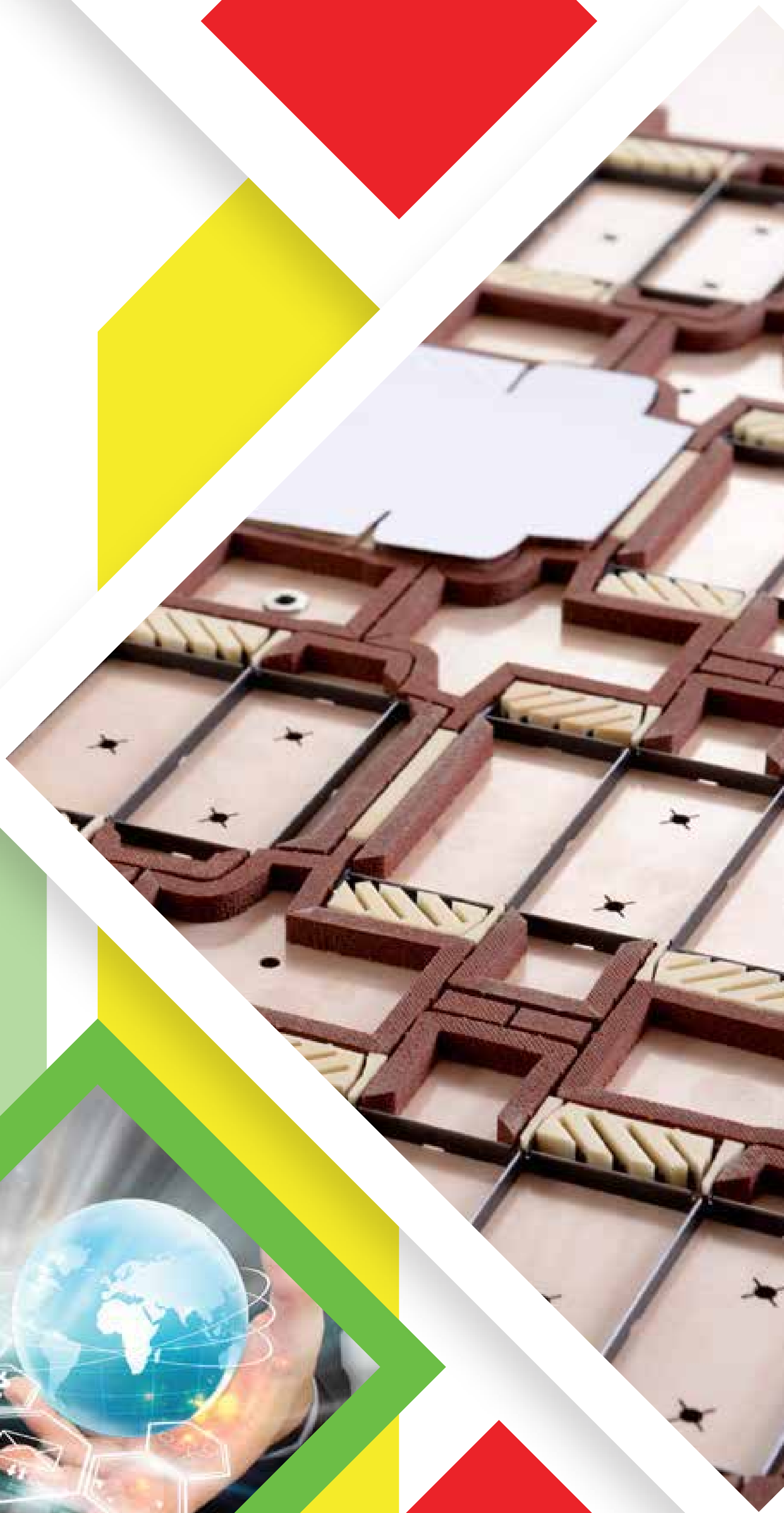
CEKD BERHAD

[Registration No. 201801023077 (1285096-M)]



ANNUAL REPORT 2021

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OUR VISION, MISSION & MOTTO

CEKD Berhad ("CEKD" or "the Company") and its subsidiaries ("CEKD Group" or "the Group") as a die-cutting solutions provider, have been actively involving in the manufacturing of die-cutting moulds and trading of related consumables, tools and accessories.

Over the years, we have established ourselves as the industry benchmark and have built a stellar reputation as the lead manufacturer of complete custom die-cutting solutions.

Our Group presently operates from six (6) factories with state-of-the-art facilities located in Kuala Lumpur and Penang. We committed in providing the best performance and quality products – as accredited in compliance with ISO 9001:2015 by AJA EQS Certification (M) Sdn Bhd – as well as offering the latest technology to provide the optimal products and services to our customers.

OUR Vision

The Best Die Cutting Solution Provider in Asia Pacific

OUR Mission

- **Create Values for Customers**
- **Continuous Improvement**

OUR Motto

Drive Towards Excellence

OUR MILESTONE

1989

Founded and ventured as manufacturing of die-cutting moulds and trading of related consumables, tools, and accessories

1990

Obtained a five (5) year pioneer status from Malaysian Investment Development Authority ("MIDA")

*The pioneer status was granted by Ministry of International Trade and Industry ("MITI") on 6 March 1991 and continued for a period of five (5) years pursuant to the Promotion of Investments Act 1986.

1997

Business expansion to Northern region of Peninsular Malaysia through Focuswin Diecutting Mould Sdn Bhd ("Focuswin") and investment in automatic steel rule processors

2002

Investment in Computerised Numerical Control ("CNC") Milling and engraving machines and obtained certificate of ISO 9001: 2000

2013

Relocation to Jalan Kelang Lama with factory equipped with advanced technology equipment producing 2D and 3D embossing and debossing tools and numerical control dies

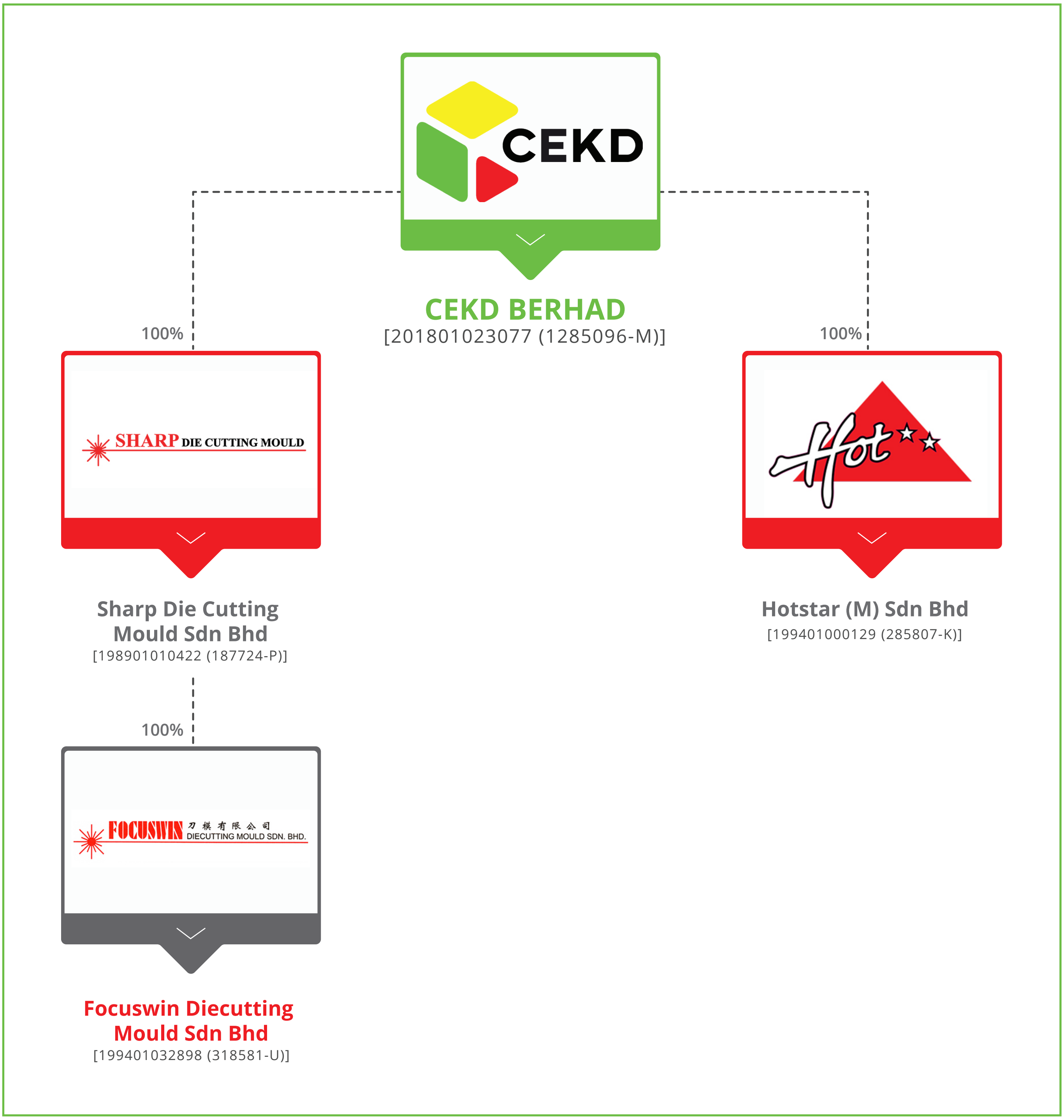
2020

Obtained a die-maker certification from Bobst Mex SA ("Bobst")

2021

Listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities")

GROUP STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTOR

Dato' Zulkifli Bin Adnan
Independent
Non-Executive Chairman

Chong Chin Look
Independent
Non-Executive Director

Datuk Mak Foo Wei
Independent
Non-Executive Director

Choo Yem Kuen
Independent
Non-Executive Director
(Appointed w.e.f.16/12/2021)

Yap Tian Tion
Deputy Executive Chairman

Yap Kai Ning
Managing Director

Yap Kai Min
Alternate Director to Yap Tian Tion
(Appointed w.e.f. 16/12/2021)

AUDIT COMMITTEE

Chairman
Chong Chin Look

Member
Choo Yem Kuen
Datuk Mak Foo Wei

NOMINATING COMMITTEE

Chairperson
Choo Yem Kuen

Member
Datuk Mak Foo Wei
Chong Chin Look

REMUNERATION COMMITTEE

Chairman
Datuk Mak Foo Wei

Member
Choo Yem Kuen
Chong Chin Look

RISK MANAGEMENT COMMITTEE

Chairman
Chong Chin Look

Member
Dato' Zulkifli Bin Adnan
Datuk Mak Foo Wei
Yap Kai Ning
Choo Yem Kuen

HEAD OFFICE

10, Jalan 1/137B
Resource Industrial Centre
Batu 5, Jalan Kelang Lama
58200 Kuala Lumpur
Tel: +6017-988 6450 / 2329

REGISTERED OFFICE

7-1, Jalan 109F
Plaza Danau 2
Taman Danau Desa
58100 Kuala Lumpur
Tel: +603-7982 2010
Fax: +603-7980 1242

COMPANY SECRETARIES

Teo Soon Mei
(MAICSA 7018590)
(SSM PC 201908000235)

Lim Jia Huey
(MAICSA 7073258)
(SSM PC 201908000929)

AUDITORS

Ecovis Malaysia PLT
[201404001750 (LLP0003185-LCA)
& AF001825]
Chartered Accountants
9-3, Jalan 109F
Plaza Danau 2
Taman Danau Desa
58100 Kuala Lumpur
Tel: +603-7981 1799

PRINCIPAL BANKERS

CIMB Bank Berhad
Alliance Bank Malaysia Berhad

SPONSOR

M & A Securities Sdn Bhd
[197301001503 (15017-H)]
Level 11, No. 45-47,
The Boulevard Offices
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: +603-2284 2911

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
[197101000970 (11324-H)]
Unit 32-01, Level 32,
Tower A Vertical Business Suite,
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel: +603-2783 9299
Fax: +603-2783 9222

BOARD OF DIRECTORS' PROFILE

DATO' ZULKIFLI BIN ADNAN
Malaysian | Male | 63
Independent Non-Executive Chairman

Dato' Zulkifli Bin Adnan, was appointed to our Board of Directors ("Board") as the Independent Non-Executive Chairman on 7 February 2020. He is also the member of Risk Management Committee ("RMC").

He graduated with a Bachelor of Science in Resource Economics from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia), Serdang in 1981. He later obtained a Diploma in Public Management from the National Institute of Public Administration, Kuala Lumpur in 1982 and a Master of Arts in Law & Diplomacy from The Fletcher School of Law & Diplomacy, Tufts University, Boston, USA in 1991.

He began his career as a trainee bank officer at Malayan Banking Berhad, Kajang in 1981. He then joined the Malaysian Foreign Service in 1983. He served in various capacities in Malaysian diplomatic missions overseas in Colombo, New York, The Hague, and was appointed as Ambassador to Sarajevo, Berlin and Singapore. He retired from the Foreign Service in 2018.

In recognition of his services to the country, he was awarded the Ahli Mangku Negara (A.M.N), Kesatria Mangku Negara (K.M.N) and Dato' Paduka Cura Si Manja Kini (D.P.C.M, Perak).

He does not hold directorships in any other public companies and listed issuer.

He does not have any family relationship with any Director and/or major shareholder of the Company.

BOARD OF DIRECTORS' PROFILE
(CONT'D)

YAP TIAN TION
Malaysian | Male | 65
Deputy Executive Chairman

Yap Tian Tion, is our Deputy Executive Chairman. He was appointed to our Board on 7 February 2020. He is responsible for the overall strategy and business direction of our Group where he reviews all major investments, business strategies, major capital expenditure as well as financing proposals of our Group.

After completing his secondary education at Sekolah Menengah Kebangsaan Tuanku Abdul Rahman, Gemas, Negeri Sembilan in 1976, he studied under the Federal Evening Class programme of St. John Institution, Kuala Lumpur in 1977 and obtained his Higher School Certificate in 1978. He was involved in the trading of fruits and car accessories from 1976 to 1984.

In 1984, he and his business partners co-founded Shenway, a company involved in the manufacture and services of die-cutting tools and die making supplies for garment, shoe and automotive industry. In 1994, he was invited by the shareholders of Sharp Die Cutting Mould Sdn Bhd ("Sharp DCM") to participate as shareholder of the company due to his experience in manufacturing different types of die-cutting moulds. He then joined Sharp DCM and was appointed as Executive Director in 1994.

Thereafter, he gradually transferred the manufacturing activities of Shenway to Sharp DCM as part of Sharp DCM's expansion plan into customised die-cutting mould business. Over the years, he has played an instrumental role in the growth of our Group, expanding and widening our target market to include the paper printing and packaging as well as electrical and electronic industries.

He does not hold any directorships in any other public companies and listed issuer.

He is the husband of Lim Bee Eng and the father of Yap Kai Ning, Yap Kai Min and Yap Kai Jie, all are major shareholders of the Company. Save as disclosed, he has no family relationship with other Director and/or major shareholder of the Group.

YAP KAI NING
Malaysian | Female | 37
Managing Director

Yap Kai Ning, is our Managing Director ("MD"). She was appointed to our Board on 7 February 2020. She is responsible for the day-to-day operations of our Group. She is a member of our RMC.

She graduated with a Double Degree in Commerce and Arts from Australian National University, Australia in 2006. In 2007, she completed a Diamond Grading Course from Gemological Institute of America. In 2014, she obtained her Masters of Business Administration from University of Southern Queensland in Malaysia.

Since joining Sharp DCM in 2008, she underwent rotations through various departments including sales and marketing, production, human resource and administration and was exposed to the entire spectrum of its operations. She was appointed as Sharp DCM's Director in 2011 and took full responsibility on human resource related matters as well as assisting in the Company's daily operations. In 2015, she was promoted as MD of Sharp DCM.

She does not hold any directorships in any other public companies and listed issuer.

She is the daughter of Yap Tian Tion and Lim Bee Eng and the sister of Yap Kai Min and Yap Kai Jie, who are the major shareholders of the Company. Yap Tian Tion and Yap Kai Min are also our Deputy Executive Chairman and Chief Operation Officer ("COO") respectively. Save as disclosed, she has no family relationship with other Director and/or major shareholder of the Group.

BOARD OF DIRECTORS' PROFILE
(CONT'D)

DATUK MAK FOO WEI
Malaysian | Male | 56
Independent Non-Executive Director

Datuk Mak Foo Wei, is our Independent Non-Executive Director. He was appointed to our Board on 7 February 2020. He is the Chairman of our Remuneration Committee ("RC") and a member of Audit Committee ("AC"), Nominating Committee ("NC") and RMC.

He graduated with a Bachelor of Laws (Honours) from University of Birmingham, UK, in 1990. He was qualified as a Barrister-at-Law at Lincoln's Inn London, England in 1991 and was called to the Malaysian Bar in 1992.

He began his career by practicing as an advocate and solicitor at Manjit Singh Sachdev, Mohammad Radzi & Partners in 1992. In 1994, he left the firm to set up his own practice, Mak & Company (now known as Mak Farid & Company) which specialises in corporate and conveyancing matters. He also acts as the Executive Councilor and a Legal Advisor for a non-profit organisation, Malaysia Crime Prevention Foundation since 2018.

He is also Executive Director in various companies with businesses involved in property development of both industrial and residential projects, notably Riverville Residences, Balakong Jaya Industrial Park I and II and Alam Damai Industrial Park. He currently holds directorship in a number of private limited companies and he does not hold any directorships in any other public companies and listed issuer.

He does not have any family relationship with any Director and/or major shareholder of the Company.

CHONG CHIN LOOK
Malaysian | Male | 58
Independent Non-Executive Director

Chong Chin Look, was appointed to CEKD Board as an Independent Non-Executive Director on 7 February 2020. He is the Chairman of the AC and RMC, and a member of RC and NC.

He graduated with a Bachelor of Economics degree with a major in Business Administration from the University of Malaya in 1987. He is also a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and a Chartered Accountant with the Malaysian Institute of Accountants ("MIA").

Presently, he is the Group Finance Director of Bonia Corporation Berhad ("Bonia"), a position he holds since 20 June 1994. He is responsible for the overall financial and corporate functions of Bonia Group. Prior to this position, he was attached to KPMG Peat Marwick (now known as KPMG), an international firm of Chartered Accountants, where he acquired experience in auditing, accounting, taxation and management consultancy.

He currently holds directorships in a number of subsidiaries of Bonia and other private limited companies. He does not have any family relationship with any Director and/or major shareholder of the Company.

BOARD OF DIRECTORS' PROFILE
(CONT'D)

CHOO YEM KUEN
Malaysian | Female | 60
Independent Non-Executive Director

Choo Yem Kuen, was appointed to CEKD Board as an Independent Non-Executive Director on 16 December 2021. She is also the Chairperson of NC, and a member of AC, RC and RMC.

She graduated with a Bachelor of Law (Honours) from University of North Staffordshire, England, in 1984. She has completed her professional Certificate in Legal Practice (CLP) in 1985 and was called to the Malaysian Bar in 1986.

She is a practicing lawyer with more than 33 years of experience in the legal industry. Presently she is a consultant with the firm, Messrs. Tee Bee Kim & Partners, a position she has held since January 2016. Prior to this position, she was a partner of the firm. Her main scope of work involves corporate and civil law, including family law. She has vast experience in corporate advisory work and is a strong advocate of transparency and good corporate governance.

She is currently a member of the Board of Directors of a private limited company and she does not hold any directorships in any other public companies and listed issuer. She does not have any family relationship with any Director and/or major shareholder of the Company.

YAP KAI MIN
Malaysian | Female | 32
Alternate Director to Deputy Executive Chairman, Yap Tian Tion

Yap Kai Min, was appointed as Alternate Director to our Deputy Executive Chairman, Yap Tian Tion on 16 December 2021. She is also our COO to assist our MD in overseeing the day-to-day operations of the Group.

In 2012, she obtained a Bachelors of Commerce and Science, majoring in Management and Psychology from University of Western Australia, Australia. During the same year, she began her career as a management trainee in Allianz Life Insurance Malaysia Berhad where she gained experience in general management and the insurance business.

She then joined Sharp DCM as a Sales and Marketing Executive in 2014 and was responsible for liaising with our existing and prospective customers and was later promoted as Supply Chain Manager of Sharp DCM in 2016 where she oversees our supply chain. She was then promoted as COO in 2020.

She has completed the ISO 9001:2008 and ISO 9001:2015 internal quality auditor trainings in 2014 and 2017 respectively and responsible for our continuous integration and implementation of ISO compliant quality management system in our Group.

She is an existing shareholder of the Company through her shareholding in CEKD Holding Sdn Bhd ("CEKD Holding"), a holding company of the Company. She does not hold directorships in any other public companies and listed issuer.

She is the daughter of Yap Tian Tion and Lim Bee Eng and the sister of Yap Kai Ning and Yap Kai Jie, who are the major shareholders of the Company. Yap Tian Tion and Yap Kai Ning are also the Directors of the Company. Saved as disclosed above, she has no conflict of interest with the Company.

Notes:

1. None of the Directors has conflict of interest with the Company.

2. None of the Directors:
   (a) has been convicted of any offence within the past five (5) years other than traffic offences, if any.
   (b) was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the financial year ended 31 August 2021 ("FYE 2021").

3. All Directors have attended one (1) Board meeting held during FYE 2021, except Ms. Choo Yem Kuen and Ms. Yap Kai Min, who are newly appointed after the financial year on 16 December 2021.

KEY SENIOR MANAGEMENT'S PROFILE

YAP KAI MIN
Malaysian | Female | 32
Chief Operation Officer

Yap Kai Min, is our COO appointed on 7 December 2020. She assists our MD in overseeing the day-to-day operations.

In 2012, she obtained a Bachelors of Commerce and Science, majoring in Management and Psychology from University of Western Australia, Australia. She also completed the ISO 9001:2008 and ISO 9001:2015 internal quality auditor trainings in 2014 and 2017 respectively.

In 2012, she began her career as a management trainee in Allianz Life Insurance Malaysia Berhad where she gained experience in general management and the insurance business. She then joined Sharp DCM as a Sales and Marketing Executive in 2014 and was responsible for liaising with our existing and prospective customers.

She was later promoted as Supply Chain Manager of Sharp DCM in 2016 where she oversees our supply chain. She is also responsible for our continuous integration and implementation of ISO compliant quality management system in our Group. She was promoted to her current position in 2020 and was appointed as the Alternate Director to Deputy Executive Chairman, Yap Tian Tion on 16 December 2021. Kindly refer to page 9 for further details.

