneration of Top Five Senior Management

The remuneration of the top five senior management including salaries, benefit-in-kind and other emoluments for the FYE 2024 disclosed in bands of RM50,000 is as follow:

Range of Remuneration	Benefit-in-kind and Other emoluments
RM50,000 -RM100,000	3
RM100,001-RM150,000	1
RM150,001-RM200,000	-
RM200,001-RM250,000	1
Total	5

Corporate Governance Overview Statement

(cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I – Audit Committee

9. Effective and Independent Audit Committee

9.1 Chairman of Audit and Risk Management Committee

The Audit and Risk Management Committee is chaired by an Independent Non-Executive Director who is distinct from the role of the Chairman of Board. The previous Chairman of the Audit and Risk Management Committee, Mr. Low Yong Heng, resigned from the Board and the position has been succeeded by Datuk Mohamad Fazly Bin Zainudin. The profile of the Chairman of Audit and Risk Management Committee is set out in the Profile of Directors of this Annual Report.

9.2 Composition of Audit and Risk Management Committee

The Board has established an effective and independent Audit and Risk Management Committee. All the members of Audit and Risk Management Committee are Independent Non-Executive Directors and none of the members was a former key audit partner of the Company's external auditors.

The members of the Audit and Risk Management Committee possess a variety of industry-specific knowledge, as well as technical and commercial experiences bring to bear objective and independent judgment in discharging their duties. The members of the Audit and Risk Management Committee are financially literate and can understand matters including the financial reporting processes of the Group. With the present composition structure and practice, the Audit and Risk Management Committee is able to objectively review and report its findings and recommendations to the Board.

During the FYE 2024, the members of the Audit and Risk Management Committee undertook various training programmes, seminars, workshops and conferences to keep themselves updated with new regulatory developments and changes affecting the Group which is detailed in item 6.4 – Directors' Training of this statement.

9.3 Assessment of suitability and independence of external auditors

The Company maintains a transparent relationship with the external auditors in seeking their professional advice and towards ensuring compliance with the accounting standards.

The key features underlying the relationship between the Audit and Risk Management Committee and the external auditors are outlined in the Audit and Risk Management Committee's Terms of Reference made available on the Company's website at <https://www.cnasia.com>. A summary of the works of the Audit and Risk Management Committee during the financial year are set out in the Audit and Risk Management Committee Report of this Annual Report.

The external auditors of the Company fulfil an essential role on behalf of the Company in giving an assurance to the shareholders and others, of the reliability of the financial statements of the Company. It is the obligation of the external auditors to bring to the attention of the Board, the Audit and Risk Management Committee and the Company's management any significant deficiency in the Company's systems of reporting, internal control and compliance with approved accounting standards as well as legal and regulatory requirements. The external auditors of the Company are invited to attend at least one meeting of the Audit and Risk Management Committee a year in the absence of the Executive Directors and management.

The Audit and Risk Management Committee discussed the nature and scope of the audit, reporting obligations and audit schedule with the external auditors' prior commencement of audit engagement. It is also the practice of the Audit and Risk Management Committee to respond to auditors' enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.

Corporate Governance Overview Statement

(cont'd)

Annually, the Audit and Risk Management Committee reviews the suitability, objectivity, independence and remuneration of the external auditors before recommending to the Board for re-appointment of the external auditors. In the effort to further enhance the assessment of sustainability and independence of external auditors' possess with relevant experiences and skills for such appointment, the Board has reviewed the External Auditors' Assessment Policy during the period under review to ensure that the Policy is relevant and effective.

During the FYE 2024, the Audit and Risk Management Committee convened two (2) private session with the external auditors without the presence of the Executive Directors and Management of the Company. The external auditors have confirmed to the Board that they are, and have been, independent throughout the conduct of audit engagement in accordance with the terms of relevant professional and regulatory requirements. The Board has received a written declaration from the external auditors of their independence throughout the term of their engagement in accordance with the terms of the relevant professional and regulatory requirements, including the by-laws of the MIA.

The Terms of Reference of Audit and Risk Management Committee provides that any former key audit partner to be appointed as a member of the Audit and Risk Management Committee, a cooling-off period of at least three (3) years will be observed by the Group.

Part II – Risk Management and Internal Control Framework

10. Effective Risk Management and Internal Control Framework

The Board has ultimate responsibility in reviewing the Group's risks, approving the risk management framework and overseeing the Group's strategic risk management and internal control system to safeguard shareholders' investments and the Group's assets. The Audit and Risk Management Committee, which comprises solely Independent Directors, assists the Board in discharging these responsibilities by overseeing and reviewing the risk management framework and the effectiveness of the risk management and internal control of the Group.

The Group has outsourced the activities and function of the internal audit to external consultants that report administratively to the Executive Directors and functionally to the Audit and Risk Management Committee. Details of the Group's risk management and internal control framework including the scope of work covered by the outsourced internal audit function are provided in the Statement on Risk Management and Internal Control as set out in this Annual Report.

11. Effective Governance, Risk Management and Internal Control Framework

The Board acknowledged the overall responsibility in maintaining a sound risk management framework and system of internal control that provides reasonable assurance of effective and efficient operations and compliance with the internal procedures and guidelines.

The outsourced internal audit function provides the Audit and Risk Management Committee with periodic internal audit reports that outline the observations and recommendations to accomplish its goals by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

Corporate Governance Overview Statement

(cont'd)

During the financial year under review, a self-assessment evaluation was carried out by the outsourced internal audit function to assess their performance, competency, resources and independence in discharging their duties of the internal audit function of the Group. Further evaluation was carried out by the Audit and Risk Management Committee on the performance of the outsourced internal audit function of the Group, and the results were reported to the Board and that the outcome of the assessment are as follows:-

- The outsourced internal audit team are independent and objective from the management of the Group;
- The number of resources in the outsourced internal audit team is 3;
- The name and qualification of the persons responsible for the audits are:-
 - Tee Wei Chung – Associate Member of The Institute of Internal Auditors Malaysia (AIIA); Bachelor of Commerce (Hons) - Accounting;
 - Wong Tchen Cheg – Master in Finance & Account; Master in Business Administration - International Business;
 - Gan Chuan Yau – Bachelor of Accounts & Finance (Hons); and
- The internal audit function is carried out in accordance with a recognised framework.

Further evaluation was carried out by the Audit and Risk Management Committee on the performance of the outsourced internal audit function of the Group and the results were reported to the Board. The Board is satisfied that the outsourced internal audit has the necessary competency, experience, resources and independence to carry out its function effectively in discharging its duties.

Further details of the Group's risk management and internal control framework is provided in the Statement on Risk Management and Internal Control and Audit and Risk Management Committee Report as set out in this Annual Report.

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

Part I – Engagement with Stakeholders

12. Continuous Communication between the Company and Stakeholders

The Board recognises the importance of effective, transparent and regular communications between the Company and its stakeholders to facilitate mutual understanding of each other's objectives and expectations. The primary modes of disseminating information on the Group's business activities, corporate activities and financial performance are the annual reports, quarterly results and any announcements on material corporate exercise(s) undertaken by the Company during the financial year. Throughout the FYE 2024, the information on the various memorandum of understanding entered into between the Company with the potential partners have been constantly communicated to the Stakeholders.

The Board has formalised its Corporate Disclosure Policy and Procedure ("CDPP") to enable comprehensive, timely, accurate and quality disclosures to the regulators, shareholders and stakeholders with the intention of giving as clear and complete information of the Group's position and financial performance as possible within the bounds of practicality and legal and regulatory framework governing the release of material and price-sensitive information. This CDPP provided a good framework for compliance with the disclosure policies under the MMLR of Bursa Securities and set out the designated persons authorised and responsible to approve, coordinate and disclose material information to shareholders and stakeholders.

The Group maintains its corporate website at <https://www.cnasia.com> for shareholders and the public to access information relating to its businesses, financial performance, operations and corporate development through annual reports, quarterly reports, circulars and various announcements on a timely manner. Stakeholders can at any time seek clarification or raise queries through the corporate website, by email or by phone where primary contact details are set out at the Company's website. Written communications are attended to within a reasonable time from the day of receipt.

Part II – Conduct of General Meetings

13. Encourage Shareholders' Participation at General Meetings

The Board acknowledges the need for shareholders to be informed of the developments and performance of the Company and the Group. The distribution of annual reports, announcements and release of financial results on a quarterly basis provide the shareholders and the investing public with an overview of the Group's performance and operations. It is generally recognised that on-going engagement and communication with stakeholders builds trust and understanding between the Company and its stakeholders as well as enables the shareholders to appreciate the Company's objectives and the strength of its management.

The Annual General Meeting ("AGM") provides a good platform for the Board to share highlights of its performance to its shareholders who are given the opportunity to comment or raise questions to the Board and management. Shareholders are encouraged to ask questions and seek clarification at the AGM of the Company on both the resolutions being proposed and the Group's business and performance. All suggestions and comments put forth by shareholders will be noted by the Board for consideration. The Share Registrar is available to attend to matters relating to shareholders' interest during the AGM. Alternatively, shareholders can seek additional information and divert queries to the Company through the Company's website at <https://www.cnasia.com>, which is being updated and enhanced from time-to-time to include corporate, financial as well as non-financial information.

The Company had conducted its twenty-seventh ("27th") AGM physically on 29 August 2023. Save for the two (2) of the Directors who were unable to attend the AGM, all other Directors were present physically at the 27th AGM. During the AGM, the Chairman of the AGM provided shareholders with a brief review of the Company's financial performance and operations for the financial year and overview of the current year performance.

The notice of the 27th AGM was issued more than twenty-eight (28) days to the shareholders prior to the AGM to provide shareholders sufficient time to go through the Annual Report and make the necessary attendance and voting arrangement at the AGM. Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution.

All resolutions tabled during the 27th AGM were voted by poll and an independent scrutineer for the poll voting process was appointed to validate all the votes. The scrutineer announced the voting results before the closure of the AGM. Subsequently, the poll results were announced via Bursa LINK on the same day.

The proceedings of the 27th AGM were recorded in the minutes of meeting and made available on the Company's website at <https://www.cnasia.com> not later than thirty (30) business days after the completion of the 27th AGM.

The Board is satisfied with the current General Meeting programme, and there have been no major controversial issues noted with shareholders/investors during the 27th AGM.

This statement was presented and approved by the Board on 19 July 2024.

Directors' Responsibilities Statement

for Preparing the Financial Statements

The Directors are responsible for the preparation of the financial statements of the Group that give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2024 and of the results and cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards, the Companies Act 2016 (the "Act") in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements, the Directors have:-

- adopted appropriate accounting policies and applied these accounting policies consistently;
- made judgements and estimates that are prudent and reasonable; and
- prepared the financial statements on a going concern basis, unless they consider that to be inappropriate.

The Directors have the responsibility for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure the financial statements comply with the provisions of the Act.

The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

This statement was presented and approved by the Board on 19 July 2024.

INTRODUCTION

This Sustainability Statement (“Statement”) of CN Asia Corporation Bhd (“CN Asia” or “Company”) is prepared in compliance with the MMLR of Bursa Securities and guided by the Sustainability Reporting Guide issued by Bursa Securities. The content of this Statement sets out the material sustainability risks and opportunities that have been identified, collectively known as Material Sustainability Matters that impact the way the entire Group’s operations are carried out as well as how matters are managed to achieve the strategic objectives of the Group.

The information and data of this Statement covers the sustainability performance of the Company and its subsidiaries (“Group”) for the financial year 31 March 2024 (“FYE 2024”), and where available, relevant data collated over three (3) financial periods for FYE 2021, FPE 2023 and FYE 2024 which are provided. The contents of this Report have been reviewed by the Board and Audit and Risk Management Committee (“ARMC”) to determine its relevance to the Group’s business to ensure that current and material issues are addressed.

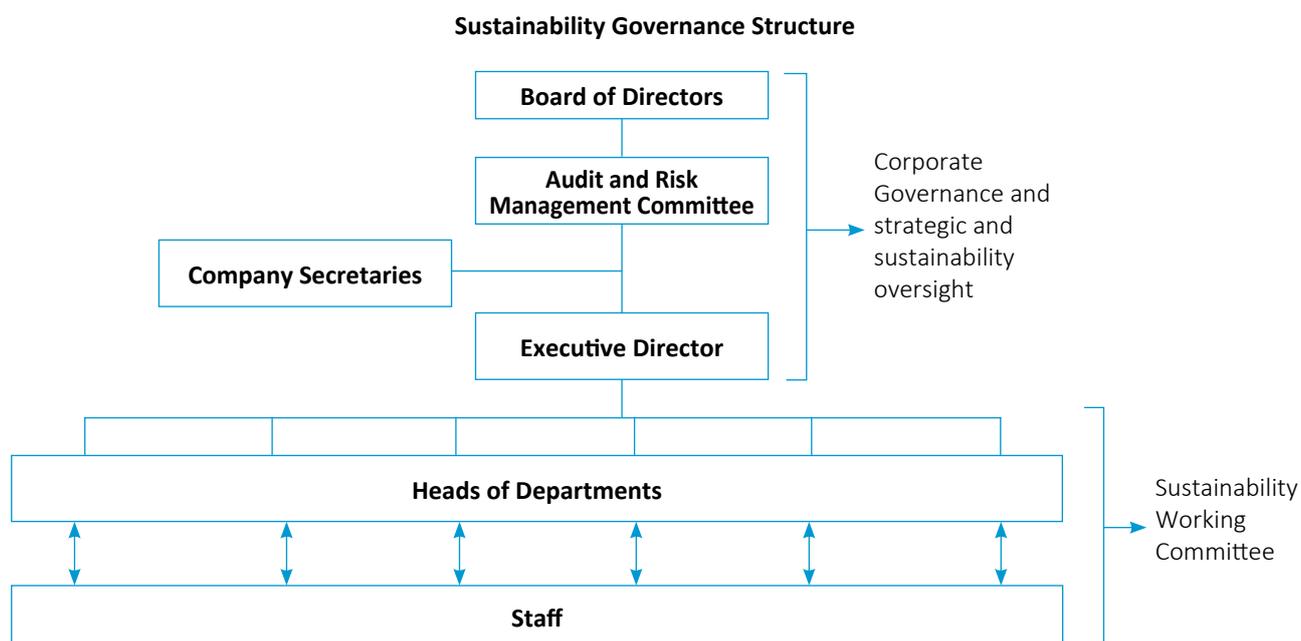
OUR COMMITMENT

The Board of Directors recognises the importance of maintaining good corporate governance and transparency in the Group’s operations that are essential to create values for our stakeholders including sustainability impact to achieve growth while implementing environmental and good sustainable values. The Group believes that sustainability encompasses all aspects of ethical business practices and has formulated the Sustainability Policy that addresses environmental management which provides clear accountability, internal control, risk management and commitment which are aligned in setting objectives on economic, environmental and social (“EES”) risks and opportunities within the Group. This policy aims to strive its sustainable growth and manage the environmental impact of our current business so as to promote a safe and healthy environment for its stakeholders. In CN Asia, while the Board together with its Board committees are primarily responsible for the Group’s sustainability efforts, it is assisted by the Sustainability Working Committee (“SWC”) to manage and implement our sustainability efforts. The SWC comprises key management personnel as well as representatives from various departments and is currently led by the Executive Directors, namely Mr. Chang Chee Ching and YM Tengku Shamsulbhari bin Tengku Azman Shah.

The Board is ultimately responsible for ensuring that the sustainability efforts are embedded in the strategic direction of the Group and is primarily responsible for the overall sustainability programme, reviewing and approving the sustainability report of the Group. The Board has entrusted its ARMC, that are primarily responsible for providing internal control and risk management to provide oversight to support and complement its effort in reviewing, assessing and analysing the risks and opportunities within the Group, and identifying areas of business upon which the Group should focus its sustainable practices and sustainability reporting. The ARMC is assisted by the SWC, comprising key management personnel and heads of department across the Group’s organisation structure. The sustainability matters are managed by all heads of department with the support from all supporting staff from the respective departments within the Group.

Sustainability Statement

(cont'd)



The Group’s business operating units are guided by the guidelines, policies and procedures in cultivating good corporate governance, managing sustainability risks and promoting social and environmental awareness. These policies and procedures are reviewed regularly and updated as and when applicable to ensure that they remain effective, relevant and appropriate in line with the relevant laws and regulations.

STAKEHOLDER ENGAGEMENT

CN Asia recognises the value of stakeholders’ engagement which form a vital part of the overall sustainability strategy of the Group. By having regular interaction with its stakeholders, it gives a better insight in the context of managing the impact of our activities across the EES dimensions, and an opportunity to identify sustainability risks and prospects that may not be otherwise considered by the Group in achieving stakeholders’ expectations while upholding decent relationship with them. Regular stakeholder engagement denotes value recognition with the Group’s internal and external stakeholders and be more conscious of the impact or potential to impact the Group’s activities.

Through continuous engagement with the stakeholders, the voices of the stakeholders are heard and responded appropriately to address the stakeholders’ concerns in matters which support the Group’s sustainability plan. The stakeholder identification and prioritisation process were carried out by the SWC and below is an overview of the Group’s engagement with the various stakeholders that took place throughout the FYE 2024.