She is an existing shareholder of the Company through her shareholding in CEKD Holding, a holding company of the Company. She does not hold directorships in any other public company.

She is the daughter of Yap Tian Tion and Lim Bee Eng and the sister of Yap Kai Ning and Yap Kai Jie, who are the major shareholders of the Company. Yap Tian Tion and Yap Kai Ning are also our Deputy Executive Chairman and MD respectively. Saved as disclosed above, she has no conflict of interest with the Company.

PEARLY HIEW PEI LI
Malaysian | Female | 36
Chief Financial Officer

Pearly Hiew Pei Li, is our Chief Financial Officer ("CFO") appointed on 7 December 2020. She holds the position of Accountants of the Group since 2018. She is responsible for the overall financial affairs of the Group.

She obtained her professional accounting qualification, Association of Chartered Certified Accountants ("ACCA") from Sunway College in 2006. She is a registered member of MIA and also a member of the ACCA since 2011.

She has accumulated 15 years combined working experiences in the field of audit and accounting. She began her professional career as an Audit Assistant with Lee & Associates in 2006 and was promoted to Semi Senior in 2010, where she has gained experience of independent statutory financial audit works.

In 2010, she joined Johnson Controls (M) Sdn Bhd as Finance Executive, responsible for receivables functions and involved in the migration of finance department to Shared Service Centre, Singapore. In 2012, she left to join Axisjaya Sdn Bhd. During her tenure there, she was managed to complete six (6) years backdated accounts and subsequently migrated to a new accounting system. In 2016, she left Axisjaya Sdn Bhd to join Demak Marketing Sdn Bhd as an Accountant where she was responsible for operation matters in KL branch.

She does not hold directorships in any other public company and she does not have any family relationship with any Director and/or major shareholder of the Company.

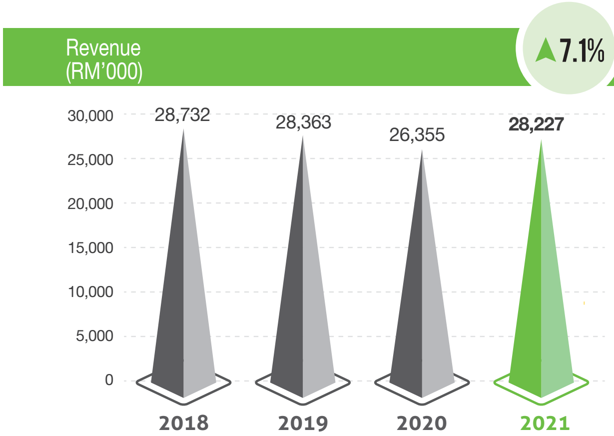
She is an existing shareholder of the Company through her direct shareholding in the Company.

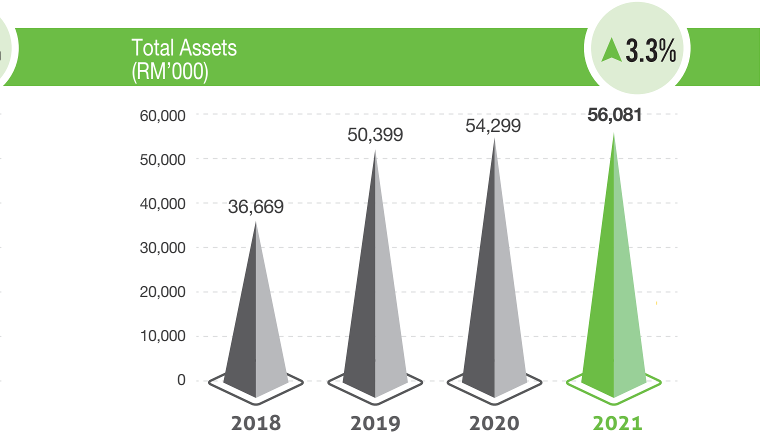
Notes:

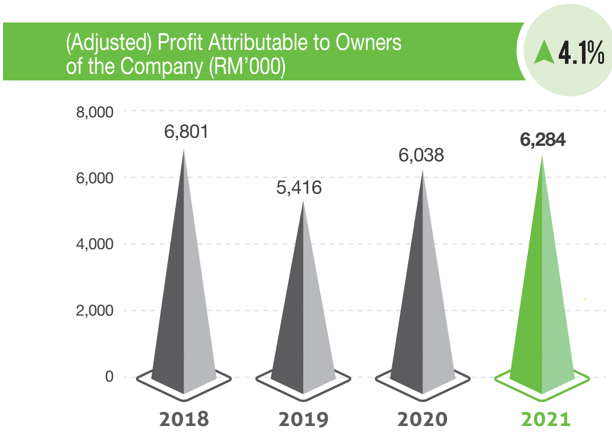
1. None of the Key Senior Management has conflict of interest with the Company.
2. None of the Key Senior Management:
   (a) has been convicted of any offence within the past five (5) years other than traffic offences, if any.
   (b) was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the FYE 2021.

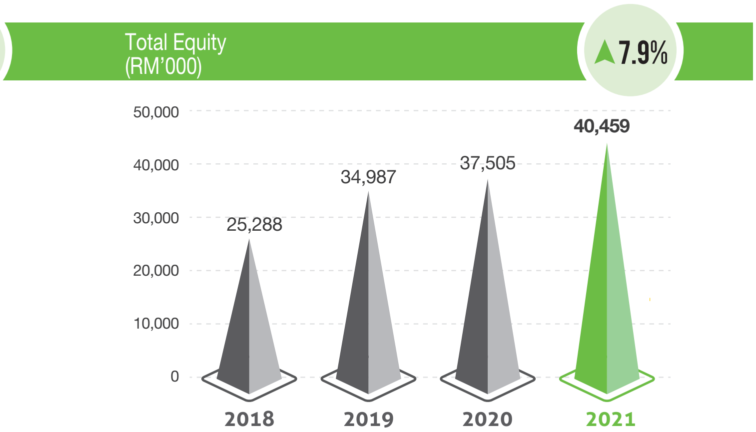
FINANCIAL HIGHLIGHTS

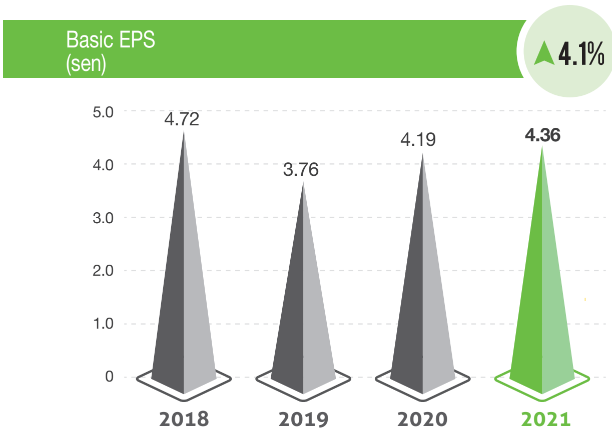
Financial Year Ended 31 August		2018	2019	2020	2021
Revenue	*RM'000*	28,732	28,363	26,355	28,227
(Adjusted) Profit Attributable to Owners of the Company	*RM'000*	6,801	[1]5,416	6,038	6,284
Basic Earnings per Share ("EPS")	*sen*	4.72	[2]3.76	4.19	4.36
Total Assets	*RM'000*	36,669	50,399	54,299	56,081
Total Equity	*RM'000*	25,288	34,987	37,505	40,459
Net Assets per Share	*RM*	0.18	0.24	0.26	0.28
Weighted Average Number of Shares	*'000*	143,983	143,983	143,983	143,983

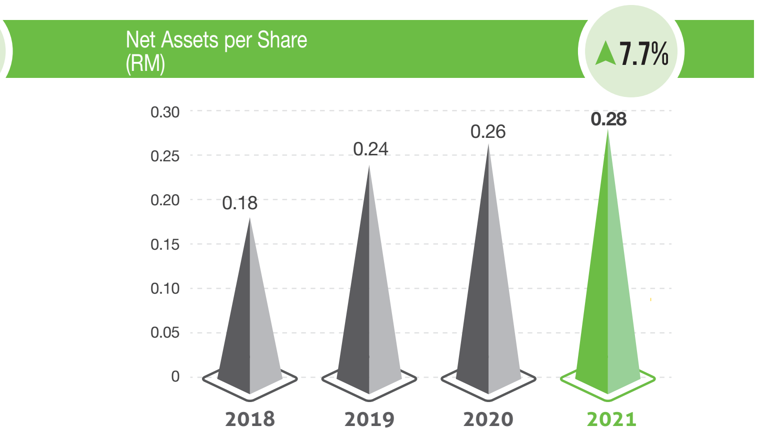












Notes:

[1] Adjusted to exclude gain on disposal of properties in FYE 2019.
[2] Calculated based on the Group's adjusted PAT excluding the gain on disposal of properties in FYE 2019.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board, I am honored to present our first Annual Report together with the Audited Financial Statements of CEKD and CEKD Group for the FYE 2021.

Dato' Zulkifli Bin Adnan
Independent Non-Executive Chairman

THE YEAR AT A GLANCE

FYE 2021 was indeed an exciting and remarkable year for CEKD as the Company managed to obtain approval for listing on the ACE Market of Bursa Securities despite facing continuous business challenges posed by Coronavirus disease ("Covid-19") pandemic. The date 29 September 2021 marked a special day to CEKD as it represents a key milestone in its corporate history with the successful listing of the Company on the ACE Market of Bursa Securities. The listing exercise was oversubscribed by 131.61 times, and has successfully raised RM24.28 million to CEKD which allows the Group to expand and grow the business further while taking a closer step to the Group's vision of becoming the best die-cutting solution provider in Asia Pacific.

FINANCIAL PERFORMANCE

We are pleased to report that the Group managed to weather through the on-going challenges posed by Covid-19 pandemic by not only maintaining but increase the total revenue and net profit by 7.1% and 4.1% respectively in FYE 2021 as compared to financial year ended 31 August 2020 ("FYE 2020"). The stronger financial performance in FYE 2021 was backed by higher average selling price for more complex die-cutting moulds manufactured from our manufacturing segment while effective cost saving measure was adopted in our trading segment.

The Group posted stronger EPS of 4.36 sen in FYE 2021 compared to 4.19 sen in FYE 2020 and continue to maintain a healthy financial position with cash and bank balances of RM6.5 million as at 31 August 2021 and a positive operating cashflow of RM7.0 million in FYE 2021.

A detailed review of the Group's financial performance in FYE 2021 is provided in the Management Discussion and Analysis section within this Annual Report.

OUTLOOK AND OPERATIONS

Moving forward, we are still expecting a challenging economic situation in financial year ending 31 August 2022 ("FYE 2022") but at a much manageable level. Countries and businesses have better awareness and equipped with knowledge on curbing the Covid-19 pandemic. We are anticipating the economy to enter into recovery phase soon in view of the rollout of vaccination programmes locally and internationally.

Looking at the sector, we are optimistic on the outlook of the die-cutting tools manufacturing industry as it has positive correlation with some growing industries such as sustainable packaging industry, electrical & electronic ("E&E") industry and automotive industry both domestically and internationally.

Looking into our operations, we remain committed to our vision of becoming the best die-cutting solution provider in Asia Pacific. In order to achieve our vision and to grow our business, the Group planned to utilise listing proceeds to mainly:

(i) finance the acquisition of a factory located at Taman Perindustrian KIP, Kepong, Kuala Lumpur to consolidate two (2) of our Hotstar (M) Sdn Bhd's ("Hotstar") operations under one (1) roof to centralise and better manage Hotstar's operations at a single location as opposed to managing two (2) separate factories in the same area;
(ii) purchase additional four (4) machineries to support our business expansion and increase our production efficiency;
(iii) upgrade our computer software and server to increase our operational and production efficiency and capability to support our business growth; and
(iv) undertake marketing activities to enhance our product awareness throughout Southeast Asia so as to increase our export revenue.

CHAIRMAN'S STATEMENT
(CONT'D)

OUTLOOK AND OPERATIONS (CONT'D)

On top of the above initiatives, we are delighted to highlight that we are the sole certified die-maker in Southeast Asia via die-maker certification from Bobst, a Switzerland based company that supplies die-cutting machines and services to the packaging and its related industries. Such certification not only serves as a recognition on our products' quality but also enable us to have access to Bobst's latest die-cutting technology while tapping into their customers base which facilitates our international business expansion moves.

Overall, we are confident and optimistic on the bright future of the Group. Our optimism is underpinned by the Group's strong fundamental skills, expertise and reputation with our proven track records as one of the leading die-cutting mould manufacturers in Malaysia for more than thirty (30) years.

CORPORATE GOVERNANCE

At CEKD, we are dedicated to uphold sound corporate governance as well as ethical behaviour in pursuit of sustainable value creation for our shareholders and other stakeholders. As a responsible public listed company, we strive to ensure that our businesses are conducted in accordance to the best practices as advocated by the latest Malaysian Code on Corporate Governance ("MCCG") and the applicable laws and regulations.

In our efforts to further strengthen our commitments towards accountability, integrity and transparency, we have established and enforced the Code of Conducts and Ethics ("the Code"), Whistleblowing Policy as well as Anti-Bribery and Anti-Corruption Policy ("ABC Policy") across the Group.

Our measures to uphold and improve corporate governance of the Group are narrated in the Corporate Governance Overview Statement in this Annual Report and in the Corporate Governance Report.

SUSTAINABILITY

We are well aware that sustainability is key to long-term values creation to our various stakeholders. Hence, we embrace sustainability considerations in all aspects of the Group within the economic, environmental and social contexts.

We are committed to follow appropriate sustainability practices in our daily operations, strive to achieve strategic business goals with minimal environmental footprint while placing great emphasis in maintaining a well-balanced, safe and healthy workplace for our people.

To this end, we have outlined our sustainability strategies and initiatives in the Sustainability Statement 2021 within this Annual Report.

APPRECIATION

On behalf of the Board, I would like to express my earnest gratitude to our Management and all diligent employees of CEKD who have shown their commitment through their hard work and dedication to make our listing a success amidst the challenging times during Covid-19 pandemic. Their contributions have been truly remarkable and deserve a second mention.

I would also wish to extend my appreciation to our various stakeholders including our valued shareholders, customers, suppliers, business associates, advisors, bankers, lawyers and investment bankers for the trust and all-time support towards CEKD and look forward to their continued support in the future.

Last but not least, my sincere gratitude goes to my fellow Board members for their dedication, valuable advice and professionalism in steering CEKD to a new chapter of growth. I am confident that the Board and our Management team will continue to drive CEKD into a high performing organisation while constantly delivering sustainable values to all stakeholders.

Yours faithfully,

Dato' Zulkifli Bin Adnan
Independent Non-Executive Chairman

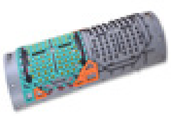
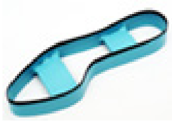
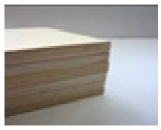
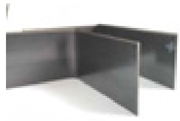
MANAGEMENT DISCUSSION AND ANALYSIS

1. Overview of CEKD Group

CEKD Group is a die-cutting solutions provider, principally involved in manufacturing of die-cutting moulds and trading of related consumables, tools and accessories. CEKD has achieved a remarkable milestone in year 2021, with successfully listed on ACE Market of Bursa Securities on 29 September 2021.

<table>
<tr><th colspan="6">BUSINESS SEGMENTS</th></tr>
<tr><th colspan="3">MANUFACTURING</th><th colspan="3">TRADING</th></tr>
<tr><td colspan="3">We manufacture and produce different types of die-cutting moulds according to our customers' requirements and needs.

Our different types of in-house custom die-cutting moulds are categorised and illustrated as follows:</td><td colspan="3">We also involved in the trading of related consumables, tools and accessories to cater to our customers' diverse needs.

The main related consumables, tools and accessories traded by our Group are as follows:</td></tr>
<tr><td>
Flatbed die-cutting moulds</td><td>
Rotary die-cutting moulds</td><td>
Others</td><td>
Creasing matrix</td><td>
Base board</td><td>
Steel rule</td></tr>
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Currently, our Group has six (6) factories of which four (4) factories with state-of-the-art facilities are located in Kuala Lumpur (including one factory which is used by Hotstar for storage), and two (2) factories are located in Penang. We are committed to deliver the best performance and quality products – as accredited in compliance with ISO 9001:2015 by AJA EQS Certification – as well as offering the latest technology to provide the optimal products and services to our customers.

Our Group has grown tremendously over the years, and we now have a diverse base of customers from various industries such as paper printing and packaging industry, E&E industry, automotive, plastic packaging as well as textile and leather industries.

2. Significant Events during the Year

In conjunction with our Initial Public Offering ("IPO") exercise on the ACE Market of Bursa Securities, the Company had on 7 December 2020 entered into the following agreements:

(i) Conditional share sale agreement with CEKD Holding to acquire the entire equity interest in Sharp DCM comprising 1,500,000 ordinary shares for a purchase consideration of RM28,634,400 which was satisfied by the issuance of 120,312,605 new ordinary shares at an issue price of RM0.238 each; and

(ii) Conditional share sale agreement with CEKD Holding to acquire the entire equity interest in Hotstar comprising 850,000 ordinary shares for a purchase consideration of RM5,633,500, which was satisfied by the issuance of 23,670,168 new ordinary shares at an issue price of RM0.238 each.

On 21 June 2021, the Company had completed the acquisition of the entire equity interest in Sharp DCM and Hotstar, respectively. Thereafter, Sharp DCM and Hotstar became wholly-owned subsidiaries of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

3. Financial Performance Review

	FYE 2021 RM'000	FYE 2020 RM'000	Changes RM'000	Changes %
Revenue	28,227	26,355	*1,872*	*7.1*
Gross Profit ("GP")	14,333	13,289	*1,044*	*7.9*
Profit Before Tax ("PBT")	8,529	7,950	*579*	*7.3*
Profit After Tax ("PAT")/ Net Profit	6,284	6,038	*246*	*4.1*
GP margin (%)	50.8	50.4	*0.4*	*0.8*
PBT margin (%)	30.2	30.2	-	-
Net profit margin (%)	22.3	22.9	*(0.6)*	*(2.6)*
Basic EPS (sen)	4.4	4.2	*0.2*	*4.8*
Weighted average number of shares ('000)	143,983	143,983	-	-

The FYE 2021 was undoubtedly a challenging year with operations having to navigate government lockdown orders and implement new standard operating procedures ("SOPs"). Notwithstanding, all subsidiaries were able to turn in a profit for the year.

3.1 Revenue

The revenue analysis by segments is illustrated in the table below:

	FYE 2021 RM'000	FYE 2020 RM'000	Changes RM'000	Changes %
Manufacturing	23,585	22,663	*922*	*4.1*
Trading	4,642	3,692	*950*	*25.7*
Total	**28,227**	**26,355**	**1,872**	**7.1**

Our Group's overall revenue has increased by RM1.9 million or 7.1% from RM26.3 million in FYE 2020 to RM28.2 million in FYE 2021. Such increase was derived equally from both manufacturing and trading segments.

Manufacturing Segment

Revenue from manufacturing segment has increased by RM0.9 million or 4.1% from RM22.7 million in FYE 2020 to RM23.6 million in FYE 2021 was mainly due to higher average selling price of die-cutting moulds in FYE 2021. The increase in average selling price of die-cutting moulds was mainly due to more complex die-cutting moulds manufactured in FYE 2021.

Trading Segment

Revenue from trading segment has increased by RM1.0 million or 25.7% from RM3.6 million in FYE 2020 to RM4.6 million in FYE 2021. The increase was mainly due to higher quantity of base boards sold as the price of base boards is expected to increase further.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

3. Financial Performance Review (Cont'd)

3.2 GP and GP margin

Our Group's overall GP has increased by RM1.0 million or 7.9% from RM13.3 million in FYE 2020 to RM14.3 million in FYE 2021 while our Group's overall GP margin has also improved from 50.4% in FYE 2020 to 50.8% in FYE 2021. The increase in GP and GP margin are mainly due to the overall increase in revenue as well as higher profitability from both manufacturing and trading segments.

The GP and GP margin analysis by segments is illustrated in the table below:

	GP		GP margin	
	FYE 2021 RM'000	**FYE 2020 RM'000**	**FYE 2021 %**	**FYE 2020 %**
Manufacturing	13,350	12,618	*56.6*	*55.7*
Trading	983	671	*21.2*	*18.2*
Total	**14,333**	**13,289**	***50.8***	***50.4***

Manufacturing Segment

GP from manufacturing segment has increased by RM0.8 million or 6.3% from RM12.6 million in FYE 2020 to RM13.4 million in FYE 2021. The GP margin improved marginally from 55.7% to 56.6% as compared to FYE 2020. Such increases are mainly due to higher average selling price of die-cutting moulds and lower machinery upkeep expenses incurred in FYE 2021.

Trading Segment

GP from trading segment has increased by RM0.3 million or 42.9% from RM0.7 million in FYE 2020 to RM1.0 million in FYE 2021. The GP margin has also improved from 18.2% to 21.2% as compared to FYE 2020. Such increases are mainly due to lower carriage inwards expenses as our forwarding agent directly deliver trading products purchased from our overseas suppliers to our overseas customers.

3.3 Financial Result Analysis

	FYE 2021 RM'000	**FYE 2020 RM'000**	**Changes RM'000**	**%**
GP	14,333	13,289	*1,044*	*7.9*
Other income	574	369	*205*	*55.6*
Administrative expenses	(5,296)	(4,583)	*(713)*	*(15.6)*
Selling and distribution expenses	(437)	(531)	*94*	*17.7*
Other operating expenses	(218)	(25)	*(193)*	*(772.0)*
Net impairment (loss)/gain on financial assets	(10)	3	*(13)*	*(433.3)*
Finance costs	(417)	(572)	*155*	*27.1*
PBT	**8,529**	**7,950**	**579**	**7.3**
Taxation	(2,245)	(1,912)	*(333)*	*(17.4)*
PAT	**6,284**	**6,038**	**246**	**4.1**

Other Income

Our Group's other income has increased by RM0.2 million or 55.6% from RM0.4 million in FYE 2020 to RM0.6 million in FYE 2021 mainly attributable to the higher investment income received from unit trust investment.

3. Financial Performance Review (Cont'd)

3.3 Financial Result Analysis (Cont'd)

Administrative Expenses

Our Group's administrative expenses have increased by RM0.7 million or 15.6% from RM4.6 million in FYE 2020 to RM5.3 million in FYE 2021 mainly due to professional fees for our listing exercise.