Stakeholder	Areas of concern	Engagement method	Frequency
Board of Directors	<ul style="list-style-type: none"> Company strategy and performance Sustainable practices Risk Management Corporate Governance 	<ul style="list-style-type: none"> Board and Board Committee meetings General meetings Company-organised events 	<ul style="list-style-type: none"> On-going Annually Ad-hoc Quarterly
Employees	<ul style="list-style-type: none"> Health, safety and environment (“HSE”) Training and development Employee benefits 	<ul style="list-style-type: none"> Meetings and discussions Annual performance appraisal Employees social activities Trainings, talks and seminars 	<ul style="list-style-type: none"> On-going Annually Ad-hoc Periodically

Sustainability Statement

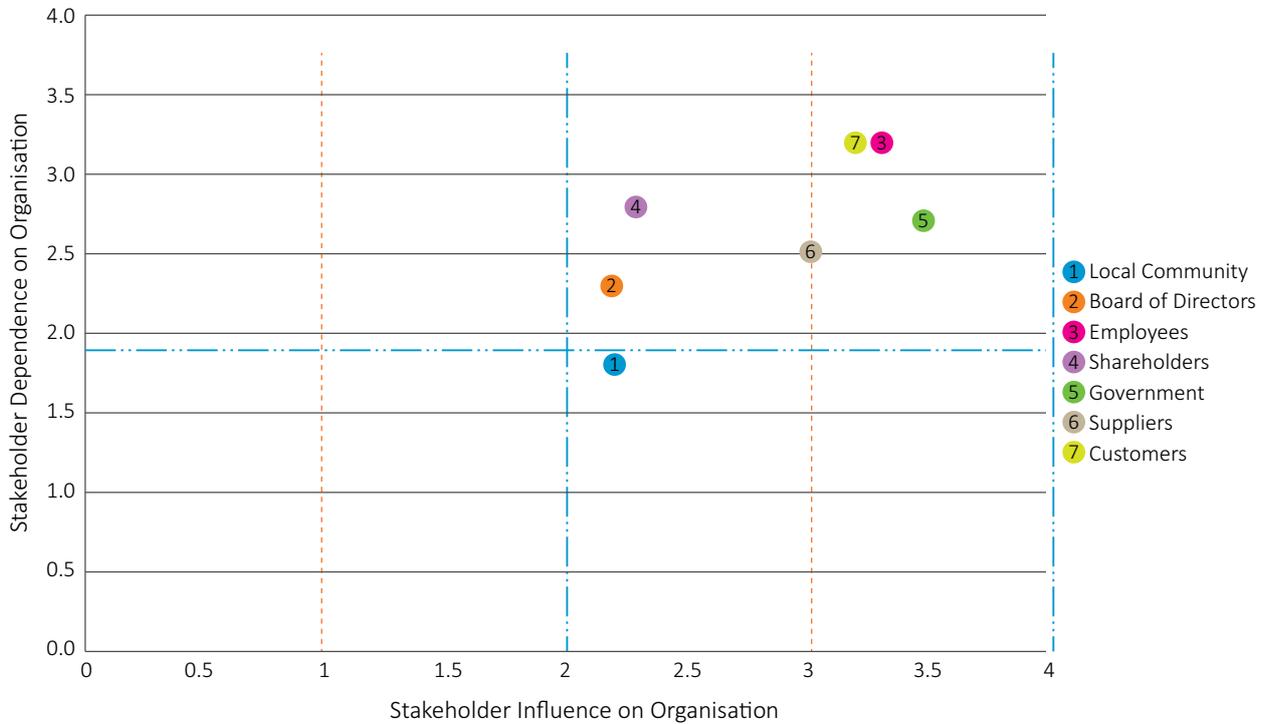
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Stakeholder	Areas of concern	Engagement method	Frequency
Customers	<ul style="list-style-type: none"> Product quality and customers' satisfaction Competitive pricing Delivery performance 	<ul style="list-style-type: none"> Corporate website Meetings Regular on-site visits Customer survey form Customer's complaint form 	<ul style="list-style-type: none"> On-going Annually Ad-hoc Periodically
Vendors and Suppliers, including sub-contractors	<ul style="list-style-type: none"> Product quality Competitive pricing Delivery performance Customer service and complaints resolution 	<ul style="list-style-type: none"> Meetings Regular on-site visits Supplier evaluation procedure 	<ul style="list-style-type: none"> On-going Annually Ad-hoc Periodically
Shareholders/ investors	<ul style="list-style-type: none"> Financial performance Regulatory compliance Corporate governance Ethical business conduct Internal control and risk management 	<ul style="list-style-type: none"> Corporate website Annual reports General meetings Public announcements Quarterly financial reports 	<ul style="list-style-type: none"> On-going Annually Ad-hoc Quarterly Periodically
Government agencies/ regulators/ authorities	<ul style="list-style-type: none"> Regulatory compliance Approvals and permits Standards and certifications 	<ul style="list-style-type: none"> Corporate website Meetings and consultations Participate in trainings and dialogue organised by government and authorities Audit, verification, inspection and inquiries by authorities 	<ul style="list-style-type: none"> On-going Annually Ad-hoc Periodically
Local communities	<ul style="list-style-type: none"> Sustainability and corporate social responsibility ("CSR") programmes Environmental protection Job opportunity 	<ul style="list-style-type: none"> Donation and sponsorship Participate in CSR programmes Regular on-site visits Industrial training Employment opportunity 	<ul style="list-style-type: none"> On-going Annually Ad-hoc Periodically

Sustainability Statement

(cont'd)

In November 2023, the Group initiated its stakeholder prioritisation based on the level of their influence and dependence. The key stakeholder groups with high level of influence and dependence on the Group were identified to be major customers, government/regulatory bodies, suppliers and employees as illustrated below:-



MATERIALITY ASSESSMENT

The Group is taking a progressive approach in its sustainability reporting. Through stakeholder engagement and prioritisation processes with the internal stakeholders, the Group had simultaneously undergone the materiality assessment process and identified a list of sustainability matters that are closely connected to its stakeholders. Considering the valuable feedback and views obtained from the stakeholders in assessing the Group's EES risks and opportunities, the Group continued to emphasise matters related to HSE to provide a safe and healthy environment to its stakeholders as part of its sustainability effort. These material matters were then deliberated at length by the management and approved by the Board prior to its inclusion in this Sustainability Statement. The result of the materiality assessment is shown in the following diagram:

Economic	Environment	Social	Governance
<ul style="list-style-type: none"> Economic performance Customers' satisfaction and product quality Supply chain management 	<ul style="list-style-type: none"> Compliance with regulations Energy and water management Waste management 	<ul style="list-style-type: none"> Employment Gender diversity Training and development Employee turnover Human and labour rights Health, safety and environment Local communities 	<ul style="list-style-type: none"> Compliance with policies and procedures Data protection and privacy Anti-bribery and corruption Whistleblowing

Sustainability Statement

(cont'd)

Following the materiality assessment on sustainability matters, the Group has established a set of sustainability targets in line with its Sustainability Policy.

Sustainability Target

Topic	Target	Status
Economic		
Customers' Satisfaction & Product Quality	<ul style="list-style-type: none"> To achieve improved customer satisfaction level annually 	Achieved
Supply Chain Management	<ul style="list-style-type: none"> To maintain a minimum of 70% material sourcing from local suppliers that meet the Group's requirements 	Achieved
Environmental		
Energy	<ul style="list-style-type: none"> To reduce energy consumption per RM'000 revenue by 10% by 2030 (compared to FPE 2023 as baseline) 	In Progress
Water	<ul style="list-style-type: none"> To reduce water consumption per RM'000 revenue by 10% by 2030 (compared to FPE 2023 as baseline) 	Achieved
Waste	<ul style="list-style-type: none"> To achieve not more than 4% FRP wastage annually 	Achieved
Social		
Diversity	<ul style="list-style-type: none"> To achieve 30% female employees by 2030 To achieve 30% female director by 2030 	In Progress In Progress
Employee Turnover	<ul style="list-style-type: none"> To maintain employee turnover rate of not more than 30% 	Achieved
Human Rights	<ul style="list-style-type: none"> To maintain zero child labour within the Group 	Achieved
Health & Safety	<ul style="list-style-type: none"> To achieve zero lost time fatalities annually To achieve 80% employees to attend at least one safety training annually 	Achieved In Progress
Local Community	<ul style="list-style-type: none"> To ensure continuous increase positive impact in community investment 	In Progress
Governance		
Data Protection and Privacy	<ul style="list-style-type: none"> To maintain zero substantiated complaint concerning breaches of customer privacy and losses of customer data 	Achieved
Anti-Bribery & Corruptions	<ul style="list-style-type: none"> To ensure all employees receive training on anti-corruption by FYE 2025 	In Progress

MATERIAL SUSTAINABILITY MATTERS

Economic

Economic Performance

The Group recorded total revenue of RM19.6 million and loss after tax of RM10.2 million for the FYE 2024, representing an increase in revenue of approximately 54.8% and improved results of 99.3% compared to FPE 2023. The Group's overall financial information details are disclosed in the Management Discussion & Analysis of this Annual Report.

Sustainability Statement

(cont'd)

Customers' Satisfaction and Product Quality

The Group's manufacturing segment works with a variety of organisations, from oil and gas, petrochemical, sewerage, civil and steel construction industries, both local and abroad. We strive to deliver quality products to meet our customers' expectation and ensure the Group stays competitive in this fast-changing environment. We conduct annual customer survey at least once a year to ensure our products and services are customised to their needs and their expectations are met with the ultimate goal to attain customers' satisfaction. Poor customer satisfaction may affect customer retention impacting the recurrence of revenue and reputation of the Group. The results of measuring customers' satisfaction were compiled and used by the management team to enhance the overall customers' experience and improve business performance.

CN Asia's ISO 9001:2015 Quality Management System ("QMS") also incorporates the compilation and analysis of customers' complaints in a systematic manner where complaints require remedial action which are addressed urgently and documented with appropriate course of action to be taken. The customers' complaints report form part of the customer satisfaction assessment. These reports were then presented at the scheduled Management Review Meetings convened at least once a year to formulate ideas or strategies to improve customers' satisfaction. There was one (1) management review meeting held during the FYE 2024 to review the overall performance of the Group's QMS. The key statistics pertaining to the customer satisfaction surveys are tabulated below: -

Customer Satisfaction Survey	Unit	2021	2023	2024
Customers selected for survey	Number	35	25	19
Percentage responded on survey form	%	28.6	16.0	7.0
Satisfaction level	%	78.3	75.5	76.3

The findings from the customer survey will enable the Group to gain insight in managing customers' expectations and meeting the customers' requirements.

Supply Chain Management

The Management believes that regular engagement with its suppliers have, in some cases, fostered long term and healthy business relationships, resulting in more favourable prices and credit terms offered by suppliers, which in turn had a positive impact on the financial performance of the Group.

Given the established standards and principles for material procurement as prescribed in the Purchasing Procedure of the Group, CN Asia endeavour to ensure that all procurement processes are adhered to, and that products and services procured conform to the specific requirements especially in the procurement of materials for the production of coded pressure vessels that must comply with the American Standards of Mechanical Engineers ("ASME"). Thus, maintaining the defined controls over procurement activities that will uphold the Group's products and services quality. These procedures are reviewed and monitored regularly to ensure their relevance and effectiveness in light of the Group's operating business activities and environment.

Through annual evaluations on all active suppliers and contractors based on a set of criteria as prescribed in the Supplier Selection, Evaluation and Re-evaluation Procedure of the Group, the new and existing suppliers and contractors that are found satisfactory are added and retained in the Approved Supplier List ("List"). If a supplier's performance was found to be unsatisfactory, it will be recommended for removal from the List. Suppliers including those that the Group has not transacted with for one year, will be classified as inactive supplier and subjected to further evaluation in deciding whether or not to retain these suppliers on the List.

Approved Suppliers	Unit	2021	2023	2024
Active supplier	Number	98	93	93
Active sub-contractor	Number	57	46	50
Total	Number	155	135	143

Sustainability Statement

(cont'd)

As at 31 March 2024, there are 93 suppliers and 50 sub-contractors on the List as compared to 93 suppliers and 46 sub-contractors as at 31 March 2023. The purpose of the supplier evaluation process is to ensure that suppliers on the List have fully complied with the Group's procurement procedures, whilst ensuring the procurement of materials and services are obtained at reasonable prices, and that such materials and services meet the Group's requirements in terms of quality and specifications. Emphasis is also placed on the suppliers' responsiveness to inquiries and ability to deliver materials and services in a timely manner.

Over the years, CN Asia has been prioritising procurement of goods and services from local suppliers and constantly minimising its reliance to importation of goods and services. Nonetheless, the Group remains committed in sourcing cautiously to uphold the required standards focusing in sustainable supply whilst contributing positively to the domestic economy and local communities. The proportion of our spending on domestic and import supply is tabulated below:-

	Unit	2021	2023	2024
Domestic Supply (Local)	%	71	90	70
Import Supply (Foreign)	%	29	10	30
Total Procurement	%	100	100	100

For the FYE 2024, the Group's local spending at 70% compared to 90% in FPE 2023. The Group only relies on import supply from overseas sourcing due to the unavailability of certain materials locally and customer's specifications. The Group continues its effort in identifying opportunities for sourcing components or materials locally where possible.

Environment

Compliance with Environmental Protection Laws and Regulations

CN Asia is mindful of the possible environmental impact of its business activities and strives to minimise the environment impact associated with its operations. The Group endeavours to uphold full compliance with the relevant environmental protection laws and regulations concerning climate change, energy use and waste management. Any non-compliance of environmental laws and regulations may result in costly obligations and contingent liabilities that may affect the Group's ability to expand its operations or obtain/renew licenses and permits. Hence, compliance with environmental protection laws and regulations is one of the main requirements in its operations. We constantly provide trainings, briefings, dialogue sessions and discussions with our stakeholders, particularly our employees, suppliers and customers to create awareness among the stakeholders and ensure our compliance obligations are intact.

Energy, Water and Paper Management

The rising concern on climate change arising from the increasing energy consumption and greenhouse gas ("GHG") emissions. The Group is optimistic in its sustainability effort to reduce the overall environmental footprint. As energy consumption form a major part of the operations of its manufacturing segment, CN Asia continues its efforts towards monitoring, analysing and optimising the consumption of energy as a means to lower our operating costs and foster a greener environment. The Group aims to minimise its energy consumption by initiating energy-efficient measures as follow:-

- use of electrical equipment, light fittings and equipment with energy efficient feature
- constantly remind and educate users to conserve electricity consumption
- post notice and reminder at the electricity switch
- monthly monitoring of electricity consumption

Sustainability Statement

(cont'd)

During the FYE 2024, the Group achieved a lower energy intensity measured by total energy consumed per RM thousand sales and per direct manhour from the manufacturing segment. The energy consumption over the past three (3) financial years is tabulated below:

Energy Consumption	Unit	2021	2023	2024
Sales from manufacturing segment	RM'000	11,478	11,485	18,326
Total Direct Manhour	Hour	77,976	87,592	112,994
Electricity consumption	kWh	598,501	751,651	692,826
Variance in electricity consumption	%	8.8	25.6	-7.8
Energy Intensity	kWh/RM'000	52.1	65.5	37.8
Energy Intensity	kWh/Manhour	7.7	8.6	6.1

The Group's manufacturing processes are not water intensive, where water is mainly used for hydrostatic testing of its products to ensure its product integrity. CN Asia's water management initiatives towards minimising water consumption in its operations and workplace by taking the following measures:-

- collect rain water, and recycle water used for testing of its products
- raise awareness among employees and visitors to conserve water
- monthly monitoring of water consumption and make appropriate enquiry in the case of high consumption and check if there are any sign of water leakage

During the FYE 2024, the water consumption of the Group increased by 21.2% to 4,794 m³ from 3,954 m³ in FPE 2023. Despite the increase in total water consumption, the Group achieved lower water intensity measured by total water consumption per RM thousand sales from the manufacturing segment mainly due to increase in operation activities during the period under review. The water consumption over the past three (3) financial years is tabulated below:

Water Consumption	Unit	2021	2023	2024
Sales from manufacturing segment	RM'000	11,478	11,485	18,326
Water consumption	m ³	2,788	3,954	4,749
Variance in water consumption	%	-7.0	41.8	21.2
Water Intensity	m ³ /RM'000	0.24	0.34	0.26

The Group is constantly cultivating the following practices to minimise and prevent unnecessary paper consumption: -

- Cultivating paperless meeting reports and electronic documents transmission
- Holding group discussions via WhatsApp mobile apps, Microsoft team and etc
- Constantly reminding staff to use recycled paper for internal circulation and to print documents in smaller font sizes.

The Group's paper consumption for the FYE 2024 amounted to 318 kg, representing 18% reduction from the preceding year despite the increase in total sales and operation activities of the Group during the period under review. The paper consumption over the past three (3) financial years is tabulated below:

Paper Consumption	Unit	2021	2023	2024
Total consolidated Sales	RM'000	11,657	12,629	19,552
Paper consumption	KG	388	388	318
Variance in paper consumption	%	-29.0	-	-18.0

Waste Management

The Group continues with its effort to monitor wastage from its manufacturing activities which consist of scrap steel material and fiberglass reinforced polymer (“FRP”) waste. The scrap materials, made of steel, will be consumed in its production process as much as possible and any unusable scrap will be disposed of. The scrap material disposed during FYE 2024 increased to 188.3 tonnes, representing a 147.1% increase compared to 76.2 tonnes disposed in FPE 2023. The increase is mainly due to increase in production activities during the period under review.