Selling and Distribution Expenses

Our Group's selling and distribution expenses have decreased by RM0.1 million or 17.7% from RM0.5 million in FYE 2020 to RM0.4 million in FYE 2021. The decrease was mainly due to replacement of delivery services by our in-house logistic department instead of third-party dispatch and delivery service as well as lesser traveling expenses incurred resulted from the travel restrictions and border controls.

Other Operating Expenses

Other operating expenses of the Group have increased in FYE 2021 mainly due to the loss arising from the lower fair value of unit trust invested.

PAT

Our Group's PAT has increased by RM0.2 million or 4.1% from RM6.0 million in FYE 2020 to RM6.2 million in FYE 2021 as a result of higher revenue and PBT generated in FYE 2021.

4. Financial Position Review

4.1 Financial Position Analysis

	31.08.2021 RM'000	31.08.2020 RM'000	Changes RM'000	%
Non-current assets	32,676	30,537	*2,139*	*7.0*
Current assets	23,405	23,762	*(357)*	*(1.5)*
Total assets	**56,081**	**54,299**	**1,782**	**3.3**
Non-current liabilities	(12,530)	(13,164)	*634*	*4.8*
Current liabilities	(3,092)	(3,630)	*538*	*14.8*
Total liabilities	**(15,622)**	**(16,794)**	**1,172**	**7.0**
Net assets	**40,459**	**37,505**	**2,954**	**7.9**
Current ratio (times)	**7.6**	**6.5**	**1.1**	**16.9**

Assets

Our Group's non-current assets increased by RM2.1 million or 7.0% from RM30.5 million as at 31 August 2020 to RM32.6 million as at 31 August 2021 mainly attributable to increase in investment in unit trusts of RM3.4 million.

The current assets have decreased by RM0.4 million or 1.5% from RM23.8 million as at 31 August 2020 to RM23.4 million as at 31 August 2021 mainly due to decrease in cash and bank balances of RM1.8 million as a result of cash outflow for acquiring investment in unit trusts. However, the overall decrease was partially offset by the increase in deposits and prepayments of RM2.3 million due to a total of RM1.3 million incurred in conjunction with the acquisition of freehold land and factory and a total of RM0.8 million incurred for the advance payments to our suppliers.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

4. Financial Position Review (Cont'd)

4.1 Financial Position Analysis (Cont'd)

Liabilities

Our Group's non-current liabilities decreased by RM0.6 million or 4.8% from RM13.1 million as at 31 August 2020 to RM12.5 million as at 31 August 2021 mainly attributable to decrease in bank borrowings by RM0.7 million due to repayments made during the FYE 2021.

Our Group's current liabilities decreased by RM0.5 million or 14.8% from RM3.6 million as at 31 August 2020 to RM3.1 million as at 31 August 2021 mainly attributable to decrease in other payables and accruals of RM0.5 million. The decrease in other payables and accruals was mainly due to payment made for the purchase of a new server system for Sharp DCM during the FYE 2021.

4.2 Cash Flows Analysis

	FYE 2021	FYE 2020	Changes	
	RM'000	RM'000	RM'000	%
Net cash generated from operating activities	7,008	10,678	*(3,670)*	*(34.4)*
Net cash used in investing activities	(3,832)	(469)	*(3,363)*	*(717.1)*
Net cash (used in)/generated from financing activities	(4,925)	1,218	*(6,143)*	*(504.4)*
Net change in cash and cash equivalents	(1,749)	11,427	*(13,176)*	*(115.3)*
Effect of exchange rate fluctuations	(78)	(42)	*(36)*	*(85.7)*
Cash and cash equivalents at the beginning of the financial year	8,344	(3,041)	*11,385*	*374.4*
Cash and cash equivalents at the end of the financial year	**6,517**	**8,344**	**(1,827)**	**(21.9)**

Our Group's net cash from operating activities decreased by RM3.7 million or 34.4% from RM10.7 million in FYE 2020 to RM7.0 million in FYE 2021 mainly due to increase in deposits paid for the acquisition of factory, prepayments made to suppliers as well as higher tax instalment paid.

Our Group's net cash used in investing activities increased by RM3.4 million or 717.1% from RM0.4 million in FYE 2020 to RM3.8 million in FYE 2021 mainly due to cash outflow for acquiring investment in unit trusts.

Our Group's recorded a net cash used in financing activities of RM4.9 million in FYE 2021 as compared to net cash from financing activities of RM1.2 million in FYE 2020. This was mainly due to drew down of new term loan to partially finance the acquisition of factory located at Jalan Kelang Lama, Kuala Lumpur which did not recur in FYE 2021.

4.3 Liquidity and Capital Reserves

Taking into the consideration of the followings, our Group believes that we shall have sufficient working capital for our existing and foreseeable requirement:

(i) Current ratio improved from 6.5 times as at 31 August 2020 to 7.6 times as at 31 August 2021, which indicated our ability to meet short-term obligations;
(ii) Expected cash flows to be generated from the operations of our Group;
(iii) Cash and cash equivalents of RM6.5 million as at 31 August 2021; and
(iv) IPO proceeds.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

5. Operation Overview

The unprecedented Covid-19 pandemic had affected our Group's normal business operations. The imposition of various phases of Movement Control Order ("MCO") and their associated restrictions, have directly affected our Group to reduce the workforce capacity to 40% or lower and shorter production hours. During the MCO period, only essential services sectors are allowed to operate and our customers who were categorised under non-essential service have to cease the operations. This has undoubtedly influenced our sales growth, however, there is a significant rebound in sales and profits when our customers gradually resumed their business activities after MCO being lifted.

With the IPO proceeds raised from the Public issue, our Group plans to utilise part of the proceeds to acquire a new factory to consolidate our subsidiary, Hotstar's production operations which are currently located in two (2) separate factories under one (1) roof for better management and control.

In addition, we also intend to invest in new machineries and upgrade our software as listed below to enhance our production capability, automate certain production processes and to cater for future business growth:

Machineries and software	Description	Quantity
Automatic steel rule processor	Used for the automatic bending, lipping, cutting, bridging and flat cutting	3
Laser cutting machine	Used for cutting base board including metal sheet base material	1
Computer-Aided Design ("CAD") software	Software to design and create drawings for die-cutting solutions	1
Upgrade Enterprise Resource Planning ("ERP") system and computer servers	• To upgrade our computer servers • To upgrade our ERP system and integrate with our CAD software	1 1

6. Dividend

Our Group do not have formal dividend policy. Any declaration of interim dividends and recommendation of final dividends are at the discretion of the Board, subject to various factors, such as, operating cashflow and capital expenditure requirements, financial performance and commitments.

For FYE 2021, Sharp DCM and Hotstar declared and paid a total dividend of RM3.3 million. On 26 October 2021, Focuswin, a subsidiary of the Company, declared an interim single dividend of RM2.50 per ordinary share totaling RM1,000,005 in respect of FYE 2021, which is payable on 29 October 2021. The dividend will be accounted for in equity as an appropriation of retained earnings in the FYE 2022.

7. Business Risks

7.1 Impacts of Covid-19 pandemic

The emergence of the Covid-19 pandemic has brought economic uncertainties in Malaysia and markets in which our Group operates. Nationwide lockdown and travel restrictions imposed to curb the spread of the Covid-19 virus had resulted in mandatory closure of public and private premises, except those involved in essential services. Our Group was fortunate to be granted approval by MITI to operate during the lockdown periods as we are fall under "essential service" category. Although the enforcement of lockdown measure could adversely impact our business partners' supplies and demands of our products, there was no material impact to our Group's financial performance as no cessation in operations yet still receiving orders from our essential services customers.

With regards to the risks relating to Covid-19, our Group fully comply with the stringent SOPs issued by authorities and continue to undertake extra precautionary measures to safeguard our employees while ensuring minimal disruptions to production. This include social distancing, weekly swab test for all employees, trainings, placing sanitisers in common areas and the use of face masks at all time. Our Group had also commenced its participation in Program Imunisasi Industri Covid-19 Kerjasama Awam-Swasta ("PIKAS") to accelerate the immunisation of the employees. To date, our employees are fully vaccinated. Therefore, we received approval from authorities to operate at full capacity.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

7. Business Risks (Cont'd)

7.2 Dependent on the availability and quality of raw materials

In order to produce top quality finished products to customers, the availability and quality of raw materials are pre-requisite to us. However, the ongoing global pandemic had deeply disrupted our normal business operations, which had resulted price increase in raw materials, such as wood and processed steel rules and higher transportation costs due to inflation and supply chain delays.

Amid the Covid-19 pandemic, one of the critical problems that we experienced was supply chain disruptions. Containers shortage, port congestion, custom clearance and inspection delays had severely affected in late deliveries from overseas suppliers, which in turn led to delay distribution of final products to our customers. Hence, we focus on sourcing raw materials from local suppliers to mitigate the risk.

7.3 Do not have long term contracts with customers

Our customers do not enter long-term agreements or contracts with us, as they place their orders on a weekly or monthly basis. As a result, customers' loyalty might not be possible to achieve due to not bound by any contracts. We do establish long-term and solid business relationship with our customers, however, termination of business relationship or reduced orders from major customers can create substantial negative impact on us.

7.4 Foreign currency exchange fluctuation

Foreign currencies such as the USD, EUR, SGD, JPY, CHF and TWD accounts for a significant proportion of our sales and purchases transactions. As such, fluctuations in foreign currency exchange rates will have significant impact on our financial performance.

Currently, we do not engage any financial instruments to hedge our exposure to foreign currency transactions. We coordinate our foreign currency sales and purchases to be in the same currency as much as feasible to reduce our foreign exchange exposure risk.

8. Future Prospect and Outlook

The Covid-19 pandemic has raged on for nearly two years and continue to create greater challenges for a variety of business sectors. More and more businesses are closing physical storefronts and force to embrace technology to move online in order to sustain their businesses.

Malaysia is amongst the fastest growing of e-commerce market in Southeast Asia driven by the evolution of consumers' behaviour. The pandemic has accelerated the consumers to switch from visiting physical stores to online purchase. The booming of e-commerce business has led to the growing demand of packaging, particular eco-friendly and sustainable packaging to minimal environmental impact. As thus, the packing industry requires our innovative die-cut solutions to enhance packaging design, product safety and optimise packaging for the last-mile delivery.

The die-cutting tools manufacturing industry in Malaysia are sensitive to economic cycles and may suffer from global economy fluctuations. Nevertheless, our Group is optimistic on the future prospect of die-cutting mould industry due to the rising trend on sustainable packaging industry, E&E industry and automotive industry. In addition to this, our investment in technologies, software and new machineries have greatly increased our capability to streamline manufacturing process which in turn create more opportunities for us to tap into global markets especially in Southeast Asia.

Our Group adopts a direct distribution strategy, where our products are directly sold to the customers without any involvement of distributors, agents and/or dealers. This strategy enables us to provide direct and immediate response to our customers inquiries and understand their needs for catering any special requests that our customers may have.

Although we do not enter into long-term contracts or agreements with our customers, we have maintained long standing relationships with our top five (5) major customers for at least ten (10) years. We are not dependent on single customer and have more than 1,300 of diverse customers, based locally and abroad. We couldn't have achieved such amazing feat without our responsible and dedicated team. Consistently producing high quality products also allow us to build trust with our customers and earn their loyal support. Moving forward, we strongly believe that we are able to embrace the future uncertainty and will continue to perform well.

SUSTAINABILITY STATEMENT 2021

In conjunction with CEKD's first (1st) year of listing on Bursa Securities, the Board is pleased to present the first (1st) Sustainability Statement ("Statement") for the FYE 2021.

In line with the rising awareness of sustainability within the context of Economic, Environmental and Social ("EES") domestically and globally, CEKD Group endeavours to embed the principles of sustainability in all aspects of our business operations, whenever possible.

SCOPE OF THIS STATEMENT	This Statement covers the sustainability strategies and approaches of CEKD Group's business operations in Malaysia, carried out in the financial year from 1 September 2020 to 31 August 2021, unless otherwise specified.
BASIS OF THIS STATEMENT	This Statement was prepared based on all the available internal information with reference to Bursa Securities' ACE Market Listing Requirements ("AMLR") relating to Sustainability Statements and its Sustainability Reporting Guide 2nd Edition.
ASSESSMENT OF MATERIAL MATTERS	Material matters assessment was carried out to identify the material matters that are most relevant to our Group and various stakeholders. Kindly refer to our Material Matters Matrix in this Statement for further details.
FEEDBACK	To improve our sustainability measures and reporting standards, we welcome stakeholders' feedback on this Statement and any other relevant matters. Any feedbacks, comments and enquiries can be directed to ir@cekd.com.my.

OUR SUSTAINABILITY COMMITMENTS FOR A BETTER FUTURE

At CEKD, we embrace the principle of sustainability into our Group's vision and mission in order to remind ourselves to put continuous efforts for a long-term business growth and success for the Group while create upmost values for our various stakeholders.

VISION

The Best Die Cutting Solution Provider in Asia Pacific

MISSION

- Create Values for Customers
- Continuous Improvement

MOTTO

Drive Towards Excellence

SUSTAINABILITY STATEMENT 2021
(CONT'D)

OUR SUSTAINABILITY COMMITMENTS FOR A BETTER FUTURE (CONT'D)

Sustainability Governance Structure

The Board

Ultimate responsibility for the integration of sustainability initiatives and oversight of the Group's sustainability affairs

Audit Committee	Risk Management Committee	Nominating Committee	Remuneration Committee
To oversee both external and internal audit functions as well as the Group's internal controls system to ensure good business practices	To oversee and monitor the Group's risk management function	To assess and recommend on the Board's appointment to ensure the Board's effectiveness	To establish remuneration policy and package that motivate Directors and Senior Management to enhance the Group's long-term value

Our Board is ultimately accountable for the sustainability management in terms of implementation of sustainability strategies and monitoring of sustainability matters. The Board has delegated its sustainability responsibilities to the Board Committees, where AC and RMC are responsible to oversee and monitor of the Group's internal controls and risk management system, while the NC and RC are established to support the Board's overall effectiveness and performance.

Sustainability Strategies

As guided by the 2030 Agenda for Sustainable Development which promote 17 Sustainable Development Goals ("SDGs") that adopted by all United Nations Member States in 2015, we focus on the following six (6) SDGs which are most relevant to our business operations for the formulation of the Group's sustainability strategies:

ECONOMIC	8 DECENT WORK AND ECONOMIC GROWTH	**8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.
ECONOMIC	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**16.5** Substantially reduce corruption and bribery in all their forms.
ECONOMIC	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**16.6** Develop effective, accountable and transparent institutions at all levels.
ENVIRONMENTAL	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.2** By 2030, achieve the sustainable management and efficient use of natural resources.
ENVIRONMENTAL	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
ENVIRONMENTAL	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
SOCIAL	3 GOOD HEALTH AND WELL-BEING	**3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
SOCIAL	5 GENDER EQUALITY	**5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.
SOCIAL	6 CLEAN WATER AND SANITATION	**6.2** By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.

SUSTAINABILITY STATEMENT 2021
(CONT'D)

OUR SUSTAINABILITY COMMITMENTS FOR A BETTER FUTURE (CONT'D)

Sustainability Strategies (Cont'd)

With the six (6) SDGs identified above in mind, we have formulated our sustainability strategies categorised into three (3) EES sustainability pillars as follows:

ECONOMIC

- To expand the business in a sustainable way
- To deliver quality products and services
- To drive long-term value creation to shareholders

ENVIRONMENTAL

- To protect and preserve the environment
- To minimise any adverse environmental impacts arising from daily operations

SOCIAL

- To take care employees' wellbeing
- To uphold employees' health and safety
- To enrich the community

STAKEHOLERS ENGAGEMENT

Stakeholders	Areas of Interest / Material Matters	Engagement Approaches
The Board	• Business growth and expansion • Financial and operational performance • Corporate governance • Risk management and internal controls • Interest of various stakeholders	• Board meetings • General meetings
Shareholders/ Investors	• Investment return and associated risks • Sustainable business profitability • Operational performance and improvements • Corporate governance	• Quarterly financial results • Annual report • General meetings • Company website • Investor briefing sessions
Employees	• Career opportunities and developments • Competitive compensation and benefits packages • Occupational health and safety • Continuous training and development	• Performance appraisal • Company internal meetings • Engagement with Management • Training and development programme
Customers	• Quality of products and services • Competitive pricing • On-time delivery • Customer service and satisfaction	• Site visit • Customer feedback survey • Company website

SUSTAINABILITY STATEMENT 2021
(CONT'D)

STAKEHOLERS ENGAGEMENT (CONT'D)

Stakeholders	Areas of Interest / Material Matters	Engagement Approaches
Suppliers	• Sustainable business relationships • Fair and transparent procurement procedures • Supplier selection and evaluation • Credit terms and timely payments	• Supplier evaluation • Email and face-to-face communications
Government/ Regulators	• Legal compliance • Corporate governance	• Compliance audit • Bursa announcements
Community	• Employment creation • Local economic support • Community contribution and wellbeing • Environmental impact from business operations	• Company website • Corporate social responsibility ("CSR") programme
Analyst/ Media	• Financial and operational performance • Share price performance • Business growth and expansion • Corporate governance	• Quarterly financial results • Annual report • General meetings • Interview sessions • Company website • Bursa announcements

MATERIAL MATTERS ASSESSMENT

In an effort to navigate the Group towards sustainable business growth and success, we have carried out an assessment of the material sustainability matters which are most significant to the Group as well as to our various stakeholders. This material matters assessment enables us to identify, assess and prioritise the risks and opportunities arising from the EES context, so as to take advantage on any potential opportunities in this ever-change business environment.

Identification
Identify relevant sustainability matters across the Group's operations

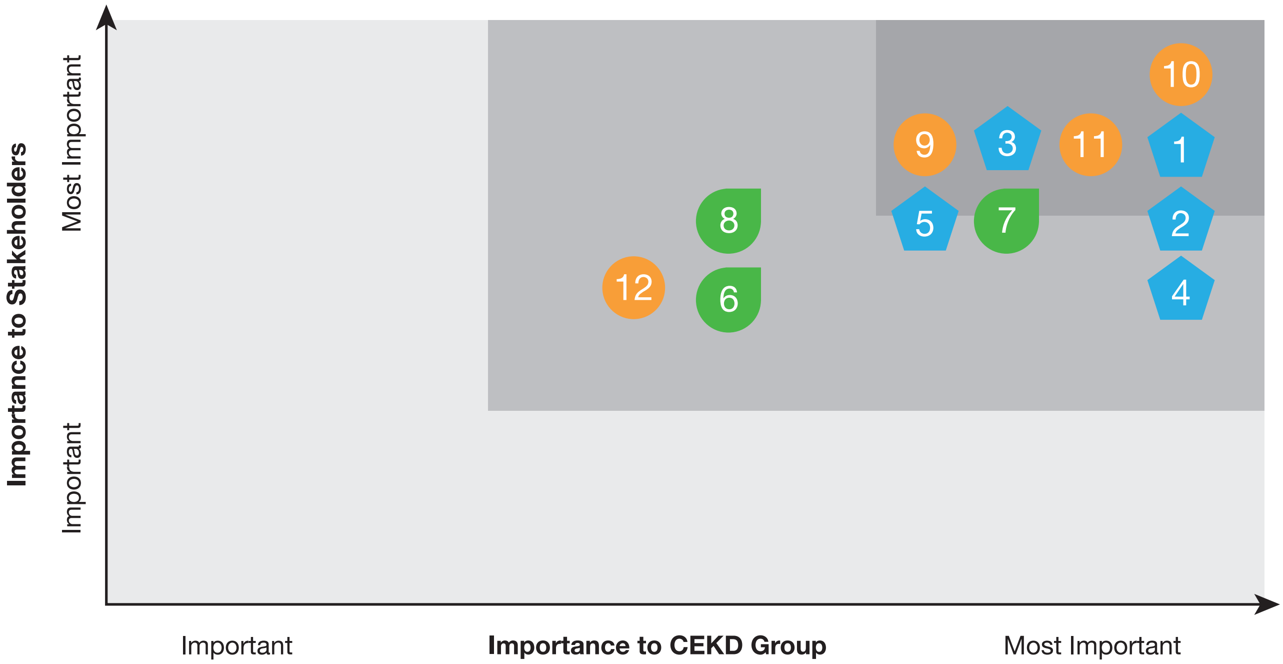
Assessment
Assess the material matters from the Group and stakeholders' perspectives

Prioritisation
Rank each material matter in accordance to the analysis of impacts to the Group and various stakeholders

SUSTAINABILITY STATEMENT 2021
(CONT'D)

MATERIAL MATTERS ASSESSMENT (CONT'D)

We have adopted a rating approach to assess the importance and the degree of impacts of every sustainability matter identified. According to our assessment, we have identified and ranked twelve (12) key areas which matter the most to the Group and our various stakeholders, scaling from "Important" to "Most Important" respectively, in the following Material Matters Matrix:



ECONOMIC	ENVIRONMENTAL	SOCIAL
1 Business Expansion	6 Workplace Sustainability	9 Workforce Diversity
2 Quality Product & Service	7 Material Management	10 Occupational Safety and Health
3 Customer Satisfaction	8 Pollution and Waste Management	11 Employee Training and Development
4 Supply Chain Management		12 CSR Programme
5 Corporate Governance		

BUSINESS EXPANSION

Our business started as a trading company for related consumables, tools and accessories for die-cutting moulds back in 1989 and later venture into manufacturing of die-cutting moulds at KL Industrial Park.

Today, our business has expanded to operate in a 71,000 sq. ft. factory equipped with higher technology equipment located at Jalan Kelang Lama, Kuala Lumpur together with another four (4) manufacturing facilities and one (1) storage, located at Penang and Kepong, Kuala Lumpur to better serve customers from Klang Valley and Northern region of Peninsular Malaysia.

We have further achieved a key milestone by having CEKD listed on the ACE Market of Bursa Securities in September 2021.

Our Target

- To achieve continuous business growth

SUSTAINABILITY STATEMENT 2021
(CONT'D)

BUSINESS EXPANSION (CONT'D)

We are eager to grow and expand our business continuously. During FYE 2021, our key business growth and expansion initiatives include the following:

(a) Consolidation for Operational Efficiencies

Our subsidiary, Hotstar is currently operating at two (2) separate factories at Kepong. To ease the operations management and increase operating efficiency, we have acquired a freehold land and factory at Kepong to consolidate the said two (2) operation sites at a single location as opposed to managing two (2) separate factories in the same area.

(b) Purchase of New Machineries and Software Upgrades

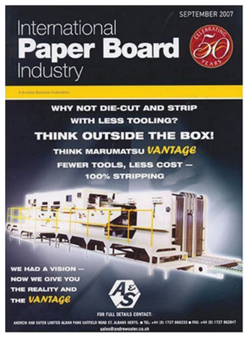
In line with the Group's intention on continuous product innovation, we will utilise part of our IPO proceeds to purchase new machineries and software including automatic steel rule processor, laser cutting machine and CAD software as well as to upgrade ERP system and computer servers.

These purchases and upgrades shall enhance our core competencies in the die-cutting tools manufacturing industry and expand our product portfolio to meet the diverse customised needs from our wide range of customers. The purchase of machineries and software are able to increase automation, reduce manual labour and improve precision and consistency of our die cutting moulds. Meanwhile, the upgrade of our ERP system by integrating with CAD software shall further improve the operational efficiency among inventory, procurement and production departments.

(c) International Market Expansion

Majority of our Group's revenue is derived domestically, however, with our continuous expansion efforts, we have gradually gained international presence in overseas countries such as Australia, Vietnam, Thailand, Philippines, United Arab Emirates and etc. We are targeting to broaden our customers base and geographical reach in Southeast Asia first by leveraging on our existing customers in these geographical areas in line with our Group's vision of becoming "The Best Die Cutting Solution Provider in Asia Pacific".

Despite the unprecedented challenges thrown by the Covid-19 pandemic and various movement restrictions imposed by the Malaysian Government, the Group has managed to participate online seminars/trade events as a substitute for the physical trade events which enables us to keep abreast of the latest technology and product development as well as to capture new business opportunities.



Upon upliftment of border restriction, we will participate in international trade exhibitions such as Pack Print International and provide technical sharing sessions and/or product demonstration via conferences and seminars with our existing and prospective customers.

In an effort to increase our international exposure, we have advertised our products in international trade magazines including Folding Carton Industry and International Paper Board Industry to showcase our product offerings internationally. Moving forward, we will continue to leverage on these international publications to promote our Group and the products.

We have also obtained the Die-makers Certification from Bobst, a Switzerland based company that supplies die cutting machines and services to the packaging and its related industries. Being the only certified die maker by Bobst in Southeast Asia, this helps us to draw business opportunities through Bobst's recommendations to its customers.

SUSTAINABILITY STATEMENT 2021
(CONT'D)

BUSINESS EXPANSION (CONT'D)

(d) Technological Advancement

Technological advancement is very important for us to remain competitive in the die cutting tools manufacturing industry. In advocating SDG Target 8.2, as a leading player in the industry, we utilise several technologies in our manufacturing process such as laser cutting, waterjet cutting, wire-cut electrical discharge machining ("EDM"), CNC milling/engraving, automatic rule processor as well as sample making and plotting.

As Bobst's certified die maker, we are benefited from gaining access to Bobst's latest die cutting technology through its tooling process specialist team, from which enables us to offer more advanced and compatible products/services as well as better technical supports to the customers.

QUALITY PRODUCT & SERVICES

Aligning with our vision and mission, we strive to deliver quality products and services to our valued customers. We deeply understand that ensuring constant product and services quality and continuous improvement are the key for us to be successful and sustainable in today's dynamic business environment. In CEKD, our Group's quality assurance management policy places stringent quality control and requirements across our Group's operation at all times.

Our Target

- To deliver quality products and services constantly
- To maintain ISO and Bobst certifications continuously

Our product quality controls are consistently applied throughout the entire manufacturing process from incoming raw materials to outgoing finished goods as follows:

01 Incoming Quality

Sampling check will be carried out by our production supervisors on all incoming raw materials to check on their quality and condition before accepting such materials.

02 In-Process Quality

Quality checks such as correct raw material used, rule joints and size of cut-out shape are performed during the production process to ensure that the product quality is within the acceptable level.

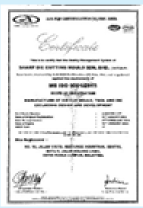
03 Outgoing Quality

Quality checks are performed on the finished products and packaging condition prior to the delivery of goods to our customers.

SUSTAINABILITY STATEMENT 2021
(CONT'D)

QUALITY PRODUCT & SERVICES (CONT'D)

ISO Certification



Our commitment in quality standards is proven with the accreditation of MS ISO 9001:2015 by AJA EQS Certification (M) Sdn Bhd for the provision of manufacturing die-cutting mould, tool and die excluding design and development since 2006 till current date.

Bobst Certification

The Bobst certification is a recognition that our products are up to the standards for Bobst's die-cutting machines. Bobst is an established die-cutting machine manufacturer which has a global presence in more than twenty (20) countries within Europe and Southeast Asia regions, such certification indicates our die-cutting moulds are of good quality.

CUSTOMER SATISFACTION

We, CEKD Group, are proud to be entrusted by our valued customers where we have established sustainable long-term relationships with our customers. Today, we have served over 1,300 customers of which some of the customers have been dealing with us for more than ten (10) years.

We adopt direct distribution strategy in dealing with our customers where products are sold directly to customers without any intermediary such as distributors, agents and/or dealers. This strategy enables us to directly attend to customers' inquiries and feedbacks in order to have a better understanding on their requirements and expectations.

Our Target

- To meet various Quality Objectives ranging from 80% to 90%.

As a customer-driven company, we uphold our mission to create values for customers at all times. On top of delivering quality products, our technical sales team also provide technical support via regular site visit as well as after-sales services such as customised upgrading and modification, product training, repair and maintenance services. In spite of the challenging time due to Covid-19, we continue to provide technical support to our customers on best effort basis through site visits, while taking appropriate precautionary measures. We strongly believe that goodwill nurtured from satisfied customers will translate into new business opportunities through their recommendations to other prospective customers and repeat orders from themselves.

In our daily operations, we attempt to response timely to our customers. In general, all enquiries, feedbacks and comments are addressed/responded within the target of two (2) working days.

We have in place an annual customer survey with rating approach to obtain insights on customers' satisfaction and areas for our continuous improvement. Our customer survey takes into consideration several objectives inclusive of the products and services quality, the speed of delivery, the responsiveness and sense of urgency as well as the variety of our products.

Customers are required to express their satisfaction level by ticking at "Excellent, Good, Fair or Poor" column for each quality objective in the customer survey form. Points are then assigned by the Management as:

a) Excellent - 4
b) Good - 3
c) Fair - 2
d) Poor - 1

The point obtained for each objective shall then be divided by 4 points to arrive at a satisfaction % for each objective.

Factor	Quality Objective	Average Satisfaction
Quality of Products	90%	80%
Quality of Services (Sales Representative)	90%	90%
Quality of Services (Indoor Sales)	90%	90%
Delivery Speed	80%	85%
Responsive and Sense of Urgency	90%	84%
Products Variety	90%	79%

SUSTAINABILITY STATEMENT 2021
(CONT'D)

CUSTOMER SATISFACTION (CONT'D)

From the annual customer survey for FYE 2021, we managed to meet three (3) Quality Objectives and we have identified the reasons of not achieving the remaining Quality Objectives and the relevant improvements needed as follows:

(i) To ensure the quality of raw materials supplied by our suppliers continue to be maintained at high quality and to have more stringent control over the quality of our products to be delivered to customers;
(ii) To ensure our sales team respond to customers' request/ queries soonest possible within the target of two (2) working days; and
(iii) To provide training in enhancing the product demonstration and promotion skills of our sales team and to get the sales team to update customers on the variety of our products regularly.

SUPPLY CHAIN MANAGEMENT

We have built strong business relationship with our suppliers over the years as we believe that a good supply chain management is pivotal to support our manufacturing process.

To ensure the quality of raw materials and services supplied by suppliers, we carry out supplier evaluation annually to assess their quality/workmanship, cost and delivery time. Supplier who is unable to meet our requirements will either be ruled out or monitored in the succeeding year or before the next purchase.

On the other hand, we attempt to support the local economy by sourcing raw materials and services that is available locally such as ejectors, gas, metal steel, wood and logistic services, whenever possible.

Our Target

- To source from suppliers that meet our stringent requirements
- To support local purchases, where viable

CORPORATE GOVERNANCE

In an effort to achieve SDG 16 of promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels, CEKD has established the Code and ABC Policy to serve as a guidance to the Group's employees and stakeholders.

The Company has also established a Whistleblowing Policy to provide an avenue for all stakeholders to report on any unethical behaviour, malpractices, illegal acts and/or failure to comply with applicable laws, internal policies, rules and regulations.

Our Target

- To comply with all applicable laws and regulations

All the Code, ABC Policy and Whistleblowing Policy are published on our Company's website at http://www.cekd.com.my/corporate-governance.

We are pleased to highlight that no employees had been disciplined or dismissed, nor any public cases been brought against CEKD Group and its employees due to non-compliance to the laws and regulations. Hence, there was no relevant fines, penalties or settlements were imposed or made during the FYE 2021.

SUSTAINABILITY STATEMENT 2021
(CONT'D)

WORKPLACE SUSTAINABILITY

Our Target

- To promote environmental sustainability within workplace

Being a responsible corporation, we acknowledge our responsibility to protect the mother nature and environment. We believe that "small actions, big difference" and hence, our environmental protection starts from our workplace!

- Switching off all lights and air conditioners during lunch and break time.
- Light switch timer is installed at office common areas for energy conservation.
- Carpooling to office, meeting venue and/or client site.
- Recycle of leftover materials from production process and convert into office furniture such as table and whiteboard stand.

MATERIAL MANAGEMENT

In advocating SDG 12 responsible consumption and production, we ensure the raw materials adopted in our production process are environmentally friendly and not harmful to people.

We sourced our raw materials from reputable and established suppliers. In addition, we send our raw materials such as wood, steel rule and ejectors on sampling basis to Société Générale de Surveillance ("SGS") and Eurofins NM Laboratory Sdn Bhd for testing periodically to ensure the raw materials that we adopted are safe, reliable and meet the relevant regulatory standards.

Our Target

- To ensure the raw materials used in our production process are safe, reliable and meet the relevant regulatory standards
- To minimise wastage in production

Our latest test results in August 2020 indicate that our raw materials are in compliance to the relevant testing requirements.

With responsible consumption and production in mind, we always minimise production wastage on best effort basis with innovative design that can save materials usage and/or take precise measurements according to the die cutting design. Remaining usable raw materials will also be conserved for future production purpose so as to minimise the generation of wastage.

POLLUTION AND WASTE MANAGEMENT

In compliance with Environmental Quality (Clean Air) Regulations 2014, we have installed chimneys at two (2) of our factories for the control of air pollution.

In addition, our production operations are all carried out within the permitted noise level at appropriate factory areas.

We also dispose all the scheduled wastes generated from our production process such as waste hydraulic oil and waste acid via licensed scheduled waste contractors to ensure proper waste disposal so as to protect our environment.

Our Target

- To comply with all applicable environmental laws and regulations

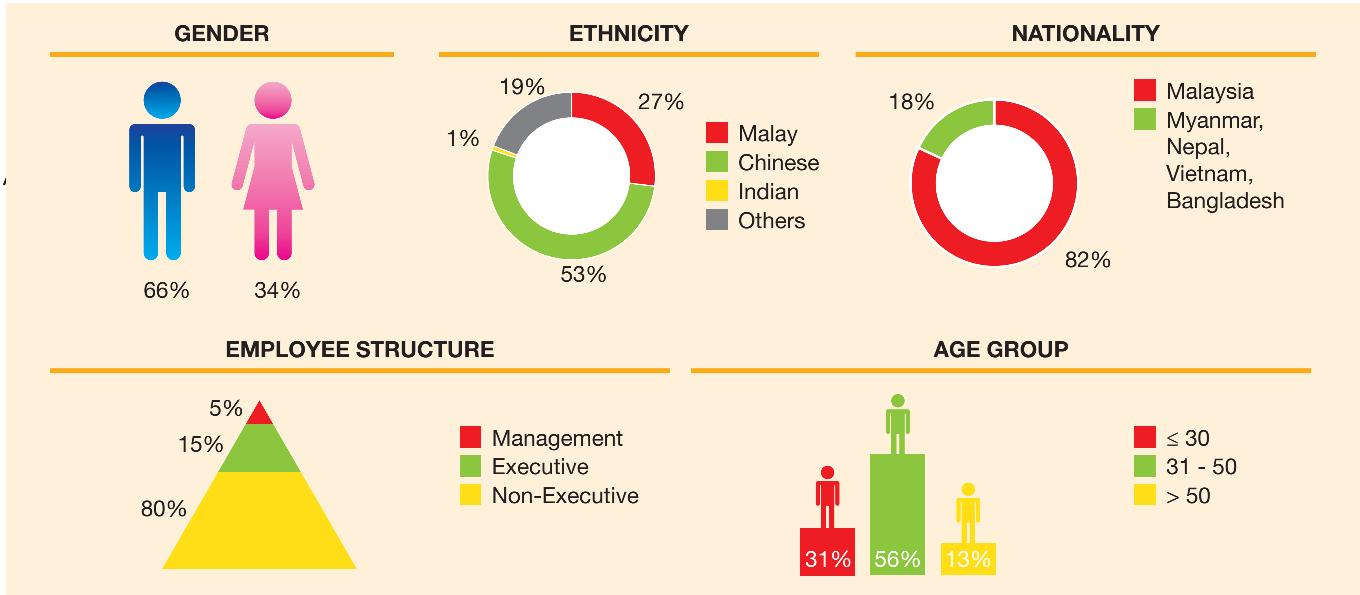
SUSTAINABILITY STATEMENT 2021
(CONT'D)

WORKFORCE DIVERSITY

In CEKD, we aim to build and maintain a dynamic workforce with diverse group of people from different cultural background, races, skills and experiences, gender and age group as we believe that diversity stimulate greater creativity and productivity.

Our Target

- To manage employee turnover rate to be within 20%



As an attempt to support SDG 5 of achieving gender equality and empowering women, our Group currently has 34% women participation in our workforce, of which the key positions such as MD, COO and CFO are women.

On the other hand, we offer job opportunities to retirees in order to support and address the aging population in Malaysia.

We are cognisance that high employee turnover rate will definitely affect the overall business operations of the Group and hence we aimed to keep our annual employee turnover rate to be within 20%. We are proud to highlight that we have successfully achieved our target and maintained our employee turnover rate as low as 2% during FYE 2021. Moving forward, we will continue to manage and retain our talents in a sustainable way.

SUSTAINABILITY STATEMENT 2021
(CONT'D)

OCCUPATIONAL SAFETY AND HEALTH

We view our people as the biggest asset in CEKD Group. Inevitably, we placed utmost emphasis on our people's safety and health in line with SDG 3 of ensuring healthy lives and promoting well-being for all at all ages. We had in place Health, Safety and Environmental ("HSE") Management Policy as follows to take care of our people:

Our Target

- To provide safe working environment

HSE Policy

- Provide and maintain a clean and safe working environment for our employees;
- Provide training to our employees to perform their jobs safely;
- Report any unhealthy or unsafe working conditions that may affect themselves and those around them or affect the environment to the Management and follow by the corrective measures;
- Plan, evaluate and implement action that is appropriate to minimise the impact towards environmental aspects as a result of the Group's activity; and
- All employees must adhere to these policies at all times.

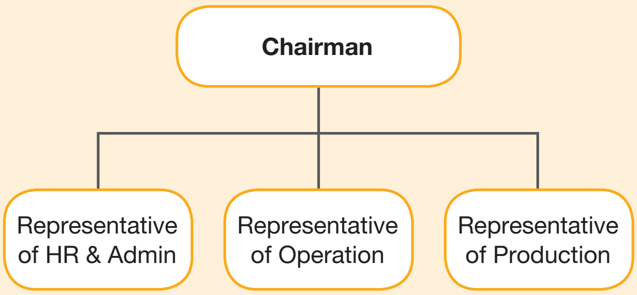
On top of the implementation of HSE Policy, we have also established a Health and Safety Committee to assist in the governance and monitoring of occupational safety and health matters.

With our stringent control and management on occupational safety and health affairs, we are glad that we have established a safe working environment where no work-related injury was reported in FYE 2021. We will continue to maintain a healthy and safe working environment for our people moving forward.

To adapt to the "new normal" after the emergence of Covid-19, we have undertaken several precautionary measures at our workplace to prevent the spread of Covid-19 so as to protect our employee's health in our best effort. In FYE 2021, we have spent approximately RM0.05 million for sanitising, prevention, testing and other Covid-19 related expenses.

As of today, we are glad that all employees within the Group have been fully vaccinated.

Health and Safety Committee



Health and Safety Measures

- Prepare hand sanitiser and face mask for the ease of employees and visitors
- Regular briefing to all employees on controls and prevention of Covid-19
- Mandatory temperature screening before entering workplace
- Implement safe physical distancing protocols within office and factory areas
- Ensure that all employees conduct Covid-19 self-test every two (2) weeks
- Undertake initiative to register all employees under PIKAS on the second day of registration period

SUSTAINABILITY STATEMENT 2021
(CONT'D)

EMPLOYEE TRAINING AND DEVELOPMENT

In this ever-changing business environment, we recognised the significance of continuous training and development for our employees in sharpening their skills and knowledge.

Our Target

- To have at least 5% of the total staff to attend training annually

In FYE 2021, we have conducted internal traning programs and participated in external training programs as follows:

Internal Trainings

- Regular product trainings and health and safety trainings
- Briefing on Covid-19 related information and latest announcement by Malaysian Government


External Trainings

- Business Tax 2020 New & Practical Tax Planning Strategies Formulated for Corporate & SMEs
- Outstation Special Budget 2021: Practical Application and Implementation for Companies
- The Solution to Tax Crisis from Covid-19 Pandemic - Think Wisely and Act Promptly
- JKKP: Ergonomic & Manual Handling

In FYE 2021, we are glad to inform that we have succeeded our target of having at least 5% of the total staff to attend training annually. Along with the upliftment of travelling restriction and expansion of our Group, we will continue to expore and identify more suitable training opportunities for our employees so as to enhance their knowledge and thereby bring the Group to the next level.

CSR PROGRAMME

While taking care of our employees, we are also aware of our corporate social responsibility in contributing to the local community.

In FYE 2021, we have donated a total RM3,400 to The Penang Home for The Infirm and Aged and Sunteck Handicapped Welfare Home to support the needy.

In addition to monetary donation, we also donate recycle materials to the charitable organisations periodically.

Our Target

- To enrich the community

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of CEKD recognises the importance of good corporate governance and strives to uphold high standard of corporate governance practices promulgated in the MCCG which is implemented and maintained throughout the Group. As integral components of business, these elements will support and safeguard corporate reputation, bolster investor confidence and enhance shareholders' value.

The Board presents this statement to provide an insight on the corporate governance practices of the Company, by describing how the Board discharges its duties and responsibilities in building a sustainable business. This statement takes guidance from the three (3) key corporate governance principles and the practices as set out in the MCCG, which are:

- Principle A: Board Leadership and Effectiveness;
- Principle B: Effective Audit and Risk Management; and
- Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This statement complies with Rule 15.25 of the AMLR. The Board has also provided specific disclosures on the application of each practice in its Corporate Governance Report. Shareholders are advised to read this overview statement together with the Corporate Governance Report of the Company for FYE 2021 which is available on the Company's website at http://www.cekd.com.my/corporate-governance.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1 Board Responsibilities

1.1 Roles and Responsibilities of the Board

The Board is entrusted to oversee the Group's proper conduct of business, business performance, risk management, internal controls, corporate governance, succession planning, investor relations, shareholders' engagement and regulatory compliance matters.

To ensure the effective discharge of its function and responsibilities, the Board has delegated certain duties and functions to the following Board committees:

Audit Committee	Risk Management Committee	Nominating Committee	Remuneration Committee

The Board has also delegated the daily management of the Group's affairs to the MD whilst the Independent Non-Executive Directors are not involved in the daily management of the Group but contribute their own particular expertise and experience in the development of the Group's overall business strategies. The Non-Executive Directors play an important role in providing unbiased and independent judgement to ensure a balance and impartial Board decision-making process.

The Board meets at least once every financial quarter, and additional meetings are convened as and when necessary. During FYE 2021, one (1) meeting was held upon the formalisation of the Board and the attendances of the Directors at Board Meeting as follows:

Director	Meeting Attendance	Percentage of Attendance
Dato' Zulkifli Bin Adnan	1/1	100%
Yap Tian Tion	1/1	100%
Yap Kai Ning	1/1	100%
Datuk Mak Foo Wei	1/1	100%
Chong Chin Look	1/1	100%
Choo Yem Kuen *(Appointed on 16/12/2021)*	N/A	N/A

All Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in AMLR and given their full commitment by attending all the Board meetings held during FYE 2021.

In the interval between Board meetings, any matter requiring urgent Board decisions and/or approvals will be sought via circular resolutions, which are supported with all the relevant information and explanations required for an informed decision to be made.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1 Board Responsibilities (Cont'd)

1.2 The Chairman

The Board is chaired by Dato' Zulkifli Bin Adnan, the Independent Non-Executive Chairman.

Being an Independent Non-Executive Director, the Chairman is not involved in the day-to-day management of the Group's business and has no relationship that could materially interfere with his judgement. The Chairman charged with leadership of the Board, is responsible for good corporate governance practices, leadership and effectiveness of the Board.

The roles and responsibilities of the Chairman of the Board have been clearly specified in the Board Charter, which is available on the Company's website at http://www.cekd.com.my/corporate-governance.

1.3 Separation of the Positions of Chairman and Managing Director

The positions for the Chairman, Deputy Executive Chairman and MD are held by different individuals to ensure the balance of control, power and authority, such that no individual has unfettered powers of decision-making.

As Chairman, Dato' Zulkifli Bin Adnan is primarily ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors on forthcoming matters are being deliberated. The Deputy Executive Chairman, Mr. Yap Tian Tion is responsible for the Group's overall business strategy and business direction whilst the MD, Ms. Yap Kai Ning is accountable for overseeing the Group's day-to-day operations.

1.4 Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries, who are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretaries provide advice and assist the Board in achieving good corporate governance by ensuring compliance to statutory laws, legislation, regulatory requirements, listing requirements and other relevant rules and regulations.

The Company Secretaries constantly keep themselves abreast of the evolving regulatory changes and developments in corporate governance practices through continuous training. During the year, the Company Secretaries have accumulated the requisite Continuing Professional Development points required of MAICSA members who are practicing company secretaries.

1.5 Access to Information

The Board meetings are conducted periodically to undertake regular review on the Group's performance. In order to facilitate the Board meetings, the meetings are scheduled in advance to enable the Board to reserve every Director's date for the meeting. The agendas for every Board meeting are also circulated in advance. To ensure that sufficient time are provided for all Board members to review and deliberate on matters to be discussed, the relevant agenda and Board papers are delivered to the Board at least seven (7) days before the date of the meeting. The Board papers include reports on the Company's financial, operational and corporate development. In order to secure the confidentiality, the Board papers on issues or corporate proposals which are deemed highly confidential would only be distributed or shared at the meeting itself.