Performance Measure	Unit	2021	2023	2024
Scrap material disposed (tonne)	Tonne	58.1	76.2	188.3
Variance	%	49.4	31.2	147.1
No of trip of waste disposal	Number	14	21	21
FRP waste generated (tonne)	Tonne	1.0	1.3	5.1
Average FRP wastage	%	5.0	3.3	3.3
Variance	%	-37.5	-34	-

The Group continues to monitor the generation of FRP waste from its manufacturing activities which could have an adverse impact on the environment if not disposed of responsibly and lawfully. The Group’s Environmental Monitoring Committee (“EMC”) comprises of a Competent Person, a representative from each of the departments within the Group; headed by the HSE Chairman and is primarily responsible for monitoring and managing the schedule waste within the Group. During the FYE 2024, the EMC continued its effort in monitoring schedule waste, segregate the type of waste as required.

The Group’s ISO 9001:2015 Quality Management System (“QMS”) entail a quality objective to restrict the generation of FRP wastage to not more than 4% of total FRP material used. The production department is responsible for monitoring and reporting the FRP wastage on a month-to-month basis in the monthly departmental meeting. The Group was able to achieve this objective with the average FRP wastage of 3.3% recorded during the reporting year (FPE 2023: 3.3%). The FRP waste generated in FYE 2024 increased to 5.1 tonne compared to 1.3 tonne in FPE 2023 mainly due to increase in FRP related products produced in FYE 2024. The revenue generated from FRP related products increased to RM5.4 million from RM2.8 million in FPE 2023, representing an increase of 91.7% over the period under review. In view of the increasing trend in production of FRP related products, the Group has been cautious in managing its waste disposal. There were 21 trips of waste disposal reported during the year.

Social

Employment

We value our employees and their contribution towards the Group’s success. We believe that providing a conducive and safe work environment is the utmost basic element for any working class. We aim to uphold a dynamic organisation, promote development of our employees, fortify leadership capabilities and enhance employees’ performance through strong engagement. The Group provides all employees with an equal opportunity merit-based system of performance evaluation and appraisal conducted on an annual basis. Each employee will be assessed and appraised by the respective heads of department based on the employee’s performance and contribution during the year. The final assessment report will be compiled by the Human Resource (“HR”) Department for management to arrive at remuneration decisions. Aside from the performance review, we also assess the employees’ development needs, provide them with on-going opportunities for training and career development, and long-term career progression. We believe the aforementioned factors will help to attract and retain talented and skilled employees in the Group.

Sustainability Statement

(cont'd)

Employee Gender, Diversity and Opportunity

For the FYE 2024, the total number of employees of CN Asia is 52, an increase of 6 headcount from FPE 2023. The total male employee is 38 or 73% and the remaining 14 employees or 27% is female. Considering the nature of the Group's core business in manufacturing and engineering, that has traditionally been a male-dominated industry, especially for those who work in the factory shop floor, the male employees will outgrow the female participation in the Group. The female participation in the Group's workforce for the FYE 2024 increased to 27% (2023: 24%). Nonetheless, the women participation is still underrepresented at the level of below 30% over the past three financial years. The Group will continue to monitor the diversity in spread among its employees and remain committed to promoting female participation in its Group's employee population. The Group takes labour matters seriously and ensures that relevant regulations and legislation are complied with. The analysis of employees by gender, category and age group is tabulated below:-

Employee	2021		2023		2024		
By Gender	No	%	No	%	No	%	
Male	37	77	35	76	38	73	
Female	11	23	11	24	14	27	
Total	48	100	46	100	52	100	
By Employee Category							
Senior Management	9	19	7	15	10	19	
Executive	20	42	23	50	20	39	
Non-Executive	19	39	16	35	22	42	
Total	48	100	46	100	52	100	
Gender By Employee Category							
Senior Management	Male	7	15	5	11	8	15
	Female	2	4	2	4	2	4
Executive	Male	14	29	17	37	13	25
	Female	6	13	6	13	7	13
Non-Executive	Male	16	33	13	28	17	33
	Female	3	6	3	7	5	10
Total	Male	37	77	35	76	38	73
	Female	11	23	11	24	14	27
Age Group By Employee Category							
Senior Management	Under 30	1	2	0	0	2	4
	Between 30-50	3	6	4	8	4	8
	Above 50	5	10	3	7	4	8
Executive	Under 30	11	23	13	28	11	21
	Between 30-50	8	17	7	15	7	13
	Above 50	1	2	3	7	2	4
Non-Executive	Under 30	7	14	3	7	8	15
	Between 30-50	6	13	7	15	8	15
	Above 50	6	13	6	13	6	12
Total	Under 30	19	40	16	35	21	40
	Between 30-50	17	35	18	39	19	37
	Above 50	12	25	12	26	12	23

Sustainability Statement

(cont'd)

The Group is committed to having at least one (1) female director on the Board and takes cognisance of the recommendation of the MCGG to have at least 30% women directors on Board. The Company continues to source for suitable female candidates to increase female participation on the Board. The number and percentage of directors of CN Asia by gender and age group for FYE 2021, FPE 2023 and FYE 2024 are as follows:

Director	2021		2023		2024	
By Gender	No	%	No	%	No	%
Male	6	86	6	86	6	86
Female	1	14	1	14	1	14
Total	7	100	7	100	7	100
By Age Group						
Under 30	0	0	0	0	1	14
Between 30-50	1	14	1	14	2	29
Above 50	6	86	6	86	4	57
Total	7	100	7	100	7	100

Training and Development

The Group continued to enhance employees' performance and observe continual improvement to equip its employees with the required skills and competency to support the employees' development and growth. The employees must be kept abreast with the latest market climate and to strengthen themselves with new skills and knowledge in this ever-changing environment and volatile economic and political conditions. Our systematic Training Procedures implemented under the Group's ISO 9001:2015 QMS have been continuously maintained to ensure our employees' training needs are addressed and that they attain the necessary competency levels to achieve the desired results. The Training Procedures also encompass a systematic documentation of the training courses conducted which also involve the evaluation of the effectiveness of these training courses.

The HR and Administration Manager is responsible for the implementation and monitoring of the training programme of employees across the Group. All new employees will go through an on-job-training program tailored to their respective roles. The training needs of the existing employees are identified and recommended by the Heads of Department on an annual basis during the employees' appraisal. These training needs identified are compiled by the HR department in the annual training plan. Thereafter, the training courses are arranged based on the training plan and modifications are made as and when deemed necessary. The employees training over the past three financial years are analysed and summarised below:-

Employees Training	Unit	2021	2023	2024
Total training planned	Number	12	24	20
Total training conducted	Number	13	20	7
Total training hour	Hour	904	749	1,188
Average training hour/employee	Hour	18.8	16.3	22.8
Total Training Hours by Employee Category				
Senior Management	Hour	122	196	436
Executive	Hour	721	431	728
Non-Executive	Hour	61	122	24

During FYE 2024, there were 7 (2021: 20) training courses conducted whilst 20 (2023: 24) training courses were planned, representing 35% materialisation rate as compared to 83.3% in FPE 2023. The Group employees enrolled in 1,188 total training hours in FYE 2024 with average training hours per employee of 22.8 hours compared to 16.3 hours in FPE 2023. The Group continues to evaluate, plan, execute, monitor and adopt the changing needs of the training that meet the business and operational requirements.

Sustainability Statement

(cont'd)

Employee Turnover

A balanced, inclusive, productive and quality workforce is one of the key ingredients to the sustainable business growth in the industries that we are operating and competing. The Group strives to maintain a low employee turnover rate of less than 30% as one of the objectives set forth in its ISO 9001:2015 QMS. A high rate of employee turnover can indicate uncertainty and dissatisfaction among employees which may result in low morale and sub-par performance by employees leading to a decline in productivity. The Group actively promotes career advancement for existing employees by encouraging internal promotions instead of recruiting externally. The employee turnover for the past three (3) financial years is summarised below:-

Employee Turnover By Employee Category	Unit	2021	2023	2024
Senior Management	Number	2	2	1
Executive	Number	5	7	3
Non-Executive	Number	2	4	7
Total	Number	9	13	11
Employee Turnover Rate	%	19	28	21

The Group's employee turnover rate reduced from 28% in FPE 2023 to 21% in FYE 2024. The implementation of various measures has contributed to a lower employee turnover rate during the year. The Group through its HR department continues to focus on employee welfare, career development, to cultivate a positive, safe and healthy work environment with attractive compensation and benefits packages that are competitive and reflective of employees' contributions. The Group's HR policy includes the conduct of exit interviews and assessments of resigned employees to gain an understanding of the reasons that led to the resignation of each employee concerned.

Human and Labour Rights

The Group is dedicated in promoting awareness, protecting and enhancing human rights within the organisation with the aim to minimise the risk of labour-related disputes. We are committed to ensuring that our operations do not result in negative human rights impact by practising equal opportunities and fair employment. The Group strictly adhere to all applicable labour laws and regulations, and integrates all other provisions of the amended minimum wages and legislation changes in the jurisdiction of the country. In addition, the Group is vigilant to ensuring that child labour are not used within our operations.

There were no reported complaints regarding human rights violations and there were zero incidents of human rights violations in FYE 2024.

Health, Safety and Environment ("HSE")

The Group acknowledges the importance of HSE to all people associated with its business activities and places high priority in such matters to ensure a safe and healthy work environment for its employees, visiting customers and contractors. The Group has in place its HSE management system with the objective to ensure a unified and managed approach in relation to HSE matters within the organisation. The Group complies with the regulatory compliance, i.e Occupational Safety and Health Act 1994 ("OSHA") with the following measures being undertaken by the Group:-

- i. Set a target of zero accidents and incidents within the organisation;
- ii. Ensure physical safety especially in the production area by conducting monthly factory inspection based on an inspection checklist;
- iii. Improve the workplace environment based on the feedback and employment engagement;
- iv. Implementing proper signage and PPE protocols and administrating regular inspection and maintenance of critical equipment, such as cranes, to prevent malfunctions and accidents, and providing training in safe operation of the equipment; and
- v. Implement Hazard Identification, Risk Assessment and Risk Control ("HIRARC") throughout the organisation.

Sustainability Statement

(cont'd)

The above measures are being enforced through the effort of the HSE Committee under the purview of the Executive Director, Mr. Chang Chee Ching. The HSE Committee is responsible for monitoring, recording, and reporting the Group's occupational health, safety and environment statistics performance to measure the effectiveness of the Group's HSE practices. There were 23 employees trained on health and safety standards, one (1) lost time injury and no lost time fatalities were reported during the FYE 2024. The analysis of lost time incidents and training on health and safety standards over the past three (3) financial years are summarised below:-

	Unit	2021	2023	2024
Number of Lost Time Injuries	Number	-	-	1
Number of Lost Time Fatalities	Number	-	-	-
Total number of Direct Labour Worked	Hour	77,976	87,592	112,994
Lost Time Injury Frequency Rate (LTIFR)	Rate	0	0	0.002
Number of employees trained on health and safety standards	Number	8	38	23

Local Communities

CN Asia is committed to support the communities and recognise the importance of giving back to the communities by investing continuously in various corporate social responsibility ("CSR") initiatives it operates in. Our initiatives include provision of internship programmes to Malaysian undergraduates to undergo their practical training and enable them to gain valuable experience and knowledge during their engagement with the Group. We also offer employment opportunities to these interns upon their completion of their studies. During FYE 2024, we offered internship programmes to three (3) interns, out of which an intern is employed in a permanent position. The data for the past three (3) financial year is tabulated below:-

Number of interns recruited	Unit	2021	2023	2024
By Gender				
Male	Number	2	3	3
Female	Number	1	2	-
Total	Number	3	5	3
Intern offered as full-time employee	Number	-	1	1

As part of the Group's Corporate Social Responsibility ("CSR") initial, CN Asia is mindful of the community responsibility to protect and enhance natural and cultural resources and steward environmental education among the employees. During the FYE 2024, the Group organised a "Clean the River" campaign at Sungai Congkak located near the Group's premises in Selangor where twenty (20) volunteers, comprising of employees of the Group, participated in this campaign. In conjunction with Chinese New Year celebration in 2024, the Group engaged the Lion Dance performance from a welfare society with a team of twelve members performing at the Group's premises. The total cost incurred in the CSR activities for the FYE 2024 amounted to RM2,383.

Governance

The Group upholds corporate governance in its business and operation to maintain reputation and manage risks whilst complying with the relevant legislation and regulations while maximising stakeholders value. CN Asia is committed to ensure compliance with relevant laws, rules, regulation, and company policies applicable to its business activities. It is the responsibility of the Company to ensure its directors and employees understand, observe and comply with the laws, rules, regulations and company policies that are applicable to their specific roles and responsibilities in conducting the business activities with integrity.

Sustainability Statement

(cont'd)

Data Protection and Privacy

In the world of technology era where the tendency of threat and risks of cyber-attacks in workplace with our business on an increasing trend, the Group is mindful of safeguarding the private information and personal data of our customers, suppliers, and employees. The Group has established policies and procedures aligned with the Personal Data Protection Act and other applicable local regulations to guide data management processes. The Group ensures that information is shared appropriately and legally, and that data is handled with appropriate care to ensure the security confidentiality and integrity of all information and personal data.

Through regular engagement with its employees, the employees are constantly reminded of the best practices for handling personal data and understanding their role and responsibility in protecting whilst detecting and responding to security threats to help create a culture of data security within the organisation.

The Group has not experienced any data breaches or received complaints from external stakeholders regarding data security.

Anti-Bribery and Corruption Policy

Anti-Bribery and Corruption Policy is in place in CN Asia and the Group views any bribery and corruption as significant risks which may tarnish its business and reputation. Hence, the Group has adopted a zero-tolerance approach against all forms of bribery and corruption to ensure the conduct of our business dealings with integrity and ethics as well as compliance with the applicable laws and regulatory requirements on anti-corruption. The Group is of the view that adequate procedures can help to defend corporate interests, its directors and employees. As at 31 March 2024, the percentage of employees who have received training on anti-corruption comprises of 60% of senior management, 15% of executive and none for non-executive.

The Company through its Human Resource (“HR”) Department is responsible for ensuring that the principles as set out in the Anti-Bribery and Corruption Policy are communicated, understood, and observed by all employees and directors. The Anti-Bribery and Corruption Policy is reviewed by the Board, and revised as and when required, on an annual basis to ensure its effectiveness in addressing potential fraud and corruption risks.

Whistleblowing Policy

CN Asia has adopted a Whistleblowing Policy as a channel to facilitate and encourage disclosure of genuine and legitimate concerns about any possible violations and improprieties in matters related to financial reporting, compliances, and other malpractices to be raised by Board, all employees, and officers of the Group. The policy provides an opportunity for those concerned to be investigated and for appropriate action to be taken to ensure that the matter is resolved effectively within the Group wherever possible.

The Whistleblowing Policy will be reviewed by the Board, and revised as and when required, on an annual basis to ensure its effectiveness and the policy is made available on the Company’s website at <https://www.cnasia.com>.

ASSURANCE

This statement has not been externally assured, Nevertheless, this statement is prepared in line with the required reporting frameworks and procedures where data are reported accurately and have been reviewed by the Audit and Risk Management Committee and approved by the Board.

MOVING FORWARD

The Group will continue to enhance its efforts toward sustainability growth by actively engaging with its stakeholders and conscientiously formulating and implementing programs that will positively impact the EES as one of our main CSR initiatives to ensure sustainable future for its stakeholders.

Additional Compliance Information

1. UTILISATION OF PROCEEDS

Save for the conversion of options under the Employees' Share Issuance Scheme of the Company details of which are set out below, there were no issuance of new shares, rights issue or issuance of bonds during the financial year to raise any cash proceeds.

2. NON-AUDIT FEES

The amounts of audit fees and non-audit fees paid / payable to the external auditors of the Group during the FYE 2024 are as follows:

Paid By	Audit Fees	Non-Audit Fees	Total (RM)
	RM	RM	
Company	32,500	25,000	57,500
Group	93,000	25,000	118,000

3. MATERIAL CONTRACTS OR LOANS INVOLVING DIRECTORS OR MAJOR SHAREHOLDERS

There were no material contracts of the Company and subsidiaries involving Directors' and major shareholders' interests during the financial year. There were no contracts relating to loans entered into by the Company and its subsidiaries which involve the Directors' and major shareholders' interest during the FYE 2024.

4. RECURRENT RELATED PARTY TRANSACTIONS STATEMENT

The Company did not incur any significant recurrent related party transactions of a revenue / trading nature during the FYE 2024. The statement of recurrent related party transactions is disclosed in Note 28 to the Financial Statements.

5. SHARE ISSUANCE SCHEME ("SIS")

The Company has established and implemented a SIS of not more than 15% of the issued shares of the Company with effect from 15 June 2021 and shall be in force for a duration of five (5) years expiring on 14 June 2026. The SIS is governed by its By-Laws approved by the shareholders at an Extraordinary General Meeting held on 11 May 2021. The total number of options granted, exercised and outstanding under the SIS as at the FYE 2024 are set out in the table below:-

Description	All Eligible Employees ('000)		Total
	Directors and Chief Directors	Eligible Employees	
Total options granted	18,000	8,800	26,800
Total options surrendered	(18,000)	-	(18,000)
Total options exercised	-	(8,200)	(8,200)
Total options outstanding	-	600	600

Additional Compliance Information

(cont'd)

Percentages of options granted to directors and senior management under the SIS: -

Directors and Senior Management	Since commencement up to 31 March 2024
Aggregate maximum allocation	64%
Actual granted	64%

No SIS option was granted to the Non-Executive Directors and no options were exercised by the Non-Executive Directors during the FYE 2024.