For every scheduled meeting, all Directors are provided with comprehensive reports and included all necessary information from the Management regarding the financial performance of the Company. This arrangement enables our Directors to have sufficient time for review and consideration and to assist them in making well-informed decisions. Senior Management employees are also invited to the Board meetings to brief the Board on respective business divisions within their responsibilities and to provide business insights to our Board members or to clarify the matters tabled or raised by the Board. External professional advisors are also invited to provide insights and professional views, advice and explanation on specific items on the meeting agenda, if required.

All matters raised, including discussion, deliberations, decisions and conclusions were recorded in the minutes of meetings. The meetings minutes, together with the decisions made by way of Directors' written resolutions, shall be circulated to the Board timely and accordingly.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

2 Demarcation of Responsibilities

2.1 Board Charter

The Board has adopted a Board Charter which articulates the respective roles and responsibilities of the Board, Board Committees, Chairman or Deputy Chairman, Executive Directors, Independent Non-Executive Directors and Company Secretary as well as the matters that are reserved for the Board's deliberation and decision. The Charter also outlines the processes and procedures adopted to ensure the Board and Board Committees' effectiveness in discharging their fiduciary duties.

The Board Charter is made available on the Company's website at http://www.cekd.com.my/corporate-governance.

3 Ethical Business Conduct and Robust Corporate Culture

3.1 Code of Conduct and Ethics

The Group has in place the Code which outlines the proper dealings in terms of business conduct and employee conduct for all Directors and employees of the Group in an attempt to instill ethical business conducts. It sets out the policies and procedures which uphold high integrity in corporate governance compliance measures, including but not limited to managing conflicts of interest, preventing the abuse of power, bribery and corruption, insider trading as well as money laundering.

The Group has also adopted an ABC Policy in line with the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) to prohibit bribery and/or corruption in the business conduct within the Group. The ABC Policy promotes the compliance to all applicable anti-bribery and corruption laws in Malaysia to ensure fair and transparent business dealings are conducted in the highest ethical standards.

The Code and ABC Policy are made available on the Company's website at http://www.cekd.com.my/corporate-governance.

3.2 Whistleblowing Policy

As part of the Group's continuous efforts to ensure that good corporate governance practices are being adopted, the Group has adopted a Whistleblowing Policy to provide guidelines for all Directors, employees of the Group, external parties and stakeholders to raise their concerns about any unethical behaviors, malpractices, illegal acts and/or failure to comply with applicable laws, internal policy, rules and regulations within the Group.

The Whistleblowing Policy sets out the protection to any reporting individual who has made the disclosure or report in good faith, the confidentiality and safeguarding in dealing with such disclosure or report, the communication channel and the procedurals flow of making the disclosure or report.

The Whistleblowing Policy is made available on the Company's website at http://www.cekd.com.my/corporate-governance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION

4 Board Diversity and Objectivity

4.1 Board Composition

The present Board comprises of seven (7) members, of which four (4) are Independent Non-Executive Directors, two (2) are Executive Directors and one (1) Alternate Director. The Board composition is as below:

Name	Directorship
Dato' Zulkifli Bin Adnan	Independent Non-Executive Chairman
Yap Tian Tion	Deputy Executive Chairman
Yap Kai Ning	Managing Director
Datuk Mak Foo Wei	Independent Non-Executive Director
Chong Chin Look	Independent Non-Executive Director
Choo Yem Kuen *(Appointed on 16/12/2021)*	Independent Non-Executive Director
Yap Kai Min *(Appointed on 16/12/2021)* *(Alternate Director to Yap Tian Tion)*	Alternate Director

The details of profiles of each Director are set out in the Board of Directors' Profile within this Annual Report.

4.2 Tenure of Independent Director

To-date, none of the Independent Directors have served on the Board for a cumulative term of more than nine (9) years as all Independent Directors are newly appointed in conjunction to the listing of the Group.

4.3 Policy of Independent Director's Tenure

The Board has established a policy to limit the tenure of Independent Directors to nine (9) years in Board Charter.

Upon completion of the nine (9) years, an Independent Director may continue, to serve on the Board subject to the Directors' re-designation as a Non-Independent Director. In the event the Board intends to retain the Independent Director as an Independent Director after serving a cumulative term of nine (9) years, shareholders' approval will be sought.

4.4 Diverse Board and Senior Management Team

The appointments of our Board members and Senior Management are made based on the prescribed set of criteria, including but not limited to core competency, integrity, character, time commitment and relevant experience of the individual and other factors which are in the best interests of our Group. This is to ensure that there is a range of professional knowledge, skills, experience and diversity understanding of the business, markets and the industry in which the Group operates in order to support the Group's business operations.

The current composition of Board and Senior Management reflect a mix of qualified and experienced professionals in the field of business administration, internal quality, accounting, legal and public management. The profile of Directors and the Senior Management can be found on pages 6 and 10 respectively.

4.5 Gender Diversity

Although the Group does not have a written policy on the gender diversity, the Board is supportive of gender diversity by having two (2) female Directors in the present Board, namely Ms. Yap Kai Ning and Ms. Choo Yem Kuen, indicating 33% of female Board representation. The Board is supportive of gender and ethnic diversity in the boardroom as recommended by the Code. The Board consists of two (2) of the major races in Malaysia.

The Board through the NC will consider gender diversity as part of its criteria in its future selection if there is suitable female director who can bring value, skills and expertise to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

4 Board Diversity and Objectivity (Cont'd)

4.6 New Candidates for Board Appointment

For the succession planning to the Group, the Board recognises the significance of not solely relying on recommendations from existing Board members, Senior Management or major shareholders in identifying candidates for the Board appointment. However, the Board and the NC are currently mainly relying on recommendations from the existing Board, Senior Management or major shareholders as this may speed up the appointment process. Nevertheless, the Board and the NC would not hesitate to utilise independent sources in identifying suitably qualified candidates in future, when necessary.

As set out in the Terms of Reference of the NC, the directors appointment process shall be carried out by evaluating the recommended candidates based on the prescribed set of criteria.

4.7 Nominating Committee

The present NC comprises exclusively of Independent Non-Executive Directors as below:

Position	Name	Directorship
Chairperson	Choo Yem Kuen *(Appointed on 16/12/2021)*	Independent Non-Executive Director
Chairman	Dato' Zulkifli Bin Adnan *(Ceased on 16/12/2021)*	Independent Non-Executive Chairman
Member	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Chong Chin Look	Independent Non-Executive Director

The NC is primarily responsible for overseeing the selection and assessment of Directors for appointment, re-election or re-appointment to the Board and Board Committees. The detailed roles and responsibilities of the NC have been specified in the Terms of Reference of the NC which is made available on the Company's website at http://www.cekd.com.my/corporate-governance.

4.8 Directors' Training and Professional Development

The NC is to ensure that all members of the Board undergo an appropriate board induction and training programmes. The Board through the NC has assumed the onus of determining and overseeing the training needs of the Directors. The Directors are mindful of the need for continuous training to keep abreast of the relevant changes in laws, regulations and the business environment to effectively discharge their responsibilities and are encouraged to attend forums, training and seminars in accordance with their respective needs in discharging their duties as Directors. All the Directors have successfully completed the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities, except Ms. Choo Yem Kuen, who was newly appointed to the Board of the Company on 16 December 2021. The newly appointed Director will be attending the MAP within four (4) months from the date of her appointment in accordance to AMLR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

4 Board Diversity and Objectivity (Cont'd)

4.8 Directors' Training and Professional Development (Cont'd)

The Company shall facilitate the attendance of any training programme, course or seminar by any Director, for the purposes of continuing education and training. The Directors regularly attend training and related events. During the financial year under review, our Directors have attended the following training programmes:

Name of Directors	Date of Programme	Subject Matters
Dato' Zulkifli Bin Adnan	26 – 28/7/2021 13/9/2021	Mandatory Accreditation Program Post-listing obligation
Yap Tian Tion	26 – 28/7/2021 13/9/2021	Mandatory Accreditation Program Post-listing obligation
Yap Kai Ning	26 – 28/7/2021 13/9/2021	Mandatory Accreditation Program Post-listing obligation
Datuk Mak Foo Wei	26 – 28/7/2021 13/9/2021	Mandatory Accreditation Program Post-listing obligation
Chong Chin Look	13/9/2021	Post-listing obligation
Yap Kai Min *(Appointed on 16/12/2021)*	26 – 28/7/2021 13/9/2021	Mandatory Accreditation Program Post-listing obligation

5 Overall Board Effectiveness

5.1 Annual Evaluation

The Board has, through the NC assessed and evaluated the performance and effectiveness of the Board and Board Committees, as well as each individual Directors for the FYE 2021. The process was carried out via digital assessment forms sent to Directors pertaining to the following evaluation:

1) Performance Evaluation for the Board and Board Committees
2) Performance Evaluation for Individual Director
3) Assessment of the Effectiveness of the AC as a Whole

The Board was satisfied with the results of the annual assessment and the current size and composition of the Board is appropriate and well-balanced with the right mix of skills, comprising individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its duties and responsibilities effectively.

From the annual assessment, the NC has recommended to the Board and the Board agreed to appoint an additional woman Independent Non-Executive Director to:

a) adopt the best practice under Practice Note 5.9 of MCCG to work towards 30% women representation on the Board; and

b) adopt the best practice under Practice Note 1.4 of MCCG to fill in the vacancy of the Board Committees, namely AC, NC and RC, to replace the Chairman of the Board as the Chairman and/or Members of Board Committees.

Going forward, the Board will focus its efforts on reviewing and addressing the aforesaid recommendation to strive further for ensuring the effectiveness of the Board, diversity of gender and in so doing, it aims to achieve the best corporate governance practices and further enhance the corporate value.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION

6 Board Remuneration

6.1 Remuneration Policy

The Board has not established a formal Remuneration Policy as a guide for the Board and the RC to determine the remuneration of Directors and/or Senior Management of the Group.

The remuneration is reviewed by the RC on an annual basis prior to making its recommendations to the Board for approval. In its review, the RC considers various factors including the Directors' fiduciary duties, time commitments and expertise expected from them and the Company's performance. The remuneration packages of the Deputy Chairman, MD and Senior Management are tabled and reviewed by the RC based on the Key Performance Indicators, before recommendation is made to the Board for approval.

For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities. A review of the fees for Non-Executive Directors should take into account fee levels and trends for similar positions in the market, time commitment required from the Director (estimated number of days per year). Such review should take into consideration any additional responsibilities undertaken such as a Director acting as Chairman of a Board Committee or as the Senior Independent Non-Executive Director.

Apart from recommending the remuneration package of MD to the Board, the remuneration of the Senior Management (where they are not a Director of the Company) also be recommended by the RC. In determining the remuneration for the Senior Management, the RC should ensure that the rewards are in line with the following key objectives:

i. The offer is sufficient to attract and retain the best candidate in the short term;

ii. The incentives offered are appropriate to motivate the Senior Management to perform at their maximum on a continuous basis; and

iii. The Senior Management's remuneration is aligned with shareholder value whilst creating an effective "golden handcuff" in the long term.

The RC is responsible to review the Directors' fees and benefits before recommend to the Board for shareholders' approval at the forthcoming Annual General Meeting ("AGM").

6.2 Remuneration Committee

The Board has established a RC, comprising exclusively of Independent Non-Executive Directors as below:

Position	Name	Directorship
Chairman	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Chong Chin Look	Independent Non-Executive Director
Member	Choo Yem Kuen *(Appointed on 16/12/2021)*	Independent Non-Executive Director
Member	Dato' Zulkifli Bin Adnan *(Ceased on 16/12/2021)*	Independent Non-Executive Chairman

The RC is principally responsible for the development and review of the remuneration policy and packages of the Board members, and subsequently furnishes their recommendations to the Board for adoption. The RC is also responsible to ensure that the remuneration package and benefits of the Board and the Senior Management of the Group are benchmarked with industry standards in light of the Group's performance in the industry.

Each Director will abstain from the deliberation and voting on matters pertaining to their own remuneration. The Terms of Reference of RC which details out the roles and responsibilities in relation to the remuneration matters, is made available on the Company's corporate website at http://www.cekd.com.my/corporate-governance.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

7 Remuneration of Directors and Key Senior Management

7.1 Remuneration of Directors

The RC takes into consideration of the factors such as individual responsibilities, commitment to the Board and the Group, complexities and performance of the Group and other factors in determining the remuneration of the Directors.

The total remuneration of the Directors on a named basis for FYE 2021 is as follows:

	Company		Group					
Director	Fees (RM'000)	Meeting Allowance (RM'000)	Fee (RM'000)	Salary (RM'000)	Bonus (RM'000)	Company Contribution (RM'000)	Other Emoluments (RM'000)	Benefits-in-Kind (RM'000)
Dato' Zulkifli Bin Adnan	-	4	-	-	-	-	-	-
Yap Tian Tion	-	-	225	148	18	21	-	-
Yap Kai Ning	-	-	120	148	15	28	2	-
Datuk Mak Foo Wei	-	4	-	-	-	-	-	-
Chong Chin Look	-	4	-	-	-	-	-	-
Choo Yem Kuen *(Appointed on 16/12/2021)*	-	-	-	-	-	-	-	-
Yap Kai Min *	-	-	20	34	-	9	13	-
Other Executive Directors of subsidiaries #	-	-	35	100	18	21	37	-
Total	**-**	**12**	**400**	**430**	**51**	**79**	**52**	**-**

Notes:
* *Yap Kai Min is the Executive Director of Hotstar.*
# *Lee Sen Teck and Khaw Kheng Lean are the Executive Director of Hotstar and Focuswin respectively.*

7.2 Remuneration of Key Senior Management

In determining the remuneration packages of the Group's Key Senior Management, factors that are taken into consideration include individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration package is competitive and sufficient to ensure that the Group is able to attract and retain the talents.

The Board is of the view that the disclosure of the top five (5) Senior Management's remuneration on named basis would have adverse effect on the Company's talent retention in the highly competitive industry. Premised on the security and confidentiality of the remuneration package of our Senior Management, the Board has adopted a disclosure of our Senior Management remuneration in bands of RM50,000 on an unnamed basis. The disclosure of the remuneration paid to Senior Management for FYE 2021 analysed into the bands of RM50,000 are set out in the Corporate Governance Report of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

8 Effective and Independent Audit and Risk Management

8.1 Chairman of AC

The AC is chaired by Mr. Chong Chin Look, an Independent Non-Executive Director, who is the member of MICPA and a Chartered Accountant with the MIA. He is not the Chairman of the Board.

8.2 Former Key Audit Partner

In order to safeguard the utmost independence of audit, the Board has the Terms of Reference of AC in place, which included a policy that requires a former key audit partner who was part of the engagement team who made key decisions or judgements on significant matters with respect of the audit of the financial statements of the Group, to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC.

The Terms of Reference of AC is made available on the Company's website at http://www.cekd.com.my/corporate-governance.

8.3 Assessment of External Auditors

The AC is entrusted to review both audit-related and non-audit services rendered by the external auditors. The AC has the explicit authority to communicate directly with the external auditors without the presence of Executive Directors and the Management to discuss on audit findings and any related matters, when necessary.

The external auditors provide mainly audit-related services to the Company. The external auditors also undertake certain non-audit services such as regulatory reviews and reporting accountant for listing exercise. The fees paid/ payable to the external auditors for the provision of statutory audit and non-audit related services for FYE 2021 are as follows:

Fees paid/ payable to the external auditors	Company (RM'000)	Group (RM'000)
Statutory Audit	12	71
Non-Audit	11	56

In assessing or determining the suitability, objectivity and independence of the external auditors, the AC has taken into consideration of the following:

i) the independence of the external audit firm;

ii) the adequacy in terms of the competency, experience and quality of the external auditors;

iii) the external auditors' resources capacity and ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the Audit Planning Memorandum; and

iv) the nature and extent of the non-audit services rendered by the external auditors and fees paid for such services.

The external auditors, in supporting their independence, will provide the AC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.

Annual assessment on the performance and suitability of the external auditors is conducted by the AC and the AC is satisfied with competence and independence of the external auditors during FYE 2021. The AC has recommended the re-appointment of Messrs. Ecovis Malaysia PLT as external auditors for the FYE 2022. Such re-appointment will be presented on the forthcoming AGM to seek for shareholders' approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART I – AUDIT COMMITTEE (CONT'D)

8 Effective and Independent Audit and Risk Management (Cont'd)

8.4 Composition of the AC

The present AC comprises exclusively of Independent Non-Executive Directors as below:

Position	Name	Directorship
Chairman	Chong Chin Look	Independent Non-Executive Director
Member	Choo Yem Kuen *(Appointed on 16/12/2021)*	Independent Non-Executive Director
Member	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Dato' Zulkifli Bin Adnan (Ceased on 16/12/2021)	Independent Non-Executive Chairman

The AC's principal objective is to assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting, external audit and internal controls.

The AC discharges its responsibilities in accordance with its Terms of Reference, which is available on the Company's website at http://www.cekd.com.my/corporate-governance.

8.5 Financial Literacy of AC Members

Mr. Chong Chin Look, the Chairman of AC, is a member of MICPA and MIA and has been involved in accounting and financial functions for more than 30 years. The other members of the AC, Datuk Mak Foo Wei has been involved in the legal profession for more than 25 years whilst Ms. Choo Yem Kuen who was appointed on 16 December 2021 is a practicing lawyer with more than 33 years experiences and she has vast experience in corporate advisory work.

Although only one-third of the AC is a member of a professional accounting body, all AC members are financially literate by keeping themselves abreast of the relevant developments in accounting and auditing standards, practices and rules with continuous professional development and updates on the latest developments in new accounting and auditing standards, practices and rules by the Management and external auditors.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL

9 Adequate Risk Management and Internal Control

9.1 Effective Risk Management and Internal Control Framework

The Board acknowledges that the Group's objectives and sustain success can only be achieved with a proper risk management and internal control framework. In order to ensure that the Company makes informed decision about the level of risk involved and implement necessary controls to pursue its objectives, the Board has undertaken to establish a risk management and internal control framework with the assistance from the AC and RMC.

An Enterprise Risk Management ("ERM") Framework has been established to manage risks and to safeguard shareholders' investment and the Company's assets. By incorporating the five (5) key process pertaining to the identification, analysis, responding, evaluating and reporting of the Group's risks, the framework enables the Group to identify, evaluate and mitigate any significant risks that may affect the achievement of the business objective. Any key risks assessed are reported to the RMC for discussion during the RMC meeting.

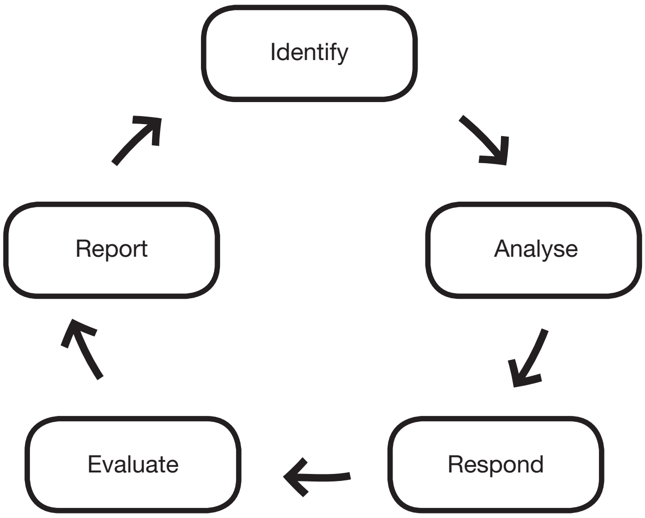
CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II – RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

9 Adequate Risk Management and Internal Control (Cont'd)

9.1 Effective Risk Management and Internal Control Framework (Cont'd)

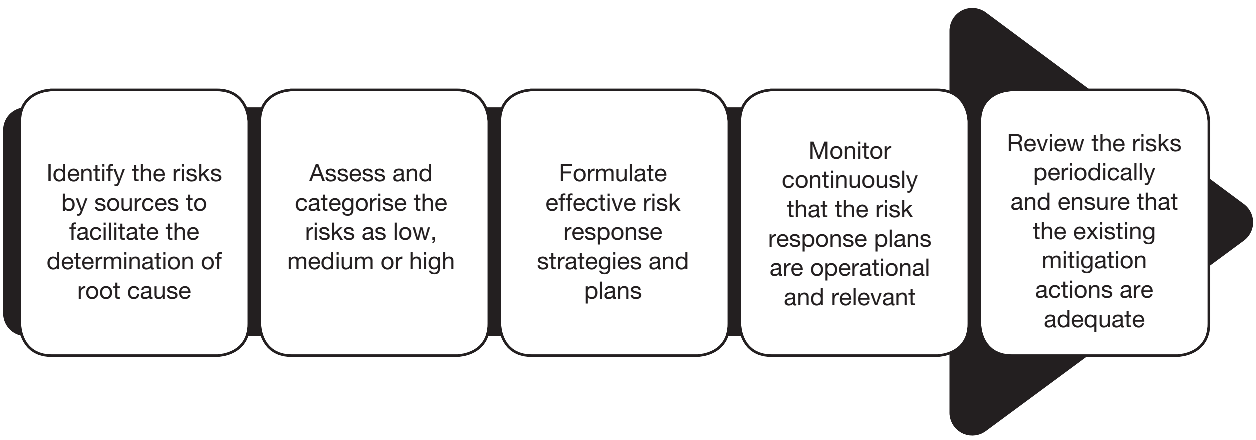


The Group has also implemented a set of SOPs that cover various operational areas to ensure smooth proceeding in the Group's internal controls system. The internal audit function is also in place by appointing the outsourced internal auditors to review and evaluate the Group's risk management and internal controls systems regularly.

The key elements of risk management and internal control of the Group are set out in the Statement on Risk Management and Internal Control of this Annual Report.

9.2 Features of Risk Management and Internal Control Framework

In order to ensure that the Board makes informed decision about the level of risk involved and implement necessary controls to pursue its objectives, the Board has undertaken the following features and process of the risk management and internal control framework:



The Board has established a Risk Register which documented with identified risks, relevant risk ratings, mitigation plans/actions and relevant key person-in-charge. The Risk Register shall be reviewed and updated periodically to remain relevant in line with the ever-changing business environment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II – RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

9 Adequate Risk Management and Internal Control (Cont'd)

9.3 Risk Management Committee

The present RMC comprises a majority of Independent Non-Executive Directors as below:

Position	Name	Directorship
Chairman	Chong Chin Look	Independent Non-Executive Director
Member	Dato' Zulkifli Bin Adnan	Independent Non-Executive Chairman
Member	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Yap Kai Ning	Managing Director
Member	Choo Yem Kuen *(Appointed on 16/12/2021)*	Independent Non-Executive Director

The RMC has recommended to the Board for approval on the key features of the ERM Framework together with details of the Company's internal control system which are set out in the Statement of Risk Management and Internal Control of the Company of this Annual Report.

10 Internal Audit and Governance Control

10.1 Internal Audit Function

In line with the AMLR and the MCCG, the Board has established an internal audit function, which reports directly to the AC on the adequacy and effectiveness of the system of risk management and internal controls from the perspective of governance, risk and controls.

In this regard, the internal audit function of the Group has been outsourced to a professional firm, Eco Asia Governance Advisory Sdn Bhd (formerly known as Eco Asia Advisory Sdn Bhd) in order to ensure that the internal audit is able to function independently and objectively. The internal auditors performed review processes according to the Internal Audit Plan which have been approved by the AC as to whether risks or weaknesses, which may hinder the Group from achieving its objectives, are being adequately evaluated, managed and controlled periodically.

The outsourced internal auditors report directly to the AC on the internal audit findings and recommendations through AC meetings. Areas of improvement in internal controls have been identified and the implementation of action plans based on proposed recommendations shall subsequently be initiated.

Based on the internal audit report for FYE 2021, the Board is satisfied that there are no significant weaknesses in the internal control system that may have a material impact and would require disclosure in the Annual Report. Further details of internal audit function are reported in the Corporate Governance Report.

The professional fee payable to the outsourced internal auditors for the FYE 2021 is RM10,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

PART I – COMMUNICATION WITH STAKEHOLDER

11 Stakeholder Engagement

11.1 Communication with Stakeholders

The Group strives to maintain an effective and transparent channel of communication with its stakeholders with the objective of providing as clear and complete picture of the Group's business and corporate developments. The provision of timely information is important to the shareholders and investors for informed decision making.

As such, various channels of communication have been implemented with stakeholders as follows:

Email and face-to-face communications	Main communication channel in our day-to-day operations
Company corporate website	Provides a myriad of relevant information such as corporate profile, products and investor relation on our Group
Announcements made to Bursa Securities	Latest announcements such as material information, updates and periodic financial reports in the dedicated website of Bursa Securities at www.bursamalaysia.com
Annual Report	Communicating the Group's business overview, financial performance, corporate governance, sustainability measures as well as prospects of the Group
AGM	Main forum of dialogue for shareholders to make known their views and raise any matters of concern pertaining to the Group

PART II – CONDUCT OF GENERAL MEETINGS

12 General Meetings

12.1 Notice of AGM

The AGM is the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication. In line with good corporate practice, the notice of AGM and Annual Report will be emailed or dispatched to registered shareholders of not less than twenty-eight (28) days prior to the meeting to enable the shareholders to have full information about the meeting to facilitate informed decision-making.

The Group's AGM is scheduled on 22 February 2022, the notice of AGM will be issued on 30 December 2021. In addition, the notice of publication of the Annual Report and the notice of AGM will be published on the Company's website and Bursa Securities for shareholders' attention.

12.2 Participation at AGM

The tentative dates of the AGM are discussed and confirmed by the Board in advance to ensure that the Directors have sufficient time to make necessary arrangement to attend the planned AGM.

Barring unforeseen circumstances, the Board will ensure that all Board members, particularly the chairman/ chairperson of each Board Committee will make their endeavour to attend the AGM to facilitate the engagement with shareholders and readily available to provide meaningful response in addressing any relevant questions and concerns raised by the shareholders.

The external auditors will also be invited to attend the AGM to respond to any queries raised by shareholders relevant to the conduct of audit and financial statements of the Group, if any.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)

12 General Meetings (Cont'd)

12.3 Encouraging Shareholders' Participation and Voting at AGM

In view of the Covid-19 pandemic which has yet to be eradicated and as part of the Company's precautionary measures and initiatives, the Company had opted to convene its AGM virtually through live streaming from the broadcast venue and online remote voting using the Remote Participation and Voting Facilities. This allows shareholders to attend, participate, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM of the Company.

In line with the AMLR of Bursa Securities, all resolutions set out in the notice of AGM will be carried out by poll voting. The shareholders will be briefed on the e-polling voting procedures by the appointed Poll Administrator to conduct the polling process and an independent scrutineer will be appointed to verify the poll results. The poll results of the AGM will be announced on the same day to Bursa Securities whilst the minutes of the AGM will also made available on the Company's website after it has been confirmed and signed by the Chairman of the AGM.

COMPLIANCE STATEMENT

This statement was prepared in compliance with Rule 15.25 of the AMLR and it is to be read together with the Corporate Governance Report.

Saved as disclosed above, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices as set out in the MCCG and all other applicable laws, where applicable and appropriate.

This Corporate Governance Overview Statement was approved by the Board on 1 December 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of CEKD is pleased to present the Statement on Risk Management and Internal Control for the FYE 2021, which has been prepared in accordance with Rule 15.26(b) of the AMLR, MCCG and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

The Board acknowledges its overall responsibility for maintaining sound risk management and internal control system as a whole to safeguard the shareholders' investments and the Group's assets, and to discharge its stewardship responsibility in identifying and evaluating risks to manage these risks.

In view of the risk management and internal control system is designated to provide reasonable but not absolute assurance of its effectiveness and is designated to manage rather than eliminate the risk of failure to achieve the corporate aims and objectives, the Board is satisfied that the risk management and internal control system have been operating adequately to safeguard the shareholders' investment, the interests of customers, suppliers, regulators, employees and the Group's assets for the financial year under review and up to the date of issuance of the Annual Report.

RISK MANAGEMENT

Along with the ERM Framework, the Board is supported by the RMC to identify, evaluate and manage the significant risks faced by the Group on an ongoing basis.

The RMC, comprising four (4) Independent Non-Executive Directors and the Managing Director, held one (1) meeting in FYE 2021 to review and deliberate key risks and appropriate mitigating controls.

The key roles and responsibilities of the RMC are as follows:

(i) To provide insight, direction and counsel to the Group's risk management process;

(ii) To recommend for the Board's approval the Group's ERM Framework, policies, strategies, key risk indicators and risk tolerance levels and any proposed changes thereto; and

(iii) To evaluate the effectiveness of the risk management structure, processes and support system to identify, assess, monitor and manage the Group's key risks.

The full duties and responsibilities of RMC is set out in its Terms of Reference, which is accessible on the Company's website at http://www.cekd.com.my/corporate-governance.

The ERM Framework adopted outlines the five (5) steps process to identify, analyse, respond, monitor and report the key risks faced by the Group. Also, the risk profile of the Group has been compiled to help the Board and Management to prioritise their focus on areas of high risk in the risk profile. The corresponding controls to manage the risks have also been documented to improve on the system of controls in order to manage the risks more effectively.

The Board, with the concurrence from RMC is satisfied with the risk management system in place in the Group which provides adequate and effective risk management during the financial year and up to the date of approval of this Annual Report.

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

INTERNAL CONTROL SYSTEM

Internal control system is advocated and embedded into various day-to-day operational policies and procedures of business segments across the Group to ensure that the Group's business is being managed effectively and sustainably. The Management is delegated with the responsibility for the implementation of internal controls within the Group. Any significant internal control deficiencies affecting the Group's strategic and business plans shall be escalated to the Board at the scheduled meetings. AC has also been delegated with the accountability to review the adequacy and effectiveness of the internal controls and governance processes in the Group.

Key internal controls in place for the Group are as follows:

(i) Standard operating policies and procedures that cover various operational areas which are subject to regular review and improvement;

(ii) ISO 9001:2015 under the scope of "manufacturing die-cutting mould, tool and die excluding design and development" serves as the basis of operations of the Group;

(iii) Well-defined organisational structure with defined scopes of responsibility, clear lines of accountability, appropriate segregation of duties and delegation of authority that sets out decision that needs to be taken and the appropriate levels of Management involved including matters that require the Board's approval;

(iv) The internal audit function carries out internal audit review to ascertain the adequacy and effectiveness of operational and procedures;

(v) The Board and AC meet at least once on a quarterly basis to review and deliberate on quarterly financial results, annual financial statements and related party transactions;

(vi) Discussions with Management were held to deliberate on the actions that are required to be taken to address internal control deficiencies identified. The Board also plays an active role in discussing and reviewing the business plans, strategies, performance and risks faced by the Group; and

(vii) An ABC Policy to prohibit all forms of bribery and corruption practices and the Group is committed to conducting business free from any acts of bribery or corruption in upholding high standards of ethics and integrity.

INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to an independent professional service provider ("internal auditor"), Eco Asia Governance Advisory Sdn Bhd (formerly known as Eco Asia Advisory Sdn Bhd). The internal auditor provides the Group a professional, independent and more objective review on the overall adequacy of the Group's internal control system.

During FYE 2021, the internal auditor has conducted internal control review of ABC Policy and Whistleblowing Policy.

The internal auditor, performed review processes according to the Internal Audit Plan which have been approved by the AC to examine and evaluate the adequacy and efficiency of the internal control system. The internal audit report which highlights the weaknesses or non-compliance are presented at the AC Meetings. The Management is responsible for ensuring that corrective actions are taken within the stipulated time frame. Nevertheless, subsequent review on the implementation of corrective actions taken for previous audit findings will also be performed by the internal auditor and report to the AC.

Based on the internal audit report for FYE 2021, the Board is satisfied that there were no significant weaknesses in the internal control system that may have a material impact and would require disclosure in the Company's Annual Report.

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

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of AMLR, the external auditors, Messrs. Ecovis Malaysia PLT, has reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company for the FYE 2021 and reported to the Board that based on their review, nothing has come to their attention that causes them to believe that the statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

MANAGEMENT'S ASSURANCE

The Deputy Executive Chairman and MD, representing the Management, has given reasonable assurance to the Board that the Group's risk management and internal control system are adequate and effective in all material aspects, based on the risk management and internal controls adopted by the Group. The Board also received assurance from the Management that nothing has come to their attention which may render the financial results presented and information provided to be false and misleading in any material aspect.

CONCLUSION

The Directors believes that the system of the risk management and internal control is considered appropriate to the business operations and that the risk taken is at an acceptable level within the context of the business environment of the Group. It should be noted that such arrangements do not eliminate the possibility of collusion or deliberate circumvention of procedures by employees. Human error and/or other unforeseen circumstances can result in poor judgement. For the financial year under review, there was no significant internal control deficiencies or material weaknesses resulting in material losses, contingencies or uncertainties which would require separate disclosure in this Annual Report.

The statement was approved by the Board on 1 December 2021.

AUDIT COMMITTEE REPORT

The Board is pleased to present the following Audit Committee Report which provides insights as to the manner the AC discharged its functions for the Group for FYE 2021, in compliance with Rule 15.15(1) of the AMLR as well as the MCCG.

1. COMPOSITION OF THE AUDIT COMMITTEE

The AC was established in 2020 with the primary objective to assist the Board in discharging its statutory duties and responsibilities in relation to corporate governance, internal control systems, risk management, accounting and financial reporting practices of the Company and its subsidiaries (if any), and to ensure proper disclosure to the shareholders of the Company.

The AC was appointed by the Board amongst its members, with all of them being Independent Non-Executive Directors:

Name	Designation	Directorship
Chong Chin Look	Chairman	Independent Non-Executive Director
Datuk Mak Foo Wei	Member	Independent Non-Executive Director
Choo Yem Kuen *(Appointed on 16/12/2021)*	Member	Independent Non-Executive Director
Dato' Zulkifli Bin Adnan *(Ceased on 16/12/2021)*	Member	Independent Non-Executive Chairman

The Chairman of the AC, Mr. Chong Chin Look is an Independent Non-Executive Director. In this respect, the Company complies with Rule 15.10 of the AMLR. Furthermore, in compliance with Practice 8.1 of the MCCG, the Chairman of the AC is not the Chairman of the Board. In addition, the Company also complies with Rule 15.09(2) of the AMLR as no alternate Director is appointed as a member of the AC.

Mr. Chong Chin Look is also a member of the MICPA and a member of the MIA. This complies with Rule 15.09(1)(c)(i) of the AMLR.

2. TERMS OF REFERENCES

A copy of the latest Terms of Reference of the AC is available on the Company's website at http://www.cekd.com.my/corporate-governance.

3. MEETINGS AND ATTENDANCE

During the FYE 2021, the AC did not hold any meeting as the Company was listed on 29 September 2021, which is after the financial year. Subsequent to the FYE 2021, the AC held three (3) meetings on 3 September 2021, 25 October 2021 and 1 December 2021 respectively. The AC members attended all the three (3) meetings held after FYE 2021.

A representative of the external auditors and/or internal auditors shall normally attend the AC meetings when necessary. Other Board members and Senior Management employees may attend any particular meeting only at the invitation by AC, specific to the relevant meeting.

Minutes of each meeting were recorded and tabled for confirmation at the next AC meeting and subsequently presented to the Board for notation.

AUDIT COMMITTEE REPORT
(CONT'D)

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

In accordance with the Terms of Reference, our AC has carried out the following activities during the financial year to meet its responsibilities:

Financial Reporting

(i) Reviewed the quarterly financial results and annual audited financial statements of the Group focusing in particular on any changes in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, going concern assumption and compliance with accounting standards and other regulatory or legal requirements, to ensure the quarterly financial results and annual audited financial statements are prepared in accordance with the applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), the requirements of the Companies Act 2016 in Malaysia and the AMLR; and

(ii) Discussed with Management and the external auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements as well as issues and reservations arising from the statutory audit.

External Audit

(i) Reviewed the engagement, compensation, qualifications, performance and independence of external auditors, its conduct of the annual statutory audit of financial statements;

(ii) Discussed and approved the Audit Planning Memorandum ("APM"), which details the areas of audit approach, scope of work and significant risks prior to its implementation to ensure the effectiveness of the audit strategy and quality of audit prior to the Board's approval;

(iii) Reviewed and approved the draft annual financial statements for FYE 2021 before recommending to the Board for approval;

(iv) Discussed Audit Review Memorandum ("ARM") for the financial year;

(v) Assessed the performance of external auditors and made recommendations to the Board on their re-appointment;

(vi) Reviewed and discussed key audit matters with the external auditors to ensure the most significant issues in the audit are disclosed, and to address the issues highlighted by the external auditors with Management; and

(vii) Met with external auditors during the financial year without the presence of Executive Board members and the Management, during which meetings with the external auditors were given the opportunity to raise any issues of concern directly to the AC and RMC.

Internal Audit

(i) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

(ii) Reviewed the effectiveness of the audit process, resource requirements during the financial year and performance of the independent professional internal auditor on half yearly basis;

(iii) Reviewed the internal audit reports, findings and recommendations of the independent professional internal auditor to ensure that appropriate actions were taken to improve the Group's internal control system; and

(iv) Reviewed any matters relating to the appointment of the independent professional internal auditor.

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

Risk Management and Internal Control

(a) Reviewed the effectiveness of the internal control system and risk management framework adopted within the Group and to be satisfied that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to mitigate losses;

(b) Assessed the systems processes, policy and procedures to ensure compliance with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;

(c) Reviewed the system of internal control to ensure that they are in place, effectively administered and regularly monitored; and

(d) Recommended to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors.

Related Party Transactions

(i) Reviewed any related party transactions entered into by our Group and any conflict of interest situation that may arise within our Group; and

(ii) Ensured adequate procedures and processes were conducted to monitor recurrent related parties' transactions ("RRPT").

Other Matters

(i) Reviewed and approved the Terms of Reference of the AC of the Company;

(ii) Reviewed Audit Committee Report and Statement on Risk Management and Internal Control prior to submission to the Board's consideration and approval and inclusion in the Annual Report; and

(iii) Reviewed and ensured Corporate Governance Overview Statement complied with MCCG for inclusion in the Annual Report.

5. INTERNAL AUDIT FUNCTION

With the internal audit function being put in place, remedial actions can be taken in relation to weaknesses identified. The setting up of the internal audit function is geared towards increasing efficiency and better management of resources in all aspects of the Group's operations.

The Board has outsourced its internal audit function to an independent professional service provider with suitable experience and capabilities to handle the internal audit functions, who reports directly to the AC. The qualification and the experience of the outsourced internal auditors namely Eco Asia Governance Advisory Sdn Bhd (formerly known as Eco Asia Advisory Sdn Bhd), have been set out in the Corporate Governance Report of the Company.

The activities performed by the independent professional internal auditors during FYE 2021 include:

(i) Developed Internal Audit Plan for the FYE 2021, setting out the implementation of the internal audit scope for the approval of the AC;

(ii) Performed review processes to examine and evaluate the adequacy and efficiency of the internal controls; and

(iii) Issued internal audit report to the AC and Management by identifying control weaknesses and non-compliance matters as well as highlighting recommendations for improvements.

AUDIT COMMITTEE REPORT
(CONT'D)

5. INTERNAL AUDIT FUNCTION (CONT'D)

The internal audit engagements executed and reported during FYE 2021 which include the review on the ABC Policy and Whistleblowing Policy. The professional fee for the internal audit function in FYE 2021 was RM10,000.

For FYE 2021, the engagement team personnel have affirmed to the AC that in relation to the Company/Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency. The AC and the Board are satisfied with the performance of the independent professional internal auditor and have in the interest of greater independence and continuity in the internal audit function, taken the decision to continue outsourcing the internal audit function.

For further details on the risk management and internal control, please refer to the Statement on the Risk Management and Internal Control set out in this Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for the preparation of financial statements for each financial year and ensure that the financial statements of CEKD have been drawn up in accordance with the applicable MFRS, IFRS and the requirements of the Companies Act 2016.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group as at 31 August 2021, and of the financial performance and cash flows for the financial year.

In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

(i) The Company has adopted suitable and appropriate accounting policies and has applied them consistently throughout the year;
(ii) Made judgements and estimates that are reasonable and prudent;
(iii) Prepared the financial statements on a going concern basis; and
(iv) Ensure compliance with the application of the approved accounting standards in Malaysia, subject to any material departure and explained in the financial statements.

The Directors are also responsible for ensuring that the Group and the Company maintain proper accounting records and other records which disclose the financial position of the Group and the Company with reasonable accuracy at any time.

The Directors are also having general responsibilities to take such reasonable steps to ensure that appropriate systems are reasonably available to them to safeguard the assets of the Group and the Company to minimise fraud, other irregularities and material misstatements. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

This statement is made in accordance with a resolution of the Board passed on 1 December 2021.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM IPO

As at 31 August 2021, our IPO exercise has yet to be completed and on 6 September 2021, our Company issued its prospectus in relation to the public issue of 50,590,000 new ordinary shares in conjunction with the IPO.

Our Company was listed on ACE Market of Bursa Securities on 29 September 2021. In conjunction with the listing, our Company undertook a public issue of 50,590,000 new ordinary shares at an issue price of RM0.48 per share, raising gross proceeds of RM24.28 million.

As at 30 November 2021, the utilisation of proceeds are summarised as follows:

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimated Timeframe for the Utilisation Upon Listing
Acquisition of factory for Hotstar	8,800	8,800	-	24 months
Capital expenditure comprising:				
• Purchase of new machineries	3,000	-	3,000	24 months
• Upgrade and development of computer software and server	1,300	-	1,300	24 months
Repayment of bank borrowings	4,000	-	4,000	6 months
Marketing activities	1,500	-	1,500	24 months
General working capital	2,683	971	1,712	24 months
Estimated listing expenses	3,000	3,000	-	Immediately
Total	**24,283**	**12,771**	**11,512**	

The utilisation of proceeds as disclosed above should be read in conjunction with the prospectus of our Company dated 6 September 2021.

2. AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

During the financial year, the amount of audit and non-audit fees paid/payable to the external auditors, namely Ecovis Malaysia PLT by our Company and the Group respectively were as follows:

	The Company	The Group
	RM	RM
Audit Fees	12,000	70,500
Non-Audit Fees	10,700	56,000

3. MATERIAL CONTRACTS

Save as disclosed below, there were no material contract entered into by our Company and the subsidiaries involving the interest of the Directors and major shareholders of our Company which was still subsisting at the end of FYE 2021.

In conjunction with our Company's listing exercise on the ACE Market of Bursa Securities, our Company had on 7 December 2020, entered into the following agreement:

(i) Conditional share sale agreement with CEKD Holding to acquire the entire equity interest in Sharp DCM comprising 1,500,000 ordinary shares for a purchase consideration of RM28,634,400 which was satisfied by the issuance of 120,312,605 new ordinary shares at an issue price of RM0.238 each; and

(ii) Conditional share sale agreement with CEKD Holding to acquire the entire equity interest in Hotstar comprising 850,000 ordinary shares for a purchase consideration of RM5,633,500, which was satisfied by the issuance of 23,670,168 new ordinary shares at an issue price of RM0.238 each.

The acquisition of Sharp DCM and Hotstar were completed on 21 June 2021.

4. RECURRENT RELATED PARTY TRANSACTION

During FYE 2021, there was no RRPT entered which requires shareholders' mandate.

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 August 2021.

Principal activities

The principal activity of the Company is investment holding. The Company commenced business operations on 21 June 2021.

The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

Results

	Group RM	Company RM
Profit/(Loss) for the financial year	6,283,878	(653,333)
Attributable to:		
- Owners of the Company	6,283,878	(653,333)

In the opinion of the Board of Directors, 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.

Reserves and provisions

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

Dividends

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

Directors

The Directors of the Company who served during the financial year up to the date of this report are:

Chong Chin Look
Dato' Zulkifli Bin Adnan
Datuk Mak Foo Wei
Yap Kai Ning*
Yap Tian Tion*

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

Khaw Kheng Lean
Lee Sen Teck
Yap Kai Min

* Directors of the Company and its subsidiary companies.

DIRECTORS' REPORT
(CONT'D)

Directors' benefits

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefits included in the aggregate amount of fees and emoluments received or due and receivable by the Directors from the Company and its related corporations, or the fixed salary of a full time employee of the Company or its related corporations as disclosed in Note 31 (c) to the financial statements) by reason of a contract made by the Company or its related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have substantial financial interests in companies which traded with the companies in the Group in the ordinary course of business as disclosed in Note 31 (b) to the financial statements.

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, being arrangements with the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests of Directors in office at the end of the financial year in the shares of the Company and of its holding company during the financial year (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) are as follows:

	Number of ordinary shares			
	As at 01.09.2020	**Acquired**	**Sold**	**As at 31.08.2021**
Interest in the holding company				
CEKD Holding Sdn. Bhd.				
Direct interest:				
Yap Kai Ning	11,930,571	-	-	11,930,571
Deemed interest:				
Yap Tian Tion *	59,652,854	-	-	59,652,854

* Deemed interest by virtue of his spouse, Lim Bee Eng's and children, Yap Kai Jie's, Yap Kai Ning's and Yap Kai Min's shareholdings in CEKD Holding Sdn. Bhd.