Statement on Risk Management and Internal Control

The Board is pleased to present its Statement on Risk Management and Internal Control (“Statement”) pursuant to Paragraph 15.26 (b) of the MMLR of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in accordance with the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers (the “Guidelines”) and taking into consideration the recommendations of the Malaysian Code on Corporate Governance.

This Statement outlines the nature and scope of risk management and internal control of the Company and its subsidiaries (“Group”) during the financial year ended 31 March 2024 (“FYE 2024”).

BOARD RESPONSIBILITY

The Board acknowledges its responsibilities for maintaining a sound risk management framework and system of internal control in order to safeguard shareholders’ interest and the Group’s assets, and for reviewing the adequacy and integrity of the same. Given the limitations that are inherent in any system of risk management and internal control, the system adopted by the Group is designed to mitigate rather than to eliminate the risks that may impede the Group’s achievement of its business objectives. Therefore, the Group’s risk management framework and internal control system can only provide reasonable but not absolute assurance against material misstatement, financial losses or fraud.

Accordingly, the Statement that has been prepared in accordance with the Guidelines endorsed by Bursa Securities and the Board has confirmed that there is an on-going process for identifying, evaluating and managing significant risks faced by the Group in achieving its objectives and strategies.

RISK MANAGEMENT FRAMEWORK

The Group has a firmly embedded process in identifying, evaluating, prioritizing and reporting the major business risks of the Group with the objective of maintaining a reasonably sound system of internal control. Regular reviews, evaluations and updates of the risk profile and the corresponding action plans have been reported to the Board. The Board, through the Audit and Risk Management Committee (“ARMC”), oversees the risk management and internal control system of the Group. The Board is also supported by the Executive Directors and senior management personnel of the Group in the implementation of the Board’s policies and procedures on risk management and internal control to ensure that the Group’s assets and shareholders’ interest are protected, and that shareholders’ value is preserved or enhanced.

The Group’s Risk Management Procedure outlines the risk management framework which consists of a combination of the core elements that define business risk assessment, namely the process of identification, assessment, treatment, implementation and reviewing of risks. The Risk Management Procedure has been established based on the guidelines in the Group’s ISO 9001:2015 Quality Management System (“QMS”). The Management Representative of the QMS is responsible for the co-ordination of the risk management activities of the Group as an on-going process.

The Group continued its efforts in reviewing, assessing and analyzing the risks and opportunities as documented in the Risk and Opportunity Register to ensure that the risks are being monitored, managed and reduced if not eliminated. Each Risk Owner that has been assigned with the risk is responsible to manage the risk and implementing the Risk Treatment Plan as proposed, continuously assessing the risks, compiling and recording the process and activities in the Risk Assessment Reports on a systematic and regular basis.

During the FYE 2024, there was one (1) Risk Assessment Report issued and was reviewed and tabled at the Management Review Meeting held in August 2023. The treatment and action plan for risks that were rated at medium level were deliberated during the meeting and the effectiveness of the treatment plan shall be reviewed at the Management Review Meeting to ensure that processes to mitigate identified risks are effectively implemented and maintained on a continuous basis which forms part of the Group’s QMS procedures. The report was then reviewed by a third-party surveillance team in August 2023 to further enhance the risk assessment and management process within the Group. In addition, the Group emphasises greatly on health, safety and environment practices to ensure that our employees, shareholders, stakeholders, assets and the surrounding environment in which we operate are safe.

There were six (6) ARMC meetings held during the FYE 2024 and the details of the attendance of ARMC members are disclosed in the Audit and Risk Management Committee Report.

Statement on Risk Management and Internal Control (cont'd)

During the ARMC meetings, the Group's risk and opportunity profile, analysed by departments, comprising risk matrix, impact/harm, the risk profile and Risk and Opportunity Register were reviewed, deliberated and recommended for the Board's approval.

Hence, the Group has in place the necessary review and reporting and implementation processes to cultivate the appropriate discipline to continuously improve the risk management capabilities of the respective Risk Owners.

INTERNAL CONTROL PROCESS

The Group's system of internal control comprises the following key elements: -

- Organization structure with clear lines of roles and responsibilities including delegation of duties are well-defined to ensure enhancement of the Group's performance.
- Delegations of authority including authorization limits at appropriate levels of management are clearly defined to ensure accountabilities and responsibilities as prescribed in the Authority Matrix.
- Documented standard operating policies and procedures are regularly reviewed and revised to meet operational needs and made available and accessible by all employees.
- Systematic and regular audits are carried out to ensure compliance with the ISO 9001:2015 QMS of its subsidiary company, Chip Ngai Engineering Works Sdn Bhd.
- Centralised human resource function that sets out the policies for recruitment, training and appraisal of the employees within the Group.
- The outsourced Internal Auditors assist the ARMC in discharging its duties in maintaining and monitoring the internal control systems within the Group.
- Regular Board and ARMC meetings are carried out to review and assess the overall performance and internal controls of the Group.
- Adequate credit risk assessments are carried out by the money lending team in its wholly-owned subsidiary on potential borrowers prior to loan disbursement.
- Adequate reports are generated on a consistent basis for review on the operational and financial performance of the Group.
- Scheduled and ad-hoc operation and management meetings were held and attended by the Executive Directors and heads of the department to discuss and resolve business and operational issues.
- Training needs are reviewed and analysed on an annual basis to identify appropriate training and development programs to be conducted to ensure the staff are competent in carrying out their duties and responsibilities.
- The Anti-Bribery and Corruption Policy sets out the procedures to observe and uphold the position on the areas of bribe, corruption, gifts, facilitation payment and kickbacks and the Group adopted a zero-tolerance approach against all forms of bribery and corruption.
- The Whistle Blowing Policy provides an avenue to raise concerns and report breach or suspected breach of any laws, regulations, business principle, policies or guidelines, in a safe and confidential manner.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to external consultants to review and evaluate the adequacy and effectiveness of the Group's systems of internal control and risk management processes. Internal audits are carried out on a risk-based approach, in line with the Group's objectives and policies, taking into consideration input from the Executive Directors and the senior management.

Statement on Risk Management and Internal Control (cont'd)

The assessment of the adequacy and effectiveness of the internal controls is conducted through periodic reviews of the Group's active business operations via interviews and discussions with key management staff, review of the relevant established policies and procedures, authority matrix including observing and testing of the internal controls on a sampling basis based on the Internal Audit Plan as approved by the ARMC. The outsourced internal audit function provides the ARMC with periodic internal audit reports identifying risks and internal control gaps of the existing state of internal control, highlighting observations and providing recommendations with management action plans to improve the system of internal control. Regular follow-up audits were carried out to ensure that the remedial actions in respect of internal control deficiencies, as recommended in the internal audit reports, have been adequately addressed by the management.

During the FYE 2024, the outsourced Internal Auditors had conducted the review and assessment on the Group's financial function which include the review of competency of accounts team, adequacy and adherence of the financials' standard operating policy and procedure and timeliness and accuracy of the financial reporting of the Group. During the process of the internal audit review, the outsourced Internal Auditors identified and reviewed the risk areas of the financial function of the Group through interviews, discussions and review on the audit area with the head of department to understand, review and discuss the proposed actions to be taken in managing as well as mitigating the identified risks.

Upon completion of the reviews, the outsourced Internal Auditors outlined some areas of concern and recommended some improvements to the management. The findings were reported to the ARMC and the same were deliberated and approved by the Board. Based on the findings, the identified areas of concern in the internal controls have not resulted in any material or significant losses and/or require further disclosure in this Statement. The costs incurred for the internal audit functions for FYE 2024 was approximately RM16,960.

WEAKNESSES IN RISK MANAGEMENT AND INTERNAL CONTROLS THAT RESULT IN MATERIAL LOSSES

The Board remains committed to maintaining a robust system of risk management and internal control and is of the opinion that there were no material financial losses, contingencies or uncertainties resulting from weaknesses in risk management and internal control that would require disclosure in the Group's annual report for the FYE 2024. The management continues to take measures to strengthen the control environment as an on-going process incorporated in the Group's ISO 9001:2015 QMS.

ASSURANCE FROM MANAGEMENT

The Board has received assurance from the Executive Directors and the Group Financial Controller that the Group's risk management and internal control system are adequate and effective, in all material aspects, during the financial year under review and up to date of this Statement.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control to be included in the annual report of the Group for the FYE 2024. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"): "Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report" issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Statement on Risk Management and Internal Control (cont'd)

CONCLUSION

In view of the above control measures carried out in the Company, the Board believes that the above framework is considered appropriate for the Group's business operations to provide reasonable assurance of the integrity of the Group's risk management and systems of internal control and that the risks are at an acceptable level throughout the Group's business operations. There were no material financial losses incurred during the financial year under review as a result of weaknesses in the Group's risk management and system of internal control.

The Board is of the view that the system of risk management and internal controls in place are satisfactory to protect the Group's interest and that of its stakeholders, including the preservation of shareholders' value.

The Board together with the management will continue to take appropriate control measures and actions in order to further strengthen the Group's control environment.



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Directors' Report

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and providing management services. The principal activities of the subsidiary companies are as set out in *Note 5* to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Loss after tax attributable to: Owners of the Company	(10,187,942)	(23,705,083)

DIVIDEND

No dividend has been paid or declared since the end of the previous financial period. The directors do not recommend that a final dividend to be paid in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There was no issue of shares and debentures by the Company during the financial year.

Warrants 2021/2024

The Warrants 2021/2024 ("the Warrants") were constituted under the Deed Poll dated 12 May 2021. The Warrants were issued on 9 June 2021 in conjunction with the Proposed Bonus Issue of Warrants of the Company on the basis of 1 free Warrant for every 2 existing ordinary shares of the Company and expiring on 7 June 2024. Each Warrant entitled the registered holder, at any time during the exercise period, to subscribe for one (1) new ordinary share at an exercise price of RM0.42 per Warrant.

The movements in the Warrants during the financial year were as follows: -

	----- Number of Warrants -----			
	As at 01.04.2023	Issued	Exercised	As at 31.03.2024
Warrants 2021/2024	30,201,970	-	-	30,201,970

The Warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

SHARE OPTIONS

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Share Issuance Scheme ("SIS") of the Company.

At an Extraordinary General Meeting held on 11 May 2021, the Company's shareholders approved the establishment of SIS of not more than 15% of the issued and paid-up share capital of the Company at the point of time throughout the duration of the scheme to eligible Directors and employees of the Group. The salient features and other terms of the SIS are disclosed in the Note 29 to the financial statements.

As at 31 March 2024, the options offered to take up unissued ordinary shares and the exercise price are as follows:

Date of offer	Exercise price (RM)	-----Number of options of ordinary shares -----			
		At 1.4.2023	Granted	Surrendered	Exercised/ At 31.03.2024
15 February 2022	0.350	600,000	-	-	600,000
		600,000	-	-	600,000

Details of share options granted to directors are disclosed in the section on Directors' interests in this report.

DIRECTORS

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

Datuk Seri Tan Choon Hwa	
Chang Chee Ching*	
YM Tengku Shamsulbhari Bin Tengku Azman Shah*	
YM Tengku Ummil Zulaikha Kalsom Binti Tengku Shamsulbhari	(Appointed w.e.f. 13 December 2023)
Nadanarajah A/L Ramalingam	
Datuk Mohamad Fazly Bin Zainudin	
Ashraf BinKahasani	(Appointed w.e.f. 29 March 2024)
Dato' Sri Zulkifli Bin Abdullah	(Resigned w.e.f. 24 November 2023)
Low Yong Heng	(Resigned w.e.f. 18 January 2024)
William H Van Vliet III	(Resigned w.e.f. 13 March 2024)

* Director of the Company and its subsidiaries

The retirement and re-election of the directors are in accordance with the Company's Constitution.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive a benefit (*other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in Note 24 to the financial statements, or the fixed salary of a full-time employee of the Company*) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Directors' Report

(cont'd)

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, apart from the share options granted to directors under the Company's Share Issuance Scheme.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests of directors who held office at the end of the financial year in the shares and options over shares in the Company or its related companies during the financial year are as follows:

(a) Ordinary shares in the Company

	----- Number of Ordinary Shares -----			
	As at 01.04.2023	Bought	Sold	As at 31.03.2024
<u>Direct interests</u>				
Datuk Seri Tan Choon Hwa	4,583,100	-	-	4,583,100

(b) Options over ordinary shares in the Company - NIL

The other directors holding office at the end of the financial year have no interest in shares or options in the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION

The directors' remuneration paid to or receivable by the directors of the Group and the Company during the financial year are as follows:

	Group		Company	
	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM
Directors				
- fees	171,881	270,000	171,881	270,000
- remuneration	525,000	450,000	-	-
- other remunerations	64,486	55,657	-	-
	<u>761,367</u>	<u>775,657</u>	<u>171,881</u>	<u>270,000</u>

INDEMNITY AND INSURANCE COSTS

During the financial year, there is no indemnity given to or insurance effected for Directors, officers and auditors of the Group and of the Company.

OTHER STATUTORY INFORMATION

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that there were no known bad debts and adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

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

- (a) which would require any amount to be written off as bad debts or render the amount provided for as doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent;
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

In the opinion of the directors: -

- (a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would likely affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SUBSEQUENT EVENTS

Details of subsequent events after the financial year end are disclosed in Note 31 to the financial statements.

Directors' Report

(cont'd)

AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

During the financial year, the amount of audit and non-audit fee paid/payable to the external auditors by the Company and the Group respectively for the financial year ended 31 March 2024 were as follows:

	Group (RM)	Company (RM)
Audit Services Rendered	93,000	32,500
Non-Audit Services Rendered	25,000	25,000
	<hr/> 118,000	<hr/> 57,500

AUDITORS

The auditors, Messrs Chengco PLT, have expressed their willingness to continue in office.

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

CHANG CHEE CHING

Director

YM TENGKU SHAMSULBHARI BIN TENGKU AZMAN SHAH

Director

Kuala Lumpur,
Date: 19 July 2024

Statement By Directors

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

In the opinion of the directors, the financial statements set out on pages 83 to 129 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2024 and of their results and cash flows for the financial year ended 31 March 2024.

Signed in Kuala Lumpur on 19 July 2024

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

CHANG CHEE CHING

**YM TENGKU SHAMSULBHARI BIN
TENGKU AZMAN SHAH**

Statutory Declaration

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

I, Chang Chee Ching, being the director primarily responsible for the financial management of CN Asia Corporation Bhd, do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements of the Group and of the Company set out on pages 83 to 129 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared in Petaling Jaya,
Selangor Darul Ehsan.
on 19 July 2024

CHANG CHEE CHING
Before me

WONG CHOY YIN (B508)
Commissioner for Oaths

Independent Auditors' Report

to the Members of CN Asia Corporation Bhd
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CN Asia Corporation Bhd, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended 31 March 2024, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 83 to 129.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and cash flows for the financial year ended 31 March 2024 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key audit matters

Impairment of trade and loan receivables

Refer to Note 9 of the financial statements

The Group has significant balances of trade and loan receivables of RM14 million. There are a risk arising from potential impairment of trade and loan receivables.

How our audit addressed the key audit matters

Our audit procedures focused on the following:

- Tested the mathematical accuracy of the impairment assessment;
- Obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures; and
- Assessed the recoverability of trade and loan receivables by checking past payment trend and assessing the receipts during the financial year and subsequent to year end collections.