By virtue of their interest in the ordinary shares of the holding company, the above Directors are also deemed interested in ordinary shares of the Company and its related corporation to the extent the holding company has interest.

None of the other Directors in office at the end of the financial year has any interest in shares of the Company and its holding company during the financial year.

Directors' remuneration

Details of Directors' remuneration are set out in Note 31 (c) to the financial statements.

Issue of shares and debentures

During the financial year, the Company issued:

(i) 127 new ordinary shares at an issue price of RM 0.10 per ordinary share for a total consideration of RM13 to its existing shareholders to fund the working capital of the Company; and

(ii) 143,982,773 new ordinary shares at an issue price of RM0.238 per ordinary share for a total consideration of RM34,267,900 for acquisition of subsidiaries during the financial year.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There were no issue of debentures by the Company during the financial year.

Shares option scheme

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

Other statutory information

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there are no known bad debts and that adequate allowances had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

(i) which would render the writing off bad debts necessary or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading;

(iii) not otherwise dealt with in the report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading; and

(iv) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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

In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Significant and subsequent events during the financial year

Significant and subsequent events during the financial year are disclosed in Note 36 to the financial statements.

Holding company

The Directors regard CEKD Holding Sdn Bhd, a company incorporated and domiciled in Malaysia, as the holding company.

DIRECTORS' REPORT
(CONT'D)

Company's shareholding

The Company does not hold any shares in the holding company and the details of the Company's shareholding in other related corporations are disclosed in Note 6 to the financial statements.

Indemnity and insurance for Directors, officers and auditors

No indemnity has been given to or insurance effected for the Directors or officers of the Company pursuant to Section 289 of the Companies Act, 2016 ("the Act").

To the extent permitted by the Act, the Company has agreed to indemnify its auditors as part of the terms of their engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year.

Auditors' remuneration

Details of auditors' remuneration are set out in Note 25 to the financial statements.

Auditors

The auditors, ECOVIS MALAYSIA 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,

Yap Tian Tion
Director

Yap Kai Ning
Director

Kuala Lumpur
1 December 2021

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, **Yap Tian Tion** and **Yap Kai Ning**, being two of the Directors of **CEKD Berhad**, state that, in the opinion of the Directors, the accompanying financial statements set out on pages 66 to 119 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2021 and of the financial performance and the cash flows of the Group and of the Company for the financial year then ended.

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

Yap Tian Tion
Director

Yap Kai Ning
Director

Kuala Lumpur
1 December 2021

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT, 2016

I, **Yap Kai Ning**, being the Director primarily responsible for the financial management of **CEKD Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 66 to 119, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed at Kuala Lumpur in the
Federal Territory on 1 December 2021

Yap Kai Ning

Before me,

YM Tengku Fariddudin Bin Tengku Sulaiman
No. W533
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEKD BERHAD

(INCORPORATED IN MALAYSIA)
REGISTRATION NO. 201801023077 (1285096-M)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CEKD Berhad ("the Company") and its subsidiaries ("the Group") which comprise the statements of financial position as at 31 August 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 66 to 119.

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 August 2021, and their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing (ISAs). 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 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 matter that, in our professional judgement, were of most significance in our audit of 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.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
Recoverability of trade receivables Refer to Note 10 to the financial statements As at 31 August 2021, the Group has trade receivables relating to contracts with customers amounting to RM 5,533,674 Management assessed the expected credit loss of trade receivables as at 31 August 2021 in accordance with the Group's accounting policy. The Group adopted simplified approach (i.e. lifetime expected credit loss) in measuring the loss allowance, if any, for trade receivables. The expected credit loss is estimated based on past loss experience and observable data such as current changes and future forecasts in economic conditions. Management's conclusion on the expected credit loss is judgemental as it involves collective assessment on past, present and future conditions. Due to the significance of the trade receivables of the Group; and the involvement of management judgement and estimation in assessing the expected credit loss, these are considered key audit matters.	Our audit procedures included, among others, the following: • Understanding of the Group's process in assessing the recoverability of trade receivables; • Reviewed the ageing analysis of receivables and tested its accuracy; • Assessed and discussed with management on the reasonableness of the key bases and assumptions used in estimation of expected credit loss with reference to the aged debts as at reporting date, payment trends and previous collection experience; • Reviewed the collection of trade receivables subsequent to the end of the financial year; and • Assessed the completeness, accuracy and relevance of the disclosures required by MFRS 9. Based on the procedures performed, no material exceptions were noted.

(b) Company

We do not have any key audit matters in connection with the audit of the separate financial statements of the Company to be communicated in this report.

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 Directors' Report, which we obtained prior to date of auditors' report, and the other sections of the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon ("the other sections"), which are expected to be made available after that date.

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 on the other information that we obtained prior to date of our auditors' report, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEKD BERHAD (INCORPORATED IN MALAYSIA) REGISTRATION NO. 201801023077 (1285096-M) (CONT'D)

Report on the Audit of the Financial Statements (Cont'd)

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or has 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 that 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 ISAs 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 basis of these financial statements.

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

(a) 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on of the Group's and 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 and the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CEKD BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO. 201801023077 (1285096-M) (CONT'D)

Report on the Audit of the Financial Statements (Cont'd)

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action 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 and regulations 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 member 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.

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

CHUA KAH CHUN
02696/09/2023 J
Chartered Accountant

Kuala Lumpur
1 December 2021

STATEMENTS OF FINANCIAL POSITION
AS AT 31 AUGUST 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Assets					
Non-current assets					
Property, plant and equipment	5	25,941,569	27,223,831	-	-
Investment in subsidiaries	6	-	-	34,267,900	-
Goodwill on consolidation	7	453,570	453,570	-	-
Other investments	8	6,281,138	2,859,980	-	-
		32,676,277	30,537,381	34,267,900	-
Current assets					
Inventories	9	4,799,965	4,796,039	-	-
Trade receivables	10	5,533,674	6,486,313	-	-
Other receivables, deposit and prepayments	11	3,049,605	719,081	138,868	209,600
Fixed deposits with licensed bank	12	3,504,374	3,416,816	-	-
Cash and bank balances		6,517,432	8,344,115	4,965	10
		23,405,050	23,762,364	143,833	209,610
Total assets		56,081,327	54,299,745	34,411,733	209,610
Equity and liabilities					
Equity					
Share capital	13	34,267,923	2,350,010	34,267,923	10
Merger reserve	14	(31,917,900)	-	-	-
Retained earnings /(Accumulated losses)	15	38,109,251	35,155,373	(691,361)	(38,028)
Total equity/(Shareholders' deficits)		40,459,274	37,505,383	33,576,562	(38,018)
Non-current liabilities					
Loans and borrowings	16	11,465,399	12,261,325	-	-
Deferred tax liabilities	17	1,064,346	902,184	-	-
		12,529,745	13,163,509	-	-
Current liabilities					
Trade payables	18	328,873	205,235	-	-
Other payables and accruals	19	1,543,406	2,047,920	31,127	215,120
Amount owing to a subsidiary	20	-	-	804,044	-
Amount owing to a Director	21	-	32,508	-	32,508
Loans and borrowings	16	1,133,455	1,084,889	-	-
Tax payable		86,574	260,301	-	-
		3,092,308	3,630,853	835,171	247,628
Total liabilities		15,622,053	16,794,362	835,171	247,628
Total equity and liabilities		56,081,327	54,299,745	34,411,733	209,610

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Revenue	22	28,227,475	26,354,900	-	-
Cost of sales		(13,894,934)	(13,066,334)	-	-
Gross profit		14,332,541	13,288,566	-	-
Other income	23	574,238	368,552	-	-
Administrative expenses		(5,295,881)	(4,582,933)	(653,333)	(11,540)
Selling and distribution expenses		(436,833)	(530,545)	-	-
Other operating expenses		(218,306)	(24,632)	-	-
Net impairment (loss)/gain on financial assets		(10,071)	2,682	-	-
		8,945,688	8,521,690	(653,333)	(11,540)
Finance costs	24	(416,445)	(571,684)	-	-
Profit/(Loss) before tax	25	8,529,243	7,950,006	(653,333)	(11,540)
Tax expenses	26	(2,245,365)	(1,912,091)	-	-
Net profit/(loss)/Total comprehensive income /(loss) for the financial year		6,283,878	6,037,915	(653,333)	(11,540)
Net profit/(loss)/Total comprehensive income /(loss) for the financial year					
- Owners of the Company		6,283,878	6,037,915	(653,333)	(11,540)
EPS attributable to owners of the Company					
- Basic and diluted (sen per share)	27	4.36	4.19		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Note	Attributable to owners of the Company Non-distributable Share capital RM	 Merger reserves RM	 Distributable Retained earnings RM	Total equity RM
Group					
At 1 September 2019		2,350,010	-	32,636,887	34,986,897
Effects of adoption of MFRS 16		-	-	(49,429)	(49,429)
Net profit/Total comprehensive income for the financial year		-	-	6,037,915	6,037,915
Transaction with owners: -					
Dividend paid	28	-	-	(3,470,000)	(3,470,000)
At 31 August 2020/1 September 2020		2,350,010	-	35,155,373	37,505,383
Transaction with owners: -					
Issuance of ordinary shares pursuant to acquisition of subsidiaries		34,267,900	-	-	34,267,900
Issuance of ordinary shares		13	-	-	13
Adjustment on acquisition of subsidiaries		(2,350,000)	(31,917,900)	-	(34,267,900)
Dividend paid	28	-	-	(3,330,000)	(3,330,000)
		31,917,913	(31,917,900)	(3,330,000)	(3,329,987)
Net profit/Total comprehensive income for the financial year		-	-	6,283,878	6,283,878
At 31 August 2021		34,267,923	(31,917,900)	38,109,251	40,459,274

	Attributable to owners of the Company Non-distributable Share capital RM	 Distributable Accumulated losses RM	Retained earnings RM
Company			
At 1 September 2019	10	(26,488)	(26,478)
Net loss/Total comprehensive loss for the financial year	-	(11,540)	(11,540)
At 31 August 2020/1 September 2020	10	(38,028)	(38,018)
Transaction with owners: -			
Issuance of ordinary shares pursuant to acquisition of subsidiaries	34,267,900	-	34,267,900
Issuance of ordinary shares	13	-	13
	34,267,913	-	34,267,913
Net loss/Total comprehensive loss for the financial year	-	(653,333)	(653,333)
At 31 August 2021	34,267,923	(691,361)	33,576,562

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from operating activities					
Profit/(Loss) before tax		8,529,243	7,950,006	(653,333)	(11,540)
Adjustments for:					
Bad debts written off		-	20,857	-	-
Change in fair value of other investment		218,306	-	-	-
Deposit written off		-	2,400	-	-
Depreciation of property, plant and equipment	5	2,268,421	2,226,360	-	-
Gain on remeasurement of right-of-use assets		(63,029)	-	-	-
Insurance claim		(40,700)	-	-	-
Interest expenses					
- Bank overdraft interest	24	-	11,747	-	-
- Finance lease interest	24	63,519	79,267	-	-
- Term loan interest	24	352,926	480,670	-	-
Interest income					
- Bank interest	23	(876)	(10,334)	-	-
- Fixed deposit	23	(87,558)	(88,016)	-	-
Investment income	23	(271,714)	(92,992)	-	-
Inventories written down due to slow-moving		89,546	60,517	-	-
Gain on disposal of property, plant and equipment		(18,997)	-	-	-
Net impairment loss/(gain) on trade receivables					
- Lifetime ECL allowance	10	3,482	(2,682)	-	-
- Specific allowance	10	6,589	-	-	-
Property, plant and equipment written off	5	-	1,375	-	-
Rental rebate		(200)	(31,595)	-	-
Unrealised loss on foreign exchange, net		77,396	66,064	-	-
Operating profit/(loss) before working capital changes		11,126,354	10,673,644	(653,333)	(11,540)
Changes in working capital:					
Increase in inventories		(93,472)	(509,870)	-	-
(Increase)/Decrease in trade and other receivables		(1,387,956)	1,262,965	70,732	(74,300)
(Decrease)/Increase in trade and other payables		(380,876)	179,961	(183,993)	73,840
Cash generated from/(used in) operations		9,264,050	11,606,700	(766,594)	(12,000)
Income tax paid		(2,260,212)	(1,429,862)	-	-
Income tax refunded		3,282	502,555	-	-
Interest paid		-	(11,747)	-	-
Interest received		876	10,334	-	-
Net cash generated from/(used in) operating activities		7,007,996	10,677,980	(766,594)	(12,000)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from investing activities					
Acquisition of other investments		(6,168,317)	(820,000)	-	-
Proceeds from disposal of property, plant and equipment		19,000	-	-	-
Proceeds from insurance claim		40,700	-	-	-
Purchase of property, plant and equipment	(a)	(524,270)	(648,984)	-	-
Redemption of other investments		2,800,567	1,000,370	-	-
Net cash used in investing activities		(3,832,320)	(468,614)	-	-
Cash flows from financing activities					
Dividends paid		(3,330,000)	(3,470,000)	-	-
Drawdown of term loans		-	6,000,000	-	-
Decrease in amount owing by related parties		-	6,000	-	-
Increase in amount owing to a subsidiary		-	-	804,044	-
(Decrease)/Increase in amount owing to a Director		(32,508)	12,000	(32,508)	12,000
Interest paid on lease liabilities		(63,519)	(79,267)	-	-
Interest paid on term loans		(352,926)	(480,670)	-	-
Interest received on fixed deposits		87,558	88,016	-	-
Proceeds from issuance of ordinary shares		13	-	13	-
Placement of fixed deposits with licensed bank		(87,558)	(88,016)	-	-
Repayment of term loans		(672,813)	(364,972)	-	-
Repayment of lease liabilities		(473,210)	(404,626)	-	-
Net cash (used in)/ generated from financing activities		(4,924,963)	1,218,465	771,549	12,000
Net (decrease)/increase in cash and cash equivalents		(1,749,287)	11,427,831	4,955	-
Effect of exchange rate fluctuations		(77,396)	(42,375)	-	-
Cash and cash equivalents at beginning of financial year		8,344,115	(3,041,341)	10	10
Cash and cash equivalents at end of financial year	29	6,517,432	8,344,115	4,965	10

(a) Purchase of property, plant and equipment

The Group made the following cash payments to purchase property, plant and equipment:

	2021 RM	2020 RM
Group		
Purchase of property, plant and equipment	693,270	960,656
Amount acquired as lease liabilities	(169,000)	(311,672)
Cash payments	524,270	648,984

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021 (CONT'D)

(b) Changes in liabilities arising from financing activities

Group 2021	At 1 September RM	Non-cash changes: Remeasurement RM	Non-cash changes: Acquisition of new lease RM	Non-cash changes: Finance charges and rental rebate recognised in profit or loss RM	Net cash flows RM	At 31 August RM
Amount owing to a Director	32,508	-	-	-	(32,508)	-
Lease liabilities	1,390,211	229,863	169,000	63,319	(536,729)	1,315,664
Term loans	11,956,003	-	-	352,926	(1,025,739)	11,283,190
	13,378,722	229,863	169,000	416,245	(1,594,976)	12,598,854

Group 2020	At 1 September RM	Non-cash changes: Effects of adoption of MFRS 16 RM	Non-cash changes: Acquisition of new lease RM	Non-cash changes: Finance charges and rental rebate recognised in profit or loss RM	Net cash flows RM	At 31 August RM
Amount owing to a Director	20,508	-	-	-	12,000	32,508
Lease liabilities	97,662	1,417,098	311,672	47,672	(483,893)	1,390,211
Term loans	6,320,975	-	-	480,670	5,154,358	11,956,003
	6,439,145	1,417,098	311,672	528,342	4,682,465	13,378,722

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad on 29 September 2021.

The registered office is located at No. 7-1, Jalan 109F, Plaza Danau 2, Taman Danau Desa, 53100 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at No.10, Jalan 1/137B, Resource Industrial Centre, Batu 5, Jalan Kelang Lama, 58200 Kuala Lumpur.

The principal activity of the Company is investment holding. The Company commenced business operations on 21 June 2021.

The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

The Directors regard CEKD Holding Sdn Bhd, a private limited liability company, which is incorporated and domiciled in Malaysia as the holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 1 December 2021.

2. BASIS OF PREPARATION

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

The consolidated financial statements for the financial year ended 31 August 2021 comprise the financial statements of the Company and its subsidiaries. The financial statements of the Group and of the Company have been prepared under the historical cost convention except otherwise stated in Note 3 the financial statements.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the functional currency of the Company.

The preparation of financial statements in conformity with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

2.1 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int")

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year, except for the adoption of the following new MFRS, amendments/improvements to MFRSs and new IC Int:

(i) Effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, 'Business Combinations' – Definition of a Business
- Amendments to MFRS 4, 'Insurance Contracts' – Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 9, 'Financial Instruments', MFRS 139, 'Financial Instruments: Recognition and Measurement' and MFRS 7, 'Financial Instruments: Disclosures' – Interest Rate Benchmark Reform
- Amendments to MFRS 101, 'Presentation of Financial Statements' and MFRS 108, 'Accounting Policies', 'Changes in Accounting Estimates and Errors' – Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of standards and amendments to published standards did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company for the current financial year.

2. BASIS OF PREPARATION (CONT'D)

2.2 New MFRS, amendments/improvements to MFRSs and new IC Interpretations that have been issued, but not yet adopted

The following are new MFRSs, amendments, improvements to MFRSs and new IC Int that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company. The Group and the Company intend to adopt these standards, amendments to published standards and IC Int, if applicable, when they become effective in the following financial year:

(i) Effective for annual periods beginning on or after 1 January 2021

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

(ii) Effective for annual periods beginning on or after 1 April 2021

- Amendments to MFRS 16, 'Leases', – Covid-19-Related Rent Concessions beyond 30 June 2021

(iii) Effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, 'First-time Adoption of Malaysian Financial Reporting Standards' – Subsidiary as a First-time Adopter
- Amendments to MFRS 3, 'Business Combinations' – Reference to the Conceptual Framework
- Amendments to MFRS 9, 'Financial Instruments' – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
- Amendments to MFRS 116, 'Property, Plant and Equipment' – Proceeds before Intended Use
- Amendments to MFRS 137, 'Provisions, Contingent Liabilities and Contingent Assets' – Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to MFRS 141, 'Agriculture' – Taxation in Fair Value Measurements
- Annual improvements to MFRS standards 2018 - 2020

(iv) Effective for annual periods beginning on or after 1 January 2023

- MFRS 17, 'Insurance Contracts' and Amendments to MFRS 17, 'Insurance Contracts'
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Disclosure of Accounting Policies
- Amendments to MFRS 108, 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Accounting Estimates
- Amendments to MFRS 112, 'Income Taxes' – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

(v) Deferred to a date to be determined by the MASB

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

The initial application of the abovementioned new MFRS, amendments/improvements to MFRSs and new IC Int, where applicable, are not expected to have any material financial impact to the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

(i) Investment in subsidiaries

Subsidiaries are entities, including unincorporated 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.

Control is achieved when the Group is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that presently are exercisable are taken into account.

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 affects the investee's return. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investments in subsidiaries are measured in the Group's statements of financial position at cost less any impairment losses, unless the investment is held for sale (accounted for in accordance with MFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations) or distribution. The cost of investment includes transaction costs.

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 to the financial statements. On disposal, the difference between the net disposals proceeds and its carrying amount is recognised as gain or loss on disposal in profit or loss.

(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. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9, 'Financial Instruments' ("MFRS 9") is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(iii) Common control business combination

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the combined financial statements. The acquired entities are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The consolidated financial statements are a continuation of the acquired entities, hence comparatives are restated on a retrospective basis.

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

The effect of all transactions and balances between the combining entities, whether occurring before or after the combination are eliminated in preparing the financial statements. Merger reserve represents the excess arising from the nominal value of the shares issued over the nominal value of the shares acquired.

(iv) Acquisitions of non-controlling interests

Changes in the Company's ownership interest in a combining entity that do not result in a loss of control are accounted for as equity transactions between the Group and its non-controlling interest holders. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributable to the equity holders of the Company.

(v) Loss of control

Upon the loss of control of a combining entity, the Group derecognises the assets and liabilities of the former combining entity, any non-controlling interests and the other components of equity related to the former combining entity from the consolidated statements of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former combining entity, then such interest is measured at fair value at the date the control ceases. Subsequently it is accounted for as an equity-accounted investee or as an equity instrument at fair value through other comprehensive income ("FVTOCI") depending on the level of influence retained.

(vi) Non-controlling interests

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

Losses applicable to non-controlling interests in a combining entity are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and carrying amount of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(vii) Transactions eliminated on consolidation

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

3.2 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 to the financial statements.

3.3 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Group and of the Company are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss. Exchange differences arising on the translation of non-monetary items carried at fair value are included in the profit or loss for the financial year except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

3.4 Property, plant and equipment

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

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognise such parts as individual assets with specific useful lives and depreciate them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

All property, plant and equipment are depreciated on the straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Freehold building	5%
Leasehold land	46 years
Leasehold building	2%
Furniture and fittings, office equipment and signboard	10% - 25%
Electrical installation and renovation	10% - 33.33%
Plant and machinery, workshop equipment, tools and utensils	10% - 20%
Motor vehicles	20%

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 to the financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (Cont'd)

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

3.5 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset (except for inventories and tax recoverable) may be impaired. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful lives or that are not available for use, the recoverable amount is estimated each period at the same time.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows from continuing use ("CGU"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGU to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. Where the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

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

Impairment losses are recognised in profit or loss except for assets that have been previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rated basis.

An impairment loss in respect of goodwill is not reversed. In respect of assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. 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 previously. Such reversal is credited to profit or loss in the financial year in which the reversal is recognised.

3.6 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss (FVTPL), directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial assets (Cont'd)

The Group and the Company determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets under MFRS 9, 'Financial Instruments' are as below:

(a) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(b) Financial assets measured at fair value

(i) At FVTOCI

Financial assets that are debt instruments are measured at FVTOCI if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income, except impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

(ii) At FVTPL

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL. The Group and the Company do not have any financial assets measured at FVTOCI or FVTPL, except as disclosed in Note 33 (a) (ii) to the financial statements.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group and the Company do not have any financial assets that are equity instruments.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial assets (Cont'd)

The Group and the Company determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets under MFRS 9, 'Financial Instruments' are as below: (Cont'd)

(c) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group or the Company.