Independent Auditors' Report (cont'd)

to the Members of CN Asia Corporation Bhd
(Incorporated in Malaysia)

Information Other Than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditors' Report (cont'd)

to the Members of CN Asia Corporation Bhd
(Incorporated in Malaysia)

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

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

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

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

Other Matters

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

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

KIKI WONG LAI KAY
03789/10/2025 J
Chartered Accountant

Kuala Lumpur,
Date: 19 July 2024

Statements of Financial Position

as at 31 March 2024

	Note	Group		Company	
		31.03.2024 RM	31.03.2023 RM	31.03.2024 RM	31.03.2023 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	11,204,171	14,827,827	-	-
Investment in subsidiary companies	5	-	-	33,305,363	15,069,927
Right-of-use asset	6	264,974	618,273	-	-
Intangible asset	7	-	88,051	-	-
		<u>11,469,145</u>	<u>15,534,151</u>	<u>33,305,363</u>	<u>15,069,927</u>
CURRENT ASSETS					
Inventories	8	3,653,671	3,869,147	-	-
Trade receivables	9	14,288,978	14,917,780	-	-
Contract assets	10	426,708	187,634	-	-
Other receivables, deposits and prepayments	11	2,900,781	2,180,067	2,437,044	1,801,000
Amount owing by subsidiary companies	12	-	-	11,057,940	48,705,966
Current tax asset		93,292	239,356	48,708	45,855
Cash and cash equivalents	13	11,503,496	15,676,846	2,825	4,267,629
		<u>32,866,926</u>	<u>37,070,830</u>	<u>13,546,517</u>	<u>54,820,450</u>
TOTAL ASSETS		<u>44,336,071</u>	<u>52,604,981</u>	<u>46,851,880</u>	<u>69,890,377</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	75,046,283	75,046,283	75,046,283	75,046,283
Share options reserve		162,000	162,000	162,000	162,000
Accumulated losses		(43,253,144)	(33,065,202)	(29,068,441)	(5,363,358)
Total equity attributable to owners of the Company		<u>31,955,139</u>	<u>42,143,081</u>	<u>46,139,842</u>	<u>69,844,925</u>
TOTAL EQUITY		<u>31,955,139</u>	<u>42,143,081</u>	<u>46,139,842</u>	<u>69,844,925</u>
LIABILITIES					
NON-CURRENT LIABILITIES					
Lease liabilities	15	-	292,118	-	-
Bank borrowings	16	3,028,252	3,120,744	-	-
		<u>3,028,252</u>	<u>3,412,862</u>	<u>-</u>	<u>-</u>
CURRENT LIABILITIES					
Trade payables	17	1,475,160	645,782	-	-
Contract liabilities	18	1,321,842	1,170,312	-	-
Other payables and accruals	17	1,040,681	288,970	712,038	45,452
Lease liabilities	15	292,118	372,869	-	-
Bank borrowings	16	5,222,879	4,571,105	-	-
		<u>9,352,680</u>	<u>7,049,038</u>	<u>712,038</u>	<u>45,452</u>
TOTAL LIABILITIES		<u>12,380,932</u>	<u>10,461,900</u>	<u>712,038</u>	<u>45,452</u>
TOTAL EQUITY AND LIABILITIES		<u>44,336,071</u>	<u>52,604,981</u>	<u>46,851,880</u>	<u>69,890,377</u>

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

Statements of Profit or Loss and Other Comprehensive Income

for the financial year ended 31 March 2024

	Note	Group		Company	
		01.04.2022 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM	01.04.2022 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM
REVENUE	19	19,551,711	12,628,567	457,749	656,957
COST OF SALES		(14,851,691)	(11,534,344)	-	-
GROSS PROFIT		4,700,020	1,094,223	457,749	656,957
OTHER INCOME		331,507	359,822	-	-
SELLING AND DISTRIBUTION EXPENSES					
EXPENSES		(34,712)	(37,137)	-	-
ADMINISTRATIVE EXPENSES		(4,518,066)	(5,648,528)	(548,923)	(1,808,869)
OTHER OPERATING EXPENSES		(10,104,409)	(22,430,479)	(23,615,368)	(4,050,588)
		(9,625,660)	(26,662,099)	(23,706,542)	(5,202,500)
FINANCE COSTS	20	(365,240)	(470,527)	-	-
LOSS BEFORE TAX	21	(9,990,900)	(27,132,626)	(23,706,542)	(5,202,500)
TAX (EXPENSE) / INCOME	22	(197,042)	(173,739)	1,459	2,436
LOSS / TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		<u>(10,187,942)</u>	<u>(27,306,365)</u>	<u>(23,705,083)</u>	<u>(5,200,064)</u>
LOSS AFTER TAX/ TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
Owners of the Company		<u>(10,187,942)</u>	<u>(27,306,365)</u>		
LOSS PER SHARE					
- Basic (Sen)	23	<u>(4.16)</u>	<u>(14.11)</u>		
- Diluted (Sen)	23	<u>(4.15)</u>	<u>(12.17)</u>		

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

Statements of Changes in Equity

for the financial year ended 31 March 2024

←-----Attributable to owners of the Company-----→					
Group	Note	Share capital RM	Non- distributable Share options reserve RM	Distributable Accumulated Losses RM	Total equity RM
Balance at 1 January 2022		60,765,343	8,440,000	(14,723,877)	54,481,466
<u>Transactions with owners:</u>					
Issuance of shares arising from					
- Share issuance scheme		3,178,000	-	-	3,178,000
- Private placements		11,102,940	-	-	11,102,940
Share options granted	29	-	864,000	-	864,000
Share options exercised		-	(2,662,000)	2,662,000	-
Share options lapsed		-	(6,480,000)	6,480,000	-
Share issuance expenses		-	-	(176,960)	(176,960)
		14,280,940	(8,278,000)	8,965,040	14,967,980
Loss after tax		-	-	(27,306,365)	(27,306,365)
Balance at 31 March 2023 / 1 April 2023		75,046,283	162,000	(33,065,202)	42,143,081
<u>Transactions with owners:</u>					
		-	-	-	-
Loss after tax		-	-	(10,187,942)	(10,187,942)
Balance at 31 March 2024		75,046,283	162,000	(43,253,144)	31,955,139
Company					
Balance at 1 January 2022		60,765,343	8,440,000	(9,128,334)	60,077,009
<u>Transactions with owners:</u>					
Issuance of shares arising from					
- Share issuance scheme		3,178,000	-	-	3,178,000
- Private placements		11,102,940	-	-	11,102,940
Share options granted	29	-	864,000	-	864,000
Share options exercised		-	(2,662,000)	2,662,000	-
Share options lapsed		-	(6,480,000)	6,480,000	-
Share issuance expenses		-	-	(176,960)	(176,960)
		14,280,940	(8,278,000)	8,965,040	14,967,980
Loss after tax		-	-	(5,200,064)	(5,200,064)
Balance at 31 March 2023 / 1 April 2023		75,046,283	162,000	(5,363,358)	69,844,925
<u>Transactions with owners:</u>					
		-	-	-	-
Loss after tax		-	-	(23,705,083)	(23,705,083)
Balance at 31 March 2024		75,046,283	162,000	(29,068,441)	46,139,842

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

Statements of Cash Flows

for the financial year ended 31 March 2024

	Group		Company	
	01.04.2023 to 31.03.2024	01.01.2022 to 31.03.2023	01.04.2023 to 31.03.2024	01.01.2022 to 31.03.2023
Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(9,990,900)	(27,132,626)	(23,706,542)	(5,202,500)
<i>Adjustments for:</i>				
Amortisation of intangible asset	32,018	40,023	-	-
Amortisation of leasehold land	44,676	55,620	-	-
Capital work in progress written off	-	12,020,050	-	-
Depreciation of property, plant and equipment	1,283,426	2,020,914	-	-
Depreciation of right-of-use asset	353,299	441,624	-	-
Employee Share Option Scheme expenses	-	864,000	-	864,000
Loss on disposal of investment	-	4,043,667	-	4,043,667
Gain on foreign exchange translation				
- unrealised	(21,712)	(25,497)	-	-
Impairment loss on:				
- receivables	7,356,000	5,840,000	-	-
- investment in subsidiaries	-	-	7,166,624	6,422
- amount due by subsidiaries	-	-	16,447,966	-
- Capital work in progress	2,678,614	-	-	-
- Intangible asset	56,033	-	-	-
Interest expenses	365,240	470,527	-	-
Interest income	(297,990)	(312,511)	(397,749)	(581,957)
Property, plant and equipment written off	-	522,973	-	-
<i>Operating profit/(loss) before working capital changes</i>	1,858,704	(1,151,236)	(489,701)	(870,368)
Decrease / (increase) in inventories	215,476	(222,552)	-	-
Increase in receivables	(7,665,274)	(5,137,899)	(636,044)	(1,657,600)
Increase/(Decrease) in payables	1,732,619	(685,286)	666,586	11,966
<i>Cash used in operations</i>	(3,858,475)	(7,196,973)	(459,159)	(2,516,002)
Interest paid	(365,240)	(470,527)	-	-
Net Tax paid	(50,979)	(267,437)	(1,394)	(77,761)
<i>Net cash used in operating activities</i>	(4,274,694)	(7,934,937)	(460,553)	(2,593,763)

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

Statements of Cash Flows (cont'd)

for the financial year ended 31 March 2024

	Note	Group		Company	
		01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Advance to subsidiary companies		-	-	(4,202,000)	(7,560,256)
Capital work in progress incurred		(91,500)	(3,975,458)	-	-
Investment in quoted shares		-	(8,145,534)	-	(8,145,534)
Interest received		297,990	312,511	397,749	581,957
Purchase of property, plant and equipment		(291,560)	(839,584)	-	-
Proceeds from disposal of investment		-	4,101,867	-	4,101,867
<i>Net cash used in investing activities</i>		<u>(85,070)</u>	<u>(8,546,198)</u>	<u>(3,804,251)</u>	<u>(11,021,966)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
(Placement) / Withdrawal of pledged fixed deposits		(296,241)	1,051,909	-	-
Net proceeds from issuance of shares		-	14,103,980	-	14,103,980
Proceeds / (Repayment of) proceeds from bank borrowings		1,821,030	(195,710)	-	-
Repayment of lease liabilities		(372,868)	(440,669)	-	-
<i>Net cash generated from financing activities</i>		<u>1,151,921</u>	<u>14,519,510</u>	<u>-</u>	<u>14,103,980</u>
<i>Net (decrease) / increase in cash and cash equivalents</i>		<u>(3,207,843)</u>	<u>(1,961,625)</u>	<u>(4,264,804)</u>	<u>488,251</u>
<i>Cash and cash equivalents at beginning of year</i>		<u>1,653,771</u>	<u>3,615,396</u>	<u>4,267,629</u>	<u>3,779,378</u>
<i>Cash and cash equivalents at end of period</i>		<u>(1,554,072)</u>	<u>1,653,771</u>	<u>2,825</u>	<u>4,267,629</u>
CASH AND CASH EQUIVALENTS COMPRISE:					
Fixed deposit with licenced banks		11,310,877	11,014,636	-	-
Cash and bank balances		192,619	4,662,210	2,825	4,267,629
Bank overdrafts	16	(1,746,691)	(3,008,439)	-	-
		<u>9,756,805</u>	<u>12,668,407</u>	<u>2,825</u>	<u>4,267,629</u>
<i>Less: Fixed deposits pledged as securities</i>		<u>(11,310,877)</u>	<u>(11,014,636)</u>	<u>-</u>	<u>-</u>
		<u>(1,554,072)</u>	<u>1,653,771</u>	<u>2,825</u>	<u>4,267,629</u>

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

Notes to the Financial Statements

31 March 2024

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

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

The address of the registered office and principal place of business of the Company is at Lot 7907, Batu 11, Jalan Balakong, 43300 Seri Kembangan, Selangor.

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”).

The principal activities of the Company are investment holding and providing management services. The principal activities of the subsidiary companies are as set out in *Note 5*. There were no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act 2016 (“CA2016”) in Malaysia.

Adoption of Amendments to MFRSs and Annual Improvements

The Group and the Company have adopted all the Amendments to MFRSs and Annual Improvements which became effective since 1 April 2023, but do not have an impact on the financial statements of the Group and of the Company except for the amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 – Disclosure of Accounting Policies.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group’s accounting policies, it impacted the accounting policy information disclosed in the financial statements.

Standards Issued but not yet effective

The Group and the Company have not adopted the standards that have been issued but no yet effective. The Directors expect that the adoption of these standards will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

(b) Basis of Measurement

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

(c) Functional and Presentation Currencies

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency.

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

(d) Use of Estimates and Judgements

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

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

There are significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than:

1) *Construction contracts*

The Group measures the performance of construction work done by comparing the actual costs incurred with the estimated total costs required to complete the construction. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on professionals' estimates and also on past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised.

2) *Employees share option*

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. These estimates also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

3. MATERIAL ACCOUNTING POLICIES

(a) Basis Of Consolidation

(i) *Subsidiaries*

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

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

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

Notes to the Financial Statements (cont'd)

31 March 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis Of Consolidation (cont'd)

(ii) *Business combinations*

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

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

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

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

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

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

(iii) *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 from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the 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 an available-for-sale financial asset depending on the level of influence retained.

(iv) *Transactions eliminated on consolidation*

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

(b) Property, Plant And Equipment

(i) *Recognition and measurement*

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)**(b) Property, Plant And Equipment (cont'd)****(i) Recognition and measurement (cont'd)**

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

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

	%
Furniture, fittings and equipment	11 - 50
Leasehold land	1.04
Motor vehicles	13 - 50
Plant and machinery	5 - 10

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

Notes to the Financial Statements (cont'd)

31 March 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Intangible asset

(i) License

Intangible asset that are acquired by the Group, which have finite useful lives, are measure at cost less any accumulated amortisation and any accumulated impairment losses.

(ii) Amortisation

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

	%
License	20

If there is an indication that there has been a change in the residual value or useful life of an intangible asset since the last annual reporting date, the Group would review its previous estimates and, if current expectations differ, the Group would amend the residual value, amortisation method or useful life.

(d) Inventories

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

The cost of inventories is calculated using the first-in-first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(e) Contract Asset/Contract Liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, Financial Instruments (see Note 3(g)(i)).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(f) Cash And Cash Equivalents

Cash and cash equivalents consists of cash on hand, balances and deposits with banks, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)**(g) Financial Instruments****(i) Recognition and initial measurement**

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

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

(ii) Financial instrument categories and subsequent measurement*Financial assets*

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

- *Amortised cost*

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

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

- *Fair value through other comprehensive income*

Equity investments

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

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, were subject to impairment assessment (see Note 3(g)(i)).

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Financial Instruments (cont'd)

(ii) *Financial instrument categories and subsequent measurement (cont'd)*

Financial Liabilities

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

- Amortised cost

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

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

(iii) *Derecognition*

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

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

(iv) *Offsetting*

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

(h) Impairment

(i) *Financial assets*

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

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)**(h) Impairment (cont'd)****(i) Financial assets (cont'd)**

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

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

The Group and the Company estimate the expected credit losses on trade receivables using a simplified approach with reference to historical credit loss experience.

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

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

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

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, lease receivables, deferred tax asset, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are recognised in profit or loss.

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Leases

(i) *Definition of a lease*

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

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

(ii) *Recognition and initial measurement*

(a) *As a lessee*

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

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

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payables under a residual value guarantee;
- the exercise price under a purchase option that the Group and the Company is reasonably certain not to terminate early.

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)**(i) Leases (cont'd)****(iii) Subsequent measurement****(a) As a lessee**

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

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

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

(j) Equity Instruments

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

(i) Issue expenses

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

(ii) Ordinary shares

Ordinary shares are classified as equity.

(k) Foreign Currency**(i) Foreign currency transactions**

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

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

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

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Foreign Currency (cont'd)

(i) Foreign currency transactions (cont'd)

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

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

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2011 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, 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 the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

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

(l) Employee Benefits

(i) Short-term employee benefits

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

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

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)**(l) Employee Benefits (cont'd)****(iii) Shared-based payment transactions**

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the employee share options is measured using a Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(m) Revenue and Other Income**(i) Revenue**

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

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

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

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established.

(iii) Management fee

Management fee income is recognised upon performance of services satisfied over time. Management fee are made with a credit term of 30 days, therefore, no element of financing is deemed present.

Notes to the Financial Statements (cont'd)

31 March 2024

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Revenue and Other Income (cont'd)

(iv) Interest income

Interest income is recognised on an accrual basis using the effective interest method. Interest earned on loans and advances is calculated on a monthly rest basis.

(n) Borrowing Costs

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

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

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

(o) Income Tax

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

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

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

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

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

Unutilised reinvestment allowance and investment tax allowance, 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 which the unutilised tax incentive can be utilised.

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(p) Earnings/Loss Per Ordinary Share

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

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

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

(q) Operating Segments

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

(r) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial positions and is disclosed as 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.

(s) Fair Value Measurement

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

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

Notes to the Financial Statements (cont'd)

31 March 2024

4. PROPERTY, PLANT AND EQUIPMENT

<i>Group</i>	Leasehold land RM	Furniture, fittings and equipment RM	Motor vehicles RM	Plant and machinery RM	Capital work- in-progress RM	Total RM
<i>Cost</i>						
At 1 January 2022	4,288,863	1,971,700	171,492	32,275,994	13,486,810	52,194,859
Additions	-	655,269	-	184,315	3,975,458	4,815,042
Written off	-	(1,108,951)	-	(5,250,453)	(12,020,050)	(18,379,454)
At 31 March 2023 / 1 April 2023	4,288,863	1,518,018	171,492	27,209,856	5,442,218	38,630,447
Additions	-	86,505	-	205,055	91,500	383,060
At 31 March 2024	4,288,863	1,604,523	171,492	27,414,911	5,533,718	39,013,507
<i>Accumulated depreciation and impairment</i>						
At 1 January 2022	26,436	1,676,524	100,080	25,759,477	-	27,562,517
Charge for the financial period	55,620	192,813	13,733	1,814,368	-	2,076,534
Written off	-	(1,091,114)	-	(4,745,317)	-	(5,836,431)
At 31 March 2023 / 1 April 2023	82,056	778,223	113,813	22,828,528	-	23,802,620
Charge for the financial year	44,676	178,485	10,986	1,093,955	-	1,328,102
Impaired	-	-	-	-	2,678,614	2,678,614
At 31 March 2024	126,732	956,708	124,799	23,922,483	2,678,614	27,809,336
<i>Net carrying amount</i>						
At 31 March 2024	4,162,131	647,815	46,693	3,492,428	2,855,104	11,204,171
At 31 March 2023	4,206,807	739,795	57,679	4,381,328	5,442,218	14,827,827

- (b) The Group had incurred capital work-in-progress impaired/written off amounting to RM2,678,614 (2023: RM12,020,050) during the financial year. The impaired/written off was due severe flood at the project site. The value was assessed by licensed architecture.

Notes to the Financial Statements (cont'd)

31 March 2024

5. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	31.03.2024 RM	31.03.2023 RM
Unquoted shares in Malaysia, at cost		
At 1 April 2023/ 1 January 2022	30,458,115	30,458,115
Additions	25,402,060	-
At 31 March 2024 / 31 March 2023	<u>55,860,175</u>	<u>30,458,115</u>
<i>Less: Accumulated impairment losses</i>		
At 1 April 2023/ 1 January 2022	15,388,188	15,381,766
Additions	7,166,624	6,422
At 31 March 2024 / 31 March 2023	<u>22,554,812</u>	<u>15,388,188</u>
<i>Net carrying value</i>		
At 31 March 2024 / 31 March 2023	<u>33,305,363</u>	<u>15,069,927</u>

Details of the subsidiary companies are as follows:

Name of subsidiary companies	Country of incorporation	Effective equity interest		Principal activities
		2024 %	2023 %	
Direct holding:				
Asia Tank Containers (Malaysia) Sdn Bhd	Malaysia	100	100	Dormant
Chip Ngai Engineering Works Sdn Bhd	Malaysia	100	100	Manufacturing and trading of tanks and related products, specialized engineering, fabrication and sub-contractor for civil engineering works
CN Asia Capital Sdn Bhd	Malaysia	100	100	Dormant
Douwin Sdn Bhd	Malaysia	100	100	Investment holding
Southborn Capital Sdn Bhd	Malaysia	100	100	Provision of finance through moneylending business

Notes to the Financial Statements (cont'd)

31 March 2024

6. RIGHT-OF-USE ASSET

	Factory land and building RM
<i>Group</i>	
<i>Cost</i>	
At 1 January 2022 / 31 March 2023 / 1 April 2023 / 31 March 2024	<u>2,148,424</u>
<i>Accumulated depreciation</i>	
At 1 January 2022	1,088,527
Charge for the financial period	441,624
At 31 March 2023 / 1 April 2023	<u>1,530,151</u>
Charge for the financial year	353,299
At 31 March 2024	<u>1,883,450</u>
<i>Carrying amount</i>	
At 31 March 2024	<u>264,974</u>
At 31 March 2023	<u>618,273</u>

7. INTANGIBLE ASSET

	License RM
<i>Group</i>	
<i>Cost</i>	
At 1 January 2022 / 31 March 2023 / 1 April 2023 / 31 March 2024	<u>160,092</u>
<i>Accumulated amortisation</i>	
At 1 January 2022	32,018
Charge for the financial period	40,023
At 31 March 2023 / 1 April 2023	<u>72,041</u>
Charge for the financial year	32,018
Impairment	56,033
At 31 March 2024	<u>160,092</u>
<i>Carrying amount</i>	
At 31 March 2024	<u>-</u>
At 31 March 2023	<u>88,051</u>

Notes to the Financial Statements (cont'd)

31 March 2024

8. INVENTORIES

	Group	
	31.03.2024	31.03.2023
	RM	RM
At cost:		
Raw materials	609,683	838,756
Work-in-progress	1,744,377	1,882,488
Finished goods	904,180	890,674
Consumables	395,431	257,229
	3,653,671	3,869,147
Inventories recognised as expenses	6,648,247	4,050,947

9. TRADE RECEIVABLES

	Group	
	31.03.2024	31.03.2023
	RM	RM
Trade receivables	3,439,268	1,637,673
Loan receivables - related party	7,735,000	7,316,438
Loan receivables - third parties	18,181,037	13,221,037
Less: Accumulated impairment losses	(13,776,327)	(6,420,327)
Less: Unearned interest - related party	(420,000)	(316,438)
Less: Unearned interest - third parties	(870,000)	(520,603)
	14,288,978	14,917,780

Movement of accumulated impairment losses:-

At 1 April 2023 / 1 January 2022	6,420,327	580,327
Addition	7,356,000	5,840,000
At 31 March 2024 / 31 March 2023	13,776,327	6,420,327

10. CONTRACT ASSETS

	Group	
	31.03.2024	31.03.2023
	RM	RM
Contract assets in relation to: -		
- construction project	426,708	187,634
	426,708	187,634
Aggregate costs incurred to date	2,670,874	609,241
Add: Attributable profits	547,594	186,426
	3,218,468	795,667
Less: Progress billings	(2,791,760)	(608,033)
	426,708	187,634

Contract assets primarily relate to the Group's rights to consideration for work completed on a construction project but not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional.

Notes to the Financial Statements (cont'd)

31 March 2024

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM	RM	RM	RM
Other receivables	11,050	2,979	-	-
Deposits	1,927,785	1,927,384	1,801,000	1,801,000
Prepayments	961,946	249,704	636,044	-
	<u>2,900,781</u>	<u>2,180,067</u>	<u>2,437,044</u>	<u>1,801,000</u>

12. AMOUNT OWING BY SUBSIDIARY COMPANIES

	Company	
	31.03.2024	31.03.2023
	RM	RM
Amount owing by subsidiary companies		
- non-trade	32,238,500	53,438,560
Less: Accumulated impairment losses	(21,180,560)	(4,732,594)
	<u>11,057,940</u>	<u>48,705,966</u>

Movement of accumulated impairment losses:-

At 1 April 2023 / 1 January 2022	4,732,594	4,732,594
Addition	16,447,966	-
At 31 March 2024 / 31 March 2023	<u>21,180,560</u>	<u>4,732,594</u>

Amount owing by subsidiary companies is unsecured, receivable on demand and carries interest rate of 2.5% (2023:2.5%) per annum.

Amount owing to a subsidiary company is unsecured, interest free and repayable on demand.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.03.2023	31.03.2023	31.03.2024	31.03.2023
	RM	RM	RM	RM
Cash on hand	4,605	4,605	-	-
Cash at bank	188,014	4,657,605	2,825	4,267,629
Fixed deposits with licensed banks	11,310,877	11,014,636	-	-
	<u>11,503,496</u>	<u>15,676,846</u>	<u>2,825</u>	<u>4,267,629</u>

The fixed deposits with licensed banks earn interest at rates ranging from 2.45% to 2.95% (2023: 2.4% to 2.95%) per annum.

Included in fixed deposits with licensed banks is an amount of RM11,310,877 (2023: RM11,014,636) being fixed deposits pledged for banking facilities granted to the Group.

14. CAPITAL AND RESERVES*Share capital*

	Group and Company		Group and Company	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	Number of ordinary shares		RM	RM
Issued and fully paid				
At 1 April 2023 / 1 January 2022	244,656,910	178,719,910	75,046,283	60,765,343
Add: Issuance of shares	-	65,937,000	-	14,280,940
At 31 March 2024 / 31 March 2023	244,656,910	244,656,910	75,046,283	75,046,283

There were no new shares issued of shares of the Company during the financial year.

Warrants

The Warrants 2021/2024 ("the Warrants") were constituted under the Deed Poll dated 12 May 2021. The Warrants were issued on 9 June 2021 in conjunction with the Proposed Bonus Issue of Warrants of the Company on the basis of 1 free Warrant for every 2 existing ordinary shares of the Company and expiring on 7 June 2024. Each Warrant entitled the registered holder, at any time during the exercise period, to subscribe for one (1) new ordinary share at an exercise price of RM0.42 per Warrant.

The movements in the Warrants during the financial year were as follows:-

	Number of Warrants			
	As at 01.04.2023	Issued	Exercised	As at 31.03.2024
Warrants 2021/2024	30,201,970	-	-	30,201,970

The Warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

15. LEASE LIABILITIES

	Group	
	31.03.2024	31.03.2023
	RM	RM
Lease liabilities owing to non-financial institutions		
- Current liabilities	292,118	372,869
- Non-current liabilities	-	292,118
	292,118	664,987

The Group leases factory and building. The remaining lease terms are as below:-

	31.03.2024	31.03.2023
Factory land and building	9 months	21 months

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the entity's incremental borrowing rate. Subsequent to the initial recognition, the Group measures the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made.

Notes to the Financial Statements (cont'd)

31 March 2024

15. LEASE LIABILITIES (CONT'D)

The total cash outflow for the leases in the financial year ended 31 March 2024 for the Group amounted to RM372,868 (2023: RM440,669).

The incremental borrowing rate and effective interest rates of the lease liabilities is 5% (2023: 5%) per annum.

16. BANK BORROWINGS

	Group	
	31.03.2024	31.03.2023
	RM	RM
Repayable within 12 months:-		
Bankers' acceptances - Secured	3,377,000	1,468,000
Bank overdraft - Secured	1,746,691	3,008,439
Term loan - Secured	99,188	94,666
	5,222,879	4,571,105
Repayable after 12 months:-		
Term loan - Secured	3,028,252	3,120,744
	8,251,131	7,691,849

Bank borrowings are secured on the following:

- The pledge of RM11,310,877 (2023: RM11,014,636) fixed deposits of its subsidiary, Chip Ngai Engineering Works Sdn Bhd;
- Legal charge over a vacant agricultural land held under H.S.(M) 23504, Lot 5856, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Negeri Selangor;
- Letter of Subordination of advances from Directors/Related Companies for at least RM4,670,000;
- Corporate Guarantee for RM3,400,000 to be executed by CN Asia Corporation Bhd.

The bankers' acceptances bear interest rates ranging from 3.76% to 4.27% (2023: 3.80% to 4.16%) per annum.

The term loan bears interest rate at base financing rate ("BFR") less 2% per annum.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM	RM	RM	RM
Trade payables				
Third parties	1,475,160	645,782	-	-
Other payables and accruals				
Other payables	363,431	56,212	284,268	4,452
Accruals	677,250	232,758	427,770	41,000
	1,040,681	288,970	712,038	45,452
	2,515,841	934,752	712,038	45,452

Notes to the Financial Statements (cont'd)

31 March 2024

18. CONTRACT LIABILITIES

	Group	
	31.03.2024	31.03.2023
	RM	RM
Contract liabilities in relation to: -		
- manufacturing of tanks and vessels	1,321,842	1,170,312

Contract liabilities primarily relate to the advance consideration received from customers for manufacturing of tanks and vessels, for which revenue is recognised at a point in time when the Group satisfies its performance obligation.

19. REVENUE

	Group		Company	
	01.04.2023	01.01.2022	01.04.2023	01.01.2022
	to	to	to	to
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM	RM	RM	RM
Sale of goods	15,903,307	9,935,997	-	-
Contract revenue	2,422,801	1,549,433	-	-
Interest income	1,225,603	1,143,137	397,749	581,957
Management fees	-	-	60,000	75,000
	<u>19,551,711</u>	<u>12,628,567</u>	<u>457,749</u>	<u>656,957</u>
Timing of revenue recognition:-				
- at a point in time	15,903,307	9,935,997	457,749	656,957
- over time	3,648,404	2,692,570	-	-
	<u>19,551,711</u>	<u>12,628,567</u>	<u>457,749</u>	<u>656,957</u>

20. FINANCE COSTS

	Group	
	01.04.2023	01.01.2022
	to	to
	31.03.2024	31.03.2023
	RM	RM
Bankers' acceptances	112,647	118,773
Bank overdrafts	82,891	137,959
Lease liabilities	23,132	54,330
Term loan	146,570	159,465
	<u>365,240</u>	<u>470,527</u>

Notes to the Financial Statements (cont'd)

31 March 2024

21. LOSS BEFORE TAX

	Group		Company	
	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM
Loss before tax is stated				
<i>after charging:</i>				
Auditors' remuneration				
- current year's provision	93,000	90,000	32,500	36,000
- under provision in prior year	-	6,000	-	6,000
Amortisation of intangible asset	32,018	40,023	-	-
Amortisation of leasehold land	44,676	55,620	-	-
Capital work in progress written off	-	12,020,050	-	-
Depreciation of property, plant and equipment	1,283,426	2,020,914	-	-
Depreciation of right-of-use asset	353,299	441,624	-	-
Impairment loss of:				
- receivables	7,356,000	5,840,000	-	-
- investment in subsidiaries	-	-	7,166,624	6,422
- amount due by subsidiaries	-	-	16,447,966	-
- capital work in progress	2,678,614	-	-	-
- intangible asset	56,033	-	-	-
Loss on disposal of investment	-	4,043,667	-	4,043,667
Property, plant and equipment written off	-	522,973	-	-
Rental of empty cylinder	3,064	3,552	-	-
Staff costs (Note 24)	5,771,050	6,332,697	363,881	1,314,000
<i>and crediting:</i>				
Interest income	297,990	312,511	1,749	13,957
Realised gain on foreign exchange translation	754	14,154	-	-
Unrealised gain on foreign exchange translation	21,712	25,497	-	-

22. TAX EXPENSE / (INCOME)

	Group		Company	
	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM
Malaysia income tax:				
- current year's provision	223,000	210,000	15,000	30,000
- over provision in respect of prior years	(25,958)	(36,261)	(16,459)	(32,436)
	<u>197,042</u>	<u>173,739</u>	<u>(1,459)</u>	<u>(2,436)</u>

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

	Group		Company	
	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM
Loss before tax	<u>(9,990,900)</u>	<u>(27,132,626)</u>	<u>(23,706,542)</u>	<u>(5,202,500)</u>
Tax expense at Malaysian statutory tax rate of 24% (2023: 24%)	(2,397,816)	(6,511,830)	(5,689,570)	(1,248,600)
• Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	2,694,631	5,785,171	5,707,488	1,278,600
- income not subject to corporation tax	(78,961)	(79,611)	-	-
- deferred tax assets not recognised during the financial year	5,146	1,016,270	-	-
	<u>2,620,816</u>	<u>6,721,830</u>	<u>5,707,488</u>	<u>1,278,600</u>
• Over provision of taxation in respect of prior years	(25,958)	(36,261)	(16,459)	(32,436)
	<u>197,042</u>	<u>173,739</u>	<u>1,459</u>	<u>(2,436)</u>

The amount of temporary differences for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	Group		Company	
	31.03.2024 RM	31.03.2023 RM	31.03.2024 RM	31.03.2023 RM
Property, plant and equipment	(3,974,555)	(5,043,002)	-	-
Unutilised business losses	22,163,231	22,799,722	-	-
Unutilised Capital allowance	-	410,515	-	-
Reinvestment allowance	955,301	955,301	-	-
	<u>19,143,977</u>	<u>19,122,536</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements (cont'd)

31 March 2024

22. TAX EXPENSE / (INCOME) (CONT'D)

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

23. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share at 31 March 2024 was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	01.04.2023	01.01.2022
	to	to
	31.03.2024	31.03.2023
	RM	RM
Loss attributable to owners of the Company (RM)	(10,187,942)	(27,306,365)
Weighted average number of ordinary shares at 31 March	244,656,910	193,540,826
Basic loss per share (Sen)	(4.16)	(14.11)

Diluted loss per share

The calculation of diluted loss per ordinary share at 31 March 2024 was based on loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares as follows:-

	Group	
	01.04.2023	01.01.2022
	to	to
	31.03.2024	31.03.2023
	RM	RM
Loss attributable to owners of the Company (RM)	(10,187,942)	(27,306,365)
Weighted average number of ordinary shares as at 31 March	244,656,910	193,540,826
Effect of potential exercise of warrants*	-	30,201,970
Effect of potential exercise of share options	600,000	600,000
Weighted average number of ordinary shares as at 31 March / 31 December	245,256,910	224,342,796
Diluted loss per share (sen)	(4.15)	(12.17)

* The Warrants will be expiring on 7 June 2024 and the effect on the assumed exercise of the Warrants is anti-dilutive.

24. STAFF COSTS

	Group		Company	
	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM
Directors' emoluments:				
- fees	171,881	270,000	171,881	270,000
- remuneration	525,000	450,000	-	-
- defined contribution plan	63,000	54,000	-	-
- social security costs	1,486	1,657	-	-
	<u>761,367</u>	<u>775,657</u>	<u>171,881</u>	<u>270,000</u>
Other staff costs:				
- salaries, allowances and wages	4,512,224	4,236,884	192,000	180,000
- defined contribution plan	283,286	313,714	-	-
- social security costs	39,178	40,538	-	-
- share options granted	-	864,000	-	864,000
- other staff related expenses	174,995	101,904	-	-
	<u>5,009,683</u>	<u>5,557,040</u>	<u>192,000</u>	<u>1,044,000</u>
	<u>5,771,050</u>	<u>6,332,697</u>	<u>363,881</u>	<u>1,314,000</u>

25. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors as the chief operating decision makers in order to allocate resources to segments and to assess performance of the Group. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into main business segments as follows:

- (a) Manufacturing
Manufacture of tanks and related products, engineering works and fabrication works.
- (b) Investment
Investment holdings and comprise companies providing management services and dormant companies.
- (c) Financial services
Provision of finance through money lending business.
- e) Energy Management
The business of energy management focused on nano technology lighting and urban farming.

The Executive Directors assess the performances of the operating segments based on operating profits or losses which is measured differently from those disclosed in the consolidated financial statements.

The Executive Directors are of the opinion that all inter segment transactions are entered into in the normal course of business and have been established based on negotiated and mutually agreed terms.

Notes to the Financial Statements (cont'd)

31 March 2024

25. OPERATING SEGMENTS (CONT'D)

(a) Business segments

Group
01.04.2023 to 31.03.2024

	Manufacturing RM	Energy Management RM	Financial services RM	Investment RM	Eliminations RM	Total RM
Revenue						
External revenue	18,326,108	-	1,225,603	-	-	19,551,711
Inter-segment revenue	-	-	-	457,749	(457,749)	-
External revenue	18,326,108	-	1,225,603	457,749	(457,749)	19,551,711
Results						
Segment results	(3,127,584)	(99,010)	(6,234,633)	(462,423)	-	(9,923,650)
Interest income	296,241	-	-	1,749	-	297,990
Interest expense	(365,240)	-	(396,000)	-	396,000	(365,240)
Loss before tax	(3,196,583)	(99,010)	(6,630,633)	(460,674)	396,000	(9,990,900)
Tax expense	(53,000)	-	(145,501)	1,459	-	(197,042)
Loss after tax	(3,249,583)	(99,010)	(6,776,134)	(459,215)	396,000	(10,187,942)
Assets						
Segment assets	29,919,125	288,771	11,439,543	2,716,547	(27,916)	44,336,070
Liabilities						
Segment liabilities	11,643,751	-	42,078	723,019	(27,916)	12,380,932
Other information						
Capital expenditure	383,060	-	-	-	-	383,060
Depreciation	1,641,135	-	-	(4,110)	-	1,637,025
Amortisation	43,776	-	-	32,918	-	76,694
Impairment on Capital work in progress	2,678,614	-	-	-	-	2,678,614
Impairment on intangible asset	-	-	-	56,033	-	56,033

25. OPERATING SEGMENTS (CONT'D)

(a) Business segments (cont'd)

Group	Manufacturing	Management	Energy	Financial	Investment	Eliminations	Total
01.01.2022 to 31.03.2023	RM	RM	RM	services	RM	RM	RM
				RM			
Revenue							
External revenue	11,485,430	-	-	1,143,137	-	-	12,628,567
Inter-segment revenue	-	-	-	-	643,000	(643,000)	-
External revenue	11,485,430	-	-	1,143,137	643,000	(643,000)	12,628,567
Results							
Segment results	(16,381,516)	(143,793)	(143,793)	(4,722,338)	(5,726,963)	-	(26,974,610)
Interest income	298,554	-	-	-	13,957	-	312,511
Interest expense	(746,527)	-	-	(292,000)	-	568,000	(470,527)
Loss before tax	(16,829,489)	(143,793)	(143,793)	(5,014,338)	(5,713,006)	568,000	(27,132,626)
Tax expense	-	-	-	(176,175)	2,436	-	(173,739)
Loss after tax	(16,829,489)	(143,793)	(143,793)	(5,190,513)	(5,710,570)	568,000	(27,306,365)
Assets							
Segment assets	31,781,646	314,584	314,584	14,122,076	6,429,175	(42,500)	52,604,981
Liabilities							
Segment liabilities	10,396,494	-	-	51,477	56,429	(42,500)	10,461,900
Other information							
Capital expenditure	4,815,042	-	-	-	-	-	4,815,042
Depreciation	2,468,418	-	-	-	(5,880)	-	2,462,538
Amortisation	54,720	-	-	-	40,923	-	95,643
Capital work in progress	12,020,050	-	-	-	-	-	12,020,050
written off	522,973	-	-	-	-	-	522,973
Property, plant and equipment written off							

Notes to the Financial Statements (cont'd)

31 March 2024

26. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

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

	Carrying amount RM	Amortised cost RM
31.03.2024		
<i>Financial assets</i>		
<u>Group</u>		
Trade receivables	14,288,978	14,288,978
Other receivables and deposits	1,938,834	1,938,834
Cash and cash equivalents	11,503,496	11,503,496
	<u>27,731,308</u>	<u>27,731,308</u>
<u>Company</u>		
Deposits	1,801,000	1,801,000
Amount owing by subsidiary companies	11,057,940	11,057,940
Cash and cash equivalents	2,825	2,825
	<u>12,861,765</u>	<u>12,861,765</u>
<i>Financial liabilities</i>		
<u>Group</u>		
Trade payables	1,475,160	1,475,160
Other payables and accruals	1,040,681	1,040,681
Lease liabilities	292,118	292,118
Bank borrowings	8,251,131	8,251,131
	<u>11,059,090</u>	<u>11,059,090</u>
<u>Company</u>		
Other payables and accruals	712,038	712,038
	<u>712,038</u>	<u>712,038</u>

26. FINANCIAL INSTRUMENTS (CONT'D)**(a) Categories of Financial Instruments (cont'd)**

	Carrying amount RM	Amortised cost RM
31.03.2023		
<i>Financial assets</i>		
<u>Group</u>		
Trade receivables	14,917,780	14,917,780
Other receivables and deposits	1,930,363	1,930,363
Cash and cash equivalents	15,676,846	15,676,846
	<u>32,524,989</u>	<u>32,524,989</u>
<u>Company</u>		
Deposits	1,801,000	1,801,000
Amount owing by subsidiary companies	48,705,966	48,705,966
Cash and cash equivalents	4,267,629	4,267,629
	<u>54,774,595</u>	<u>54,774,595</u>
<i>Financial liabilities</i>		
<u>Group</u>		
Trade payables	645,782	645,782
Other payables and accruals	288,970	288,970
Lease liabilities	664,987	664,987
Bank borrowings	7,691,849	7,691,849
	<u>9,291,588</u>	<u>9,291,588</u>
<u>Company</u>		
Other payables and accruals	45,452	45,452
	<u>45,452</u>	<u>45,452</u>

(b) Financial Risk Management

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

- Credit risk
- Liquidity risk
- Market risk

i. Credit Risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its loan receivables from customers, trade receivables, contract assets, other receivables and cash and cash equivalents. There are no significant changes as compared to prior periods.

26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

i. Credit Risk (cont'd)

Trade receivables, loan receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

A significant portion of these trade receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables.

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

Exposure to credit risk, credit quality and collateral

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

Concentration of credit risk

The Group has no significant concentration of credit risk that may arise from exposure to a single receivable or to groups of receivables except for the amount owing by 3(2022: 6) major customers constituting approximately 96% (2022: 93%) of the outstanding trade receivables and loan receivables of the Group at reporting date.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables and loan receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade debtors will pay within 60 days, whereas loan debtors will pay between 30 to 365 days.

The Group uses a provision matrix to measure ECLs of trade receivables and loan receivables for all segments except for construction segment. Invoices which are exceeded the credit period will be considered as credit impaired.

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

For construction contracts, as there is only a customer, the Group assessed the risk of loss of the customer individually based on its financial information and past trend of payments. The customer has low risk of default.

26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

i. Credit Risk (cont'd)

Trade receivables, loan receivables and contract assets (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables, loan receivables and contract assets as at 31 March 2024 which are grouped together as they are expected to have similar risk nature.

<i>Group</i>	Gross carrying amount RM	Lifetime allowance RM	Credit impaired RM	Net balance RM
Current (not past due)	5,717,689	-	(146,115)	5,571,574
1 - 30 days past due	1,082,230	-	-	1,082,230
31 - 60 days past due	421,937	-	-	421,937
More than 61 days past due	21,270,157	(70,327)	(13,559,885)	7,639,945
	28,492,013	(70,327)	(13,706,000)	14,715,686
Trade receivables	3,439,268	(70,327)	(510,000)	2,858,941
Loan receivables	24,626,037	-	(13,196,000)	11,430,037
Contract assets	426,708	-	-	426,708
	28,492,013	(70,327)	(13,706,000)	14,715,686

The aging of trade receivables as at 31 March 2023 was as follows:

<i>Group</i>	Gross carrying amount RM	Lifetime allowance RM	Credit impaired RM	Net balance RM
Current (not past due)	7,714,431	-	-	7,714,431
1 - 30 days past due	141,970	-	-	141,970
31 - 60 days past due	322,910	-	-	322,910
More than 61 days past due	13,346,430	(70,327)	(6,350,000)	6,926,103
	21,525,741	(70,327)	(6,350,000)	15,105,414
Trade receivables	1,637,672	(70,327)	(510,000)	1,057,345
Loan receivables	19,700,435	-	(5,840,000)	13,860,435
Contract assets	187,634	-	-	187,634
	21,525,741	(70,327)	(6,350,000)	15,105,414

Cash and cash equivalents

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

26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

i. Credit Risk (cont'd)

Cash and cash equivalents (cont'd)

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

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for utilities. These deposits will be received at the end of each lease terms. The Group manages the credit risk together with the leasing arrangement.

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

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

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

Recognition and measurement of impairment loss

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

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

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

26. FINANCIAL INSTRUMENTS (CONT'D)**(b) Financial Risk Management (cont'd)****i. Credit Risk (cont'd)*****Inter-company loans and advances (cont'd)****Recognition and measurement of impairment loss (cont'd)*

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances as at reporting date:

	Gross carrying amount	Impairment loss allowance	Net balance
	RM	RM	RM
31.03.2024			
<i>Company</i>			
Low credit risk	-	-	-
Credit impaired	32,238,500	(21,180,560)	11,057,940
	<u>32,238,500</u>	<u>(21,180,560)</u>	<u>11,057,940</u>
31.03.2023			
<i>Company</i>			
Low credit risk	17,189,245	-	17,189,245
Credit impaired	36,249,315	(4,732,594)	31,516,721
	<u>53,438,560</u>	<u>(4,732,594)</u>	<u>48,705,966</u>

ii. Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables and short term 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 it will have sufficient liquidity to meet its liabilities when they fall due.

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

Notes to the Financial Statements (cont'd)

31 March 2024

26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

ii. Liquidity Risk (cont'd)

Maturity analysis

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

	Contractual interest rate / Discount rate %	Carrying Amount RM	Contractual Cash Flows RM	Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	More than 5 Years RM	Total RM
31.03.2024								
<i>Group</i>								
<u>Non-derivative financial liabilities</u>								
Trade payables	-	1,475,160	1,475,160	1,475,160	-	-	-	1,475,160
Other payables and accruals	-	1,040,681	1,040,681	1,040,681	-	-	-	1,040,681
Lease liabilities	5.00	292,118	297,000	297,000	-	-	-	297,000
Bank borrowings	3.76 - 4.27	8,251,131	9,169,505	5,358,230	234,540	703,620	2,873,115	9,169,505
		11,059,090	11,982,346	8,171,071	234,540	703,620	2,873,115	11,982,346
<i>Company</i>								
<u>Non-derivative financial liabilities</u>								
Other payables and accruals	-	712,038	712,038	712,038	-	-	-	712,038
		712,038	712,038	712,038	-	-	-	712,038

26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

ii. Liquidity Risk (cont'd)

Maturity analysis (cont'd)

	Contractual interest rate / Discount rate %	Carrying Amount RM	Contractual Cash Flows RM	Within 1 Year RM	1 - 2 Years RM	2 - 5 Years RM	More than 5 Years RM	Total RM
31.03.2023								
<i>Group</i>								
<u>Non-derivative financial liabilities</u>								
Trade payables	-	645,782	645,782	645,782	-	-	-	645,782
Other payables and accruals	-	288,970	288,970	288,970	-	-	-	288,970
Lease liabilities	5.00	664,987	693,000	396,000	297,000	-	-	693,000
Bank borrowings	3.80 - 4.85	7,691,849	8,756,795	4,710,980	234,540	703,620	3,107,655	8,756,795
		9,291,588	10,384,547	6,041,732	531,540	703,620	3,107,655	10,384,547
<i>Company</i>								
<u>Non-derivative financial liabilities</u>								
Other payables and accruals	-	45,452	45,452	45,452	-	-	-	45,452
		45,452	45,452	45,452	-	-	-	45,452

Notes to the Financial Statements (cont'd)

31 March 2024

26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

iii. Market Risk

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

(i) Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Singapore Dollar ("SGD")/Brunei Dollar ("BND") and Euro ("EUR").

Exposure to foreign currency risk

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

	EUR RM	SGD/BND RM	USD RM	Total RM
31.03.2024				
<i>Financial Assets</i>				
Trade receivables	-	469,524	-	469,524
Cash and cash equivalents	33	88,530	31,997	120,560
	33	558,054	31,997	590,084
<i>Financial Liabilities</i>				
Trade payables	-	-	-	-
	-	-	-	-
Net financial assets	33	558,054	31,997	590,084
Foreign currencies exposures	33	558,054	31,997	590,084
31.03.2023				
<i>Financial Assets</i>				
Trade receivables	-	248,007	-	248,007
Cash and cash equivalents	102	8,480	28,070	36,652
	102	256,487	28,070	284,659
<i>Financial Liabilities</i>				
Trade payables	-	1,089	-	1,089
	-	1,089	-	1,089
Net financial assets	102	255,398	28,070	283,570
Foreign currencies exposures	102	255,398	28,070	283,570

26. FINANCIAL INSTRUMENTS (CONT'D)**(b) Financial Risk Management (cont'd)****iii. Market Risk (cont'd)****(i) Currency risk (cont'd)***Currency sensitivity analysis*

A 10% (2022: 10%) strengthening and weakening of the functional currency against the following currencies at the end of the reporting period would have increased / (decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

	Group	
	01.01.2022	01.01.2021
	to	to
	31.03.2024	31.03.2023
	RM	RM
	Increase/ (Decrease)	Increase/ (Decrease)
Effects on profit after taxation/equity		
Strengthened by 10%		
- EUR	10,725	8
- SGD/BND	112,472	19,410
- USD	9,305	2,133
Weakened by 10%		
- EUR	(10,725)	(8)
- SGD/BND	(112,472)	(19,410)
- USD	(9,305)	(2,133)

(ii) Interest rate risk

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 a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

Notes to the Financial Statements (cont'd)

31 March 2024

26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Risk Management (cont'd)

iii. Market Risk (cont'd)

(ii) Interest rate risk (cont'd)

Exposure to interest rate risk

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

	Group	
	31.03.2024	31.03.2023
	RM	RM
<i>Fixed rate instruments</i>		
Financial assets	22,740,914	24,875,071
Financial liabilities	(3,377,000)	(1,468,000)
	19,363,914	23,407,071
<i>Floating rate instruments</i>		
Financial liabilities	(4,874,130)	(6,223,849)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased / (decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group	
	01.01.2022	01.01.2021
	to	to
	31.03.2024	31.03.2023
	RM	RM
Effects on loss before tax / equity		
Increase of 100 basis points	(48,741)	(62,239)
Decrease of 100 basis points	48,741	62,239

26. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair Value Information

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

27. CAPITAL MANAGEMENT

The Group defines capital as equity and debt of the Group. The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

There was no change in the Group's approach to capital management during the financial year.

28. RELATED PARTY DISCLOSURE

(a) Identity of Related Parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group.

The Group has related party relationship with its subsidiaries and key management personnel.

(b) Significant Related Party Transactions

Related party transactions have been entered into in the normal course of business under negotiated and mutually agreed terms. The significant related party transactions of the Group and the Company are shown below.

	Group		Company	
	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM
<u>Subsidiaries</u>				
Management fees	-	-	60,000	75,000
Interest income	-	-	(396,000)	(568,000)
Salaries and allowance	-	-	192,000	180,000

Notes to the Financial Statements (cont'd)

31 March 2024

28. RELATED PARTY DISCLOSURE (CONT'D)

(b) Significant Related Party Transactions (cont'd)

	Group		Company	
	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM	01.04.2023 to 31.03.2024 RM	01.01.2022 to 31.03.2023 RM
<u>Related Party</u>				
Interest income	(315,000)	(105,000)	-	-
<u>Key management personnel</u>				
<u>Directors</u>				
- fees	171,881	270,000	171,881	270,000
- remuneration	525,000	450,000	-	-
- defined contribution plan	63,000	54,000	-	-
- social security costs	1,486	1,657	-	-
	<u>761,367</u>	<u>775,657</u>	<u>171,881</u>	<u>270,000</u>

29. SHARE ISSUANCE SCHEME ("SIS")

The Company established a Share Issuance Scheme ("SIS" or "Scheme") to eligible employees of the Group. The SIS was approved at the Extraordinary General Meeting of the Company held on 11 May 2021 and became effective on 15 June 2021 with a duration of 5 years, expiring on 14 June 2026.

The main feature of the SIS are as follows:-

- (a) The SIS shall be in force for a period of five years from the date it became effective.
- (b) Eligible Persons are employees of the Group (including directors) who have been confirmed in the employment of the Group. The eligibility for participation in the SIS shall be at the discretion of the SIS Committee appointed by the Board of Directors.
- (c) The total number of shares to be issued under the SIS shall not exceed in aggregate 15% of the issued and paid up share capital of the Company at any point of time during the tenure of the SIS.
- (d) The exercise price for each new share shall be determined by the Board upon recommendation of the SIS Committee and fixed based on the 5-day weighted average market price of the underlying shares, before the SIS Options are granted, with a discount of not more than ten percent (10%).
- (e) No option shall be granted for less than 100 shares to any Eligible Persons.
- (f) An option granted under the SIS shall be capable of being exercised by the grantee by notice in writing to the Company, at any time and no restriction on percentage of SIS Options exercisable, before the expiry of the SIS Options on 14 June 2026.
- (g) All new ordinary shares issued upon exercise of the SIS Options granted under the SIS will rank pari passu in all respect with the existing ordinary shares of the Company.
- (h) The SIS Options shall not carry any right to vote at a general meeting of the Company.
- (i) Any unexercised SIS Option shall be automatically terminated in the following circumstances:-
 - Upon cessation of directorship or employment of the Grantee with the Group;
 - Upon happening of any event which results in the Grantee being deprived of the beneficially ownership of the SIS Option;
 - If the Grantee becomes a bankrupt;
 - Winding up or liquidation of the Company; or
 - Termination of the Scheme pursuant to the By-Law.

29. SHARE ISSUANCE SCHEME ("SIS") (CONT'D)

The terms of share options outstanding as at end of the financial year are as follows:

Grant date	Expiry date	Exercise price (RM)	----- Number of share options over ordinary share -----			
			As at 1.4.2023	Granted	Exercised/ Surrendered	As at 31.03.2024
25.2.2022	14.6.2026	0.350	600,000	-	-	600,000
			600,000	-	-	600,000

30. CONTINGENT LIABILITIES

	Group	
	31.03.2024 RM	31.03.2023 RM
<u>Secured</u>		
- Bankers' guarantee issued in favour of third parties	86,200	218,800

31. SUBSEQUENT EVENTS

(a) The Company announced on 16 June 2023 to entered into a central processing complex agreement with Markmore Energy (Labuan) Limited and CaspiOil Gas LLP. The establishment of the proposed CPC Plant and First Pipeline at the Rakushechnoye Oil and Gas Field in the Republic of Kazakhstan to process the natural gas to produce liquefied petroleum gas and condensate and the processing and production of natural gas extracted from the Rakushechnoye Oil and Gas Field in Kazakhstan ("Proposed Gas Processing"). This agreement is subject to approval by the shareholders at the general meeting to be held at a date to be determined. In conjunction with the Proposed Gas Processing, the Company announced multiple proposals comprising of proposed private placement, proposed renounceable rights issue with free detachable warrants, proposed RCPS, proposed diversification of the business into the downstream oil and gas industry and proposed amendments to the Company's Constitution to facilitate the proposed issuance of RCPS ("Proposals").

On 10 July 2024, the Company announced that the Board was in the midst of reviewing the structure of the Proposals and further announcement will be made upon finalisation of the revision of the Proposals.

(b) On 15 July 2024, CN Asia proposed to undertake a private placement of up to 10% of the existing total number of issued shares of CN Asia to independent third-party investor(s) to be identified later and at an issue price to be determined later. ("Proposed Private Placement"). The Proposed Private Placement entails an issuance of up to 24,525,600 new ordinary shares of CN Asia based on the maximum scenario.

32. COMPARATIVE FIGURES

The comparative figures are in respect of 1 January 2022 to 31 March 2023. As such the comparative figures in the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are not comparable.

33. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 19 July 2024 by the Board of Directors.

THE PROPERTIES OWNED BY THE GROUP

as at 31st March 2024 is as follows:

OWNER AND LOCATION	DESCRIPTION / EXISTING USE	TENURE / DATE LEASE EXPIRING / AGE OF BUILDING	LAND / BUILT-UP AREA (SQ.FT.)	APPROXIMATE NET BOOK VALUE (RM'000)
1	CHIP NGAI ENGINEERING WORKS SDN BHD			
H.S.(M) 26497, PT No. 51066 Mukim of Tanjung Dua Belas District of Kuala Langat State of Selangor	Industrial land / construction of factory building in progress	99 years / lease expiring on 12 June 2117 / -	114,248,14/ -	4,162

Analysis of Shareholdings

as at 28 June 2024

Issued and Fully Paid-Up Capital : RM75,046,283
 Class of Shares : Ordinary Shares
 Voting Rights : One Vote Per Share

Disturbution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1-99	100	3.64	2,841	0.00
100-1,000	489	17.81	110,595	0.04
1,001-10,000	1,150	41.88	5,777,574	2.36
10,001-100,000	763	27.79	28,225,250	11.54
100,001-less than 5% of issued shares	244	8.88	210,540,650	86.06
5% and above of issued shares	-	0.00	-	0.00
Total	2,746	100.00	244,656,910	100.00

Thirty Largest Shareholders

Name	No. of Shares Held	% of Issued Capital
1 JACQUELINE LEE FEI FEI	10,427,500	4.26
2 TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAG CAPITAL SDN BHD	9,413,000	3.85
3 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH CHEE TEONG	8,254,700	3.37
4 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHOU SING HOAN	7,099,100	2.90
5 TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAI TEAN SENG	6,485,000	2.65
6 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAI KUET FAR (DAMANSARA UTAMA-CL)	5,521,600	2.25
7 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YIP CHUN MEI (MY4462)	5,407,000	2.21
8 TAI TEAN SENG	5,294,000	2.16
9 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEO ANN SECK (MY0696)	5,180,000	2.12
10 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHOON HWA (7007201)	4,568,100	1.87
11 TAI SUE YEAN	4,258,500	1.74
12 AWAN JINGGA SDN. BHD.	3,250,000	1.33
13 TAM YOKE THYE @ TAM MOOK LAN	3,100,000	1.27
14 LOW PIT KOON	3,073,000	1.26
15 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ON LI SAR @ OON LI SAR	3,000,000	1.22
16 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FRANCIS CHAI KIM LUNG	3,000,000	1.22

Analysis of Shareholdings

as at 28 June 2024 (cont'd)

	Name	No. of Shares Held	% of Issued Capital
17	XU TIAN TIAN	2,880,000	1.18
18	LOW KIAN SOON	2,750,500	1.12
19	SOW CHEE CHONG	2,500,000	1.02
20	YAP KIAN FEI	2,500,000	1.02
21	JASMINE LIM LI CHEN @ LIM LAI CHENG	2,400,000	0.98
22	LOW TEH BENG	2,400,000	0.98
23	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG BENG HOCK	2,100,000	0.86
24	APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WEI SHIN DEE (STA 1)	2,000,000	0.82
25	LOOI KWEE PIN	2,000,000	0.82
26	ONG KING HUAT	2,000,000	0.82
27	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHIN BENG	2,000,000	0.82
28	VICTOR WOON CHENG TONG	1,900,000	0.78
29	CHAI HONG CHANG	1,875,000	0.77
30	LOW BEE LENG	1,875,000	0.77
	Total	118,512,000	48.44

Directors' Shareholdings

Name	No. of Shares Held		% of Issued Capital	
	Direct	Indirect	Direct	Indirect
1 DATUK SERI TAN CHOON HWA	4,583,100	-	1.87	-



CN ASIA CORPORATION BHD
(Registration No.: 199601027090 (399442-A))
(Incorporated In Malaysia)

FORM OF PROXY

(To be completed in block letters)

No. of Shares held	CDS Account No.

Twenty-Eighth (28th) Annual General Meeting

*I/We _____

I/C or Passport or Company No. _____ of _____

being a Member/Members of the abovenamed Company, hereby appoint *THE CHAIRMAN OF THE MEETING or:

Full Name (in Block Letters)	I/C/Passport No.	Proportion of shareholdings	
		No. of Shares	%

Full Name (in Block Letters)	I/C/Passport No.	Proportion of shareholdings	
		No. of Shares	%

as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf at the **28th Annual General Meeting ("AGM")** of the Company to be held at **Office Building, Lot 7907, Batu 11, Jalan Balakong, 43300 Seri Kembangan, Selangor on Thursday, 19 September 2024 at 10:30 a.m.** or any adjournment thereof, in respect of *my/our shareholding in the manner indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits of RM300,000 for the period from the 28th AGM until the next AGM of the Company.		
2.	To re-elect Chang Chee Ching		
3.	To re-elect Datuk Mohamad Fazly Bin Zainudin		
4.	To re-elect YM Tengku Ummil Zulaikha Kalsom Binti Tengku Shamsulbhari		
5.	To re-elect Ashraf Bin Kahasani		
6.	To re-appoint Messrs. Chengco PLT as the Company's Auditors for the ensuing year and to authorize the Directors to fix their remuneration.		
7.	To approve the proposed waiver		
8.	To empower the Board to allot and issue shares		

Please indicate with an "X" in the space above on how you wish to cast your vote, in the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Dated this day of 2024

Tel No. (during office hours)	
Email Address	

Signature(s) of Member
(if member is a corporation, this form should be executed under common seal)

Notes:

Members entitled to attend

- Only depositors whose name appear in the record of depositors as at **11 September 2024** shall be regarded as members and entitled to attend, speak and vote at the meeting or appoint a proxy or proxies to attend and/or vote in his hand.

Appointment of Proxy

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend, participate, speak and vote on the same meeting instead of him and that a proxy may but need not be a member of the Company and there should not be no restriction as to the qualification of the proxy.
- Where a member appoints two (2) proxies, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.
- A member who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991("SICDA") may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. An Exempt Authorised Nominees refers to an authorised nominee as defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. Any alteration to the proxy forms must be initialled.
- The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is sign on notarially certified copy of such power or authority, shall be deposited at the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd (Registration No.1971101000970 (11324-H))at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Counter, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, alternatively online via Share Registrars' website, TIIH Online at <https://tiah.online>. Please refer to Administrative Notes for further information on submission via TIIH Online. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote or, in the case of a poll, not less than twenty-four (24) hours before the time for the taking of the poll and in default the instrument of proxy shall not be treated as valid
- By submitting the duly executed proxy form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein under the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

* Delete where applicable

Fold this flap for sealing

Then fold here

The Share Registrar

AFFIX
STAMP
HERE

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, Malaysia

Tel: (03) 2783 9299 Fax: (03) 2783 9222

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CN ASIA CORPORATION BHD
(Registration No.: 199601027090 (399442-A))
(Incorporated In Malaysia)

28TH ANNUAL GENERAL MEETING OF CN ASIA CORPORATION BHD

Date : **Thursday, 19 September 2024**
Time : **10.30 a.m.**
Broadcast Venue : **Office Building, Lot 7907, Batu 11, Jalan Balakong, 43300 Seri Kembangan, Selangor Darul Ehsan**

Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors as at 11 September 2024 shall be eligible to attend, speak and vote at the 28th AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- If you are unable to attend the meeting on 19 September 2024, you may appoint the Chairman of the meeting as proxy and indicate the voting instructions in the Proxy Form.
- If you wish to participate in the 28th AGM yourself, please do not submit any Proxy Form for the 28th AGM. You will not be allowed to participate in the 28th AGM together with a proxy appointed by you.
- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/ attorney for the 28th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than Wednesday, 18 September 2024 at 10.30 a.m:

(i) In Hard copy:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

(ii) By Electronic form:

All members can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Holders	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none">• Using your computer, please access the website at https://tiah.online. Register as a user under the "e-Services". Select the "Sign Up" button and followed by "Create Account by individual Holder". Please do refer to the tutorial guide posted on the homepage for assistance.• If you are already a user with TIIH Online, you are not required to register again.

(b)	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> • After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: “CN ASIA 28TH AGM – Submission of Proxy Form”. • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. • Review and confirm your proxy(s) appointment. • Print Proxy Form for your record.
ii. Steps for Corporation or Institutional Holders		
(c)	Register as a User with TIIH Online website	<ul style="list-style-type: none"> • Access TIIH Online website at https://tjih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional holder selects “Create Account by Representative of Corporate Holder”. • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by e-mail within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the e-mail and re-set your own password. • Note: The representative of a corporation or institutional holder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.

(d)	Proceed with submission of Proxy Form	<ul style="list-style-type: none"> • Login to TIIH Online website at https://tiah.online. • Select the corporate exercise name: “CN ASIA 28TH AGM – Submission of Proxy Form”. • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Submit the proxy appointment file. • Login to TIIH Online website, select corporate exercise name: “CN ASIA 28TH AGM – Submission of Proxy Form”. • Proceed to upload the duly completed proxy appointment file. • Select “Submit” to complete your submission. • Print the confirmation report of your submission for your record.
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Meeting Registration

- Registration will start at 10:00 a.m.
- Please present your original MyKad/passport to the registration staff for verification.
- Upon verification, you are required to write your name and sign the Attendance list placed on the registration table.
- You will be given a wristband for the purpose of voting at this 28th AGM.
- You must wear the wristband throughout the 28th AGM as no person will be allowed to enter the meeting hall without the wristband. There will be no replacement in the event you lose or misplace the wristband.
- If you are attending the meeting as a member as well as a proxy, you will be registered once and will be given only one wristband to enter the meeting hall.
- No person will be allowed to register on behalf of another person even with the original Mykad/passport of the other person.

Help Desk

- Please proceed to the Help Desk for any clarification or queries apart from registration details.
- The Help Desk will also handle revocation of proxy’s appointment.

Voting at Meeting

- The Voting at the 28th AGM will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

- The voting session will commence as soon as the Chairman calls for the poll to be opened.
- Upon completion of the voting session for the 28th AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

Results of the voting

- The resolutions proposed at the 28th AGM and the results of the voting will be announced at the 28th AGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

No Breakfast / Lunch Pack, Door Gift or Food Voucher

- There will be no distribution of breakfast / lunch packs, door gifts or food vouchers during the 28th AGM.

Parking

- Kindly note that parking is free for all attendees.

No Recording or Photography of the Meeting Proceedings

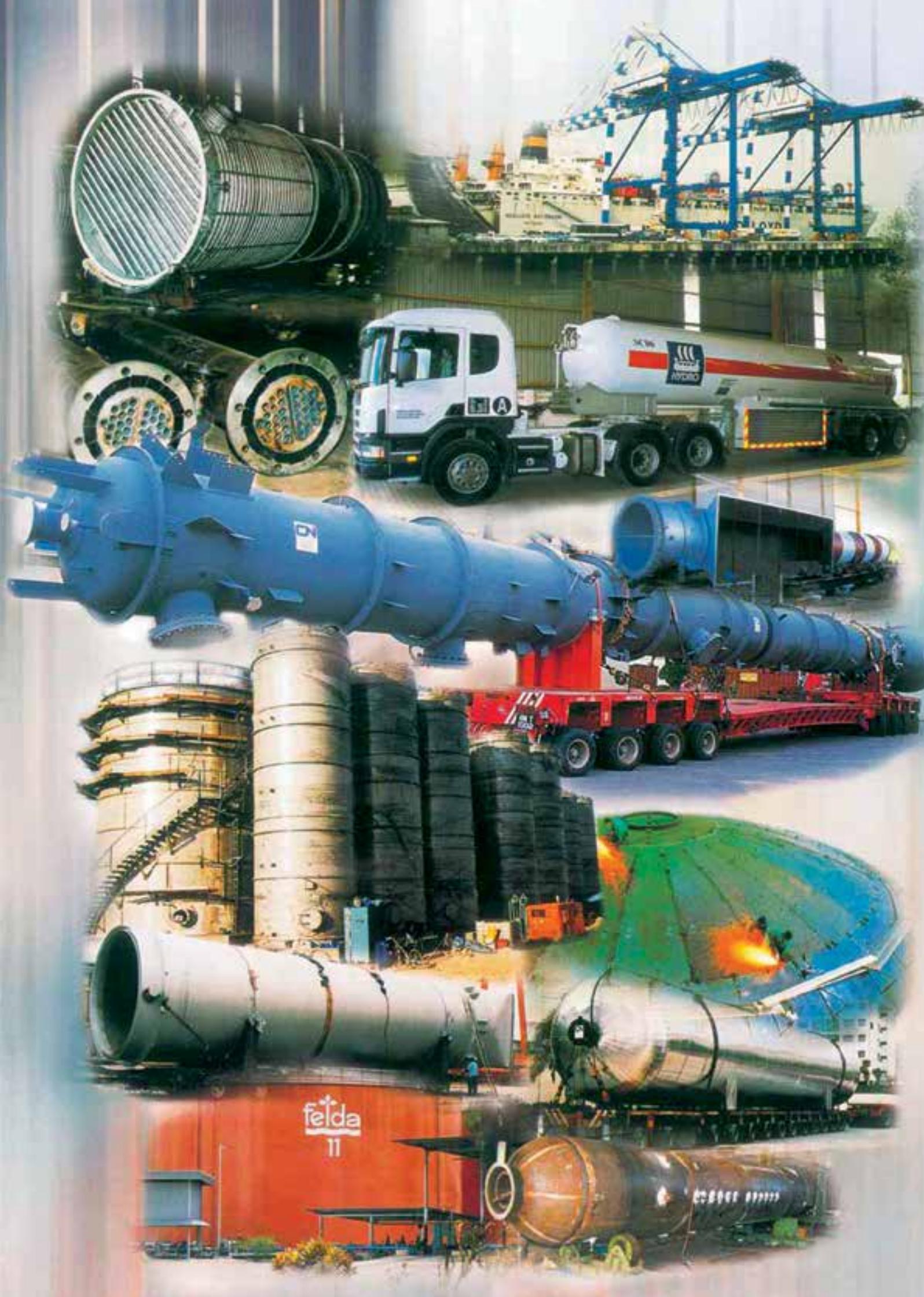
- Strictly **NO** unauthorised recording or photography of the proceedings of the 28th AGM is allowed.

Annual Report

- The Annual Report is available on the Company's website at <https://www.cnasia.com/investor-relations/quarterly-reports/> and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.
- You may request for a printed copy of the Annual Report at <https://tiih.online> by selecting "Request for Annual Report" under the "Investor Services".
- Kindly consider the environment before you decide to request for the printed copy of the Annual Report. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

Enquiry

- If you have any enquiry prior to the meeting, please call our Share Registrar, Tricor at +603-2783 9299 during office hours i.e. from 8.30 a.m. to 5.30 p.m. (Monday to Friday).





cnasia.com

CN ASIA CORPORATION BHD

(199601027090 (399442-A))
(Incorporated In Malaysia)

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