(d) Impairment of financial assets

The Group and the Company assess at each financial year end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use historical experience and other supportive information to assess deterioration in credit quality of a financial asset. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and the Company and all the cash flows that the Group and the Company expect to receive. The carrying amount of the financial asset is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance account.

The Group and the Company measure the impairment loss on financial assets other than trade receivables based on the two-step approach.

(i) 12-month ECL

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Company shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(ii) Lifetime ECL

For a financial asset for which there is significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as allowance for impairment by the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Company shall revert the loss allowance measurement from lifetime ECL to 12-month ECL.

If in a subsequent period, the credit quality improves and reverses any previously assessed significant increase in credit risk since initial recognition, then the impairment loss reverts from lifetime ECL to 12-months ECL.

For trade receivables, the Group measures impairment loss based on lifetime ECL at each reporting date until the financial assets are derecognised.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial liabilities

(i) Initial recognition and subsequent measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are measured initially at fair value plus directly attributable costs, except in the case of financial liabilities at FVTPL.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(a) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company do not have any financial liabilities at FVTPL in the current financial year and previous financial year.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities consist of payables and borrowings.

Payables and borrowings are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(ii) Derecognition

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

3.8 Provisions for liabilities

Provisions for liabilities are recognised when the Group or the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.9 Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's and of the Company's cash management.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Inventories

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

Cost is determined using weighted average cost formula. The cost includes cost of purchase and other incidental expenses in bringing the items into its present location and condition.

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

3.11 Equity instruments

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

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the reporting date. A dividend proposed or declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

3.12 Borrowing costs

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

3.13 Employee benefits

(a) Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued for in the year in which the associated services are rendered by employees of the Group.

(b) Post-employment benefits

The Group makes statutory contributions to an approved provident fund and such contributions are charged to profit or loss in the period to which the said contributions relate. Once the contributions have been paid, the Group has no further payment obligations. The post-employment benefit scheme is in accordance with the local conditions and practices in which it operates and is a defined contribution retirement plan.

3.14 Leases

(i) As lessee

The Group recognises right-of-use assets and lease liabilities at the commencement date of the contract for all leases excluding short-term leases or leases for which the for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The right-of-use assets are initially recorded at cost, which comprise:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Leases (Cont'd)

(i) As lessee (Cont'd)

Subsequent to the initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

Depreciation is computed on a straight-line basis over the estimated useful lives of the right-of-use assets or lease term whichever is earlier. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 to the financial statements.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If rate cannot be readily determined, the Group's incremental borrowing rate is used. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

3.15 Revenue recognition

The Group recognises revenue from contracts with customers based on the five-step model as set out in MFRS 15:

(i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

(iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

(v) Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognise revenue over time if the Group's performance:

(i) Does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; or

(ii) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(iii) Provides benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Revenue recognition (Cont'd)

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligation in contracts with customers:

Sales of die cutting mould and related products

The Group manufactures die cutting mould based on the specification and customisation from customers. Revenue arising from sales of die cutting mould and related products is recognised when control of die cutting mould and related products have been transferred, being when the die cutting mould has been delivered to customer and there is no unfulfilled obligation that could affect the customers' acceptance of the die cutting mould. Delivery occurs when the die cutting mould has been delivered to customers' specific location.

3.16 Other income

Interest income is recognised on an accrual basis that reflects the effective yield of the asset.

3.17 Taxes

(i) Current tax

The tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted at the reporting date, and adjustment of tax payable in respect of the previous financial year.

(ii) Deferred tax

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

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from transaction which is recognised in other comprehensive income or directly in equity, in which case the deferred tax is charged or credited in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Taxes (Cont'd)

(iii) Sales and Service Tax ("SST")

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

- where the SST incurred in a purchase of asset or service the SST is recognised as part of cost of acquisition of asset or as part of the expense item as applicable; and

- receivables and payables that stated with SST inclusive.

The SST payable to the taxation authority is included as part of payables in the statements of financial position.

The rate for Sales Tax is fixed at 5% or 10%, while the rate for Service Tax is fixed at 6%.

3.18 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 values are categorised into different level in a fair value hierarchy based on the input used in the valuation technique as follows:

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

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

Level 3: unobservable inputs for the asset or liability.

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

3.19 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or the Company a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group and the Company does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations not under common control, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Related parties

A related party is a person or an entity that is related to the Group and the Company under the following conditions:

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

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third entity.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(c) Directly, or indirectly through one or more intermediaries, the party:

(i) controls, is controlled by, or is under common control with, the Group and the Company (this includes parents, subsidiaries, fellow subsidiaries and fellow associates and joint ventures);
(ii) has an interest in the entity that gives it significant influence over the entity; or
(iii) has joint control over the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity and include:

(i) that person's children and spouse or domestic partner;
(ii) children of that person's spouse or domestic partner; and
(iii) dependants of that person or that person's spouse or domestic partner.

3.21 Earnings per share

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

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 periods, 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.22 Operating segment

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of the Group's and the Company's financial statements requires management to exercise their judgements in the process of applying the Group's and the Company's accounting policies and the use of accounting estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and disclosure of contingent liabilities at the reporting date and which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods. Although these judgements and estimates are based on management's best knowledge of current events and actions, actual results may differ.

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

The note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is disclosed below:

Areas with most significant uses of judgement and estimates

(a) Measurement of right-of-use assets and lease liabilities

The right-of-use assets are depreciated on the straight-line basis over the assets' useful lives or lease term, whichever is earlier. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule, therefore future depreciation charges could be revised.

The lease term has been determined based on the non-cancellable period of lease in term and conditions of the arrangements together with both:

- periods covered by an option to extend the leases; and
- periods covered by an option to terminate the lease.

In determining whether it is reasonably certain that an option to extend the lease or not to exercise an option to terminate the lease will be exercised, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such option when exercising its judgement in the assessment.

The lease terms and incremental borrowing rates have been determined using appropriate assumptions as necessary including management's estimation of the application internal costs.

(b) Measurement of revenue from sale of die cutting mould

Revenue arising from sales of goods is recognised when control of goods has transferred, being when the goods was delivered to customer and there is no unfulfilled obligation that could affect the customers' acceptance of the goods.

(c) Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGU to which goodwill is allocated. Estimating value-in-use amount requires management to make an estimation of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT (CONT'D)

The note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is disclosed below: (Cont'd)

Areas with most significant uses of judgement and estimates (Cont'd)

(d) Measurement of income taxes

Liability for taxation is recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice of whether additional taxes will be payable. When the final outcome of the tax payable is determined with the tax authority, the amount might be different from the initial estimate of the tax payable. Such difference may impact the income tax in the period when such determination is made. The Group and the Company will adjust for the differences as over or under provision of income tax in the period in which those differences arise.

(e) Expected credit losses of receivables

The Group assesses the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risks, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtors.

Where there is a significant increase in credit risk, the Group determines the lifetime expected credit losses by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off either partially or in 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 amount subject to the write-offs.

(f) Useful lives of property, plant and equipment

MFRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at each financial year end. The Group reviewed the residual values and remaining useful lives of its property, plant and equipment and found that no revisions to the residual values and remaining useful lives of these assets were necessary.

(g) Classification of non-current bank borrowings

Bank facilities agreements entered into by the Group include clauses for repayment on demand at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise their right to demand for repayment. Accordingly, the carrying amount of loans at reporting date have been classified between current and non-current liabilities based on their repayment period.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Freehold building RM	Leasehold land* RM	Leasehold building* RM	Right-of-use assets RM
Group					
At cost					
At 1 September 2019	313,809	431,549	10,400,000	9,600,000	-
Effects of adoption of MFRS 16	-	-	-	-	2,052,733
Additions	-	-	-	-	311,672
Written-off	-	-	-	-	-
At 31 August 2020/1 September 2020	313,809	431,549	10,400,000	9,600,000	2,364,405
Additions	-	-	-	-	206,062
Disposals	-	-	-	-	-
Remeasurement	-	-	-	-	(621,137)
Reversal	-	-	-	-	(113,912)
At 31 August 2021	313,809	431,549	10,400,000	9,600,000	1,835,418

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

	Furniture and fittings, office equipment and signboard RM	Electrical installation and renovation RM	Plant and machinery, workshop equipment, tools and utensils RM	Motor vehicles RM	Total RM
Group					
At cost (cont'd)					
At 1 September 2019	2,746,282	908,012	24,612,065	1,499,398	50,511,115
Effects of adoption of MFRS 16	-	-	-	(146,835)	1,905,898
Additions	605,337	-	43,647	-	960,656
Written-off	(1,301)	-	(22,964)	-	(24,265)
At 31 August 2020/1 September 2020	3,350,318	908,012	24,632,748	1,352,563	53,353,404
Additions	77,680	-	409,528	-	693,270
Disposals	-	-	(45,000)	(133,511)	(178,511)
Remeasurement	-	-	-	-	(621,137)
Reversal	-	-	-	-	(113,912)
At 31 August 2021	3,427,998	908,012	24,997,276	1,219,052	53,133,114

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

	Freehold land RM	Freehold building RM	Leasehold land* RM	Leasehold building* RM	Right-of-use assets RM
Group					
Accumulated depreciation					
At 1 September 2019	-	139,237	142,947	131,951	-
Effects of adoption of MFRS 16	-	-	-	-	570,563
Depreciation charge for the year	-	21,577	224,959	192,000	486,332
Written-off	-	-	-	-	-
At 31 August 2020/1 September 2020	-	160,814	367,906	323,951	1,056,895
Depreciation charge for the year	-	21,578	224,754	192,000	530,609
Disposals	-	-	-	-	-
Remeasurement	-	-	-	-	(914,029)
Reversal	-	-	-	-	(113,912)
At 31 August 2021	-	182,392	592,660	515,951	559,563
Net carrying amount					
At 31 August 2021	313,809	249,157	9,807,340	9,084,049	1,275,855
At 31 August 2020	313,809	270,735	10,032,094	9,276,049	1,307,510

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

	Furniture and fittings, office equipment and signboard RM	Electrical installation and renovation RM	Plant and machinery, workshop equipment, tools and utensils RM	Motor vehicles RM	Total RM
Group					
Accumulated depreciation (cont'd)					
At 1 September 2019	2,130,731	674,544	19,230,893	937,571	23,387,874
Effects of adoption of MFRS 16	-	-	-	(32,334)	538,229
Depreciation charge for the year	227,894	59,775	877,240	136,583	2,226,360
Written-off	(673)	-	(22,217)	-	(22,890)
At 31 August 2020/1 September 2020	2,357,952	734,319	20,085,916	1,041,820	26,129,573
Depreciation charge for the year	314,229	28,622	825,160	131,469	2,268,421
Disposals	-	-	(44,999)	(133,509)	(178,508)
Remeasurement	-	-	-	-	(914,029)
Reversal	-	-	-	-	(113,912)
At 31 August 2021	2,672,181	762,941	20,866,077	1,039,780	27,191,545
Net carrying amount (cont'd)					
At 31 August 2021	755,817	145,071	4,131,199	179,272	25,941,569
At 31 August 2020	992,366	173,693	4,546,832	310,743	27,223,831

* The leasehold land and leasehold building are identified as right-of-use assets under Sales and Purchase Agreements.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

(a) Right-of use assets

The following represent right-of-use assets under Lease Agreements entered into by the Group for the use of factory, warehouse and staff hostel. The leases are mainly for an initial lease of one (1) to five (5) years with option to renew for another one (1) to five (5) years.

The Group also has leased motor vehicles with lease term of five (5) years.

Additional information on the right-of-use assets under Lease Agreements of the Group are as follows:

Group	**Leased Buildings RM**	**Motor vehicles RM**	**Total RM**
At cost			
At 1 September 2019	-	-	-
Effects of adoption of MFRS 16	1,905,898	146,835	2,052,733
Additions	311,672	-	311,672
At 31 August 2020/1 September 2020	2,217,570	146,835	2,364,405
Additions	-	206,062	206,062
Remeasurement	(621,137)	-	(621,137)
Reversal	(113,912)	-	(113,912)
At 31 August 2021	1,482,521	352,897	1,835,418
Accumulated depreciation			
At 1 September 2019	-	-	-
Effects of adoption of MFRS 16	538,229	32,334	570,563
Depreciation charge for the year	456,965	29,367	486,332
At 31 August 2020/1 September 2020	995,194	61,701	1,056,895
Depreciation charge for the year	465,491	65,118	530,609
Remeasurement	(914,029)	-	(914,029)
Reversal	(113,912)	-	(113,912)
At 31 August 2021	432,744	126,819	559,563
Net carrying amount			
At 31 August 2021	1,049,777	226,078	1,275,855
At 31 August 2020	1,222,376	85,134	1,307,510

* The above right-of-use assets have been included in property, plant and equipment.

(b) Net carrying amount for properties of the Group that have been pledged to licensed banks to secure the bank borrowings granted to the Group as disclosed in Note 16.2 to the financial statements are as follows:

	2021 RM	**2020 RM**
Group		
Leasehold land	9,807,340	10,032,094
Leasehold building	9,084,049	9,276,049
	18,891,389	19,308,143

(c) The net carrying amount of the property, plant and equipment under finance lease are motor vehicles amounting to RM226,078 (2020: RM85,134). Details of the finance lease are disclosed in Note 16.1 to the financial statements.

6. INVESTMENT IN SUBSIDIARIES

	2021 RM	2020 RM
Company		
At cost:		
Unquoted shares	34,267,900	-

Details of the subsidiaries are as follows:

Name of Company	Effective equity interest 2021	2020	Principal activities
Sharp Die Cutting Mould Sdn. Bhd. ("Sharp DCM")	100%	-	Manufacturer of die cutting moulds and trading of related consumables, tools and accessories
Hotstar (M) Sdn. Bhd. ("Hotstar")	100%	-	Manufacturer of die cutting moulds and trading of related consumables, tools and accessories
Subsidiary of Sharp DCM			
Focuswin Diecutting Mould Sdn. Bhd. ("Focuswin")	100%	-	Manufacturer of die cutting moulds

Acquisition of subsidiaries ("Acquisitions")

On 7 December 2020, the Company had entered into two separate conditional share sale agreements with CEKD Holding Sdn. Bhd. to acquire:

(a) the entire equity interest in Sharp DCM for a total purchase consideration of RM28,634,400 to be satisfied by issuance of 120,312,605 new ordinary shares in the Company at an issue price of RM0.238 per share; and

(b) the entire equity interest in Hotstar for a total purchase consideration of RM5,633,500 to be satisfied by issuance of 23,670,168 new ordinary shares in the Company at an issue price of RM0.238 per share.

The Acquisitions were deemed completed on 21 June 2021. Upon the completion of Acquisitions, Sharp DCM, Hotstar and Focuswin became the Company's wholly-owned subsidiaries

7. GOODWILL ON CONSOLIDATION

	2021 RM	2020 RM
Group		
At cost		
At 1 September/31 August	453,570	453,570

The Group carries out its impairment assessment on the goodwill on consolidation annually.

The recoverable amount was based on value-in-use calculations, determined by discounting future cash flows to be generated from the continuing use of the CGU based on financial budgets approved by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

7. GOODWILL ON CONSOLIDATION (CONT'D)

Impairment test of goodwill

(a) Key assumptions used in value-in-use calculations

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the CGU and was based on the following key assumptions:

	2021	2020
Period covered	5 years	5 years
Gross profit margin	42%	42%
Growth rate	0%	0%
Pre-tax discount rate	8.10%	10.40%

(b) Sensitivity to changes in assumptions

The following are sensitivity of the calculation to changes in significant estimates and assumptions:

- 1% increase in discount rate would result in Nil (2020: Nil) impairment loss; and
- 1% decrease in gross profit margin would not result in any impairment loss.

8. OTHER INVESTMENTS

	2021 RM	2020 RM
Group		
Fair value through profit or loss	6,281,138	2,859,980

This represents investment in unit trusts in Malaysia.

9. INVENTORIES

	2021 RM	2020 RM
Group		
At cost/net realisable value:		
Raw materials	4,799,965	4,796,039
Recognised in statements of comprehensive income:		
Inventories recognised in cost of sales	5,285,922	4,649,087
Inventories written down due to slow-moving	89,546	60,517

10. TRADE RECEIVABLES

	2021 RM	2020 RM
Group		
Trade receivables		
- Third parties	5,557,297	6,502,626
Less: Allowance for impairment loss	(23,623)	(16,313)
	5,533,674	6,486,313

Trade receivables of the Group are non-interest bearing and are generally on 30 to 120 days (2020: 30 to 120 days) term. Other credit terms are accessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

<u>Ageing analysis of trade receivables</u>

The ageing analysis of the Group's trade receivables are as follows:

	2021 RM	2020 RM
Group		
Neither past due nor impaired	3,053,198	3,840,473
1 to 30 days past due not impaired	1,277,352	1,305,208
31 to 60 days past due not impaired	483,469	667,402
61 to 90 days past due not impaired	362,726	460,053
More than 91 days past due not impaired	356,929	213,177
	2,480,476	2,645,840
Impaired and provided for	23,623	16,313
	5,557,297	6,502,626

<u>Trade receivables that are neither past due nor impaired</u>

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

<u>Trade receivables that are past due but not impaired</u>

The Group has trade receivables amounting to RM2,480,476 (2020: RM2,645,840) that are past due at the reporting date. The remaining receivables that are past due but not impaired are expected to be collected in the next 12 months.

The management of the Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

10. TRADE RECEIVABLES (CONT'D)

Trade receivables that are impaired

The Group has trade receivables amounting RM23,623 (2020: RM16,313) that have been impaired.

Receivables that are individually determined to be impaired at the end of the financial year relate to receivables that are in significant financial difficulties and have defaulted on payments or the Directors of the Group are of the opinion that it is not recoverable.

The Group applies the simplified approach whereby allowance for impairment is measured at lifetime ECL.

The movement of the impairment loss on trade receivables of the Group are as follows:

	Lifetime ECL allowance RM	Specific allowance RM	Total RM
Group			
At 1 September 2019	16,126	2,869	18,995
Charge during the year	(2,682)	-	(2,682)
At 31 August 2020/1 September 2020	13,444	2,869	16,313
Charge during the year	3,482	6,697	10,179
Reversal during the year	-	(108)	(108)
Written off during the year	-	(2,761)	(2,761)
At 31 August 2021	16,926	6,697	23,623

The currency profile of the trade receivables is summarised below:

	2021 RM	2020 RM
Group		
Ringgit Malaysia	4,734,081	5,373,525
Singapore Dollar	8,623	52,189
Euro	121,664	80,094
United States Dollar	692,929	996,818
	5,557,297	6,502,626

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables	21,422	93,473	-	-
Deposits	1,508,307	230,531	-	-
Prepayments	1,519,876	395,077	138,868	209,600
	3,049,605	719,081	138,868	209,600

Included in deposits of the Group, there are amount of Nil (2020: RM600) due from a company in which certain Directors of the Company have interest.

Included in deposits is an amount of RM880,000 (2020: RM Nil) represent deposits paid to acquire property, plant and equipment as disclosed in Note 36 (c) to the financial statements.

The currency profile of the other receivables and prepayments are summarised below:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables				
Ringgit Malaysia	21,422	29,951	-	-
United States Dollar	-	63,522	-	-
	21,422	93,473	-	-
Prepayments				
Ringgit Malaysia	708,513	315,479	138,868	209,600
United States Dollar	492,585	74,928	-	-
Euro	318,778	-	-	-
China Renminbi	-	4,670	-	-
	1,519,876	395,077	138,868	209,600

12. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits placed with licensed banks as at the end of each reporting period have average maturity period of 365 days (2020: 365 days) and the effective interest rates for the Group range from 2.50% to 2.59% (2020: 2.50% to 2.59%) per annum.

Fixed deposits placed with licensed banks are held as security placed to financial institution for banking facility granted to the Group as disclosed in Note 16.2 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

13. SHARE CAPITAL

	2021		2020	
	Number of shares	**Number of RM**	**shares**	**RM**
Group				
Issued and fully paid:				
At 1 September	2,350,100	2,350,010	2,350,100	2,350,010
Issuance of ordinary shares	127	13	-	-
Issuance of shares pursuant to acquisitions of subsidiaires	143,982,773	34,267,900	-	-
Adjustment on acquisitions of subsidiaries	(2,350,000)	(2,350,000)	-	-
At 31 August	143,983,000	34,267,923	2,350,100	2,350,010
Company				
Issued and fully paid:				
At 1 September	100	10	100	10
Issuance of ordinary shares	127	13	-	-
Issuance of shares pursuant to acquisitions of subsidiaires	143,982,773	34,267,900	-	-
At 31 August	143,983,000	34,267,923	100	10

During the financial year, the Company issued:

(i) 127 new ordinary shares at an issue price of RM 0.10 per ordinary share for a total consideration of RM13 to its existing shareholders to fund the working capital of the Company; and

(ii) 143,982,773 new ordinary shares at an issue price of RM0.238 per ordinary share for a total consideration of RM34,267,900 for acquisition of subsidiaries as disclosed in Note 6 to the financial statements.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The holder of the ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

14. MERGER RESERVES

The merger reserves represents the difference between the carrying value of the investment in subsidiaries and the share capital of the Company's subsidiaries upon consolidation under the merger accounting principle.

15. RETAINED EARNINGS

The Group's policy is to treat all gains and losses in other statement of comprehensive income (i.e. non-owner transactions or events) as revenue reserves. Other than retained earnings, all other revenue reserves are regarded as non-distributable in the form of cash dividends to shareholders.

The retained earnings of the Company and the subsidiaries are available for distributions by way of cash dividends or dividends in specie. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences to the Group and the Company that would result from the payment of dividends to shareholders. The dividends would not be taxable in the hands of the shareholders.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

16. LOANS AND BORROWINGS

	2021 RM	2020 RM
Group		
Non-current liabilities		
Lease liabilities	845,896	946,757
Term loans	10,619,503	11,314,568
	11,465,399	12,261,325
Current liabilities		
Lease liabilities	469,768	443,454
Term loans	663,687	641,435
	1,133,455	1,084,889
	12,598,854	13,346,214
Total loans and borrowings		
Lease liabilities	1,315,664	1,390,211
Term loans	11,283,190	11,956,003
	12,598,854	13,346,214
Maturities of loans and borrowings		
Not later than one year	1,133,455	1,084,889
Later than one year and not later than five years	3,726,942	3,735,785
Later than five years	7,738,457	8,525,540
	12,598,854	13,346,214

16.1 Lease liabilities

	2021 RM	2020 RM
Group		
Minimum lease payments:		
- not later than one year	510,288	504,685
- later than one year and not later than five years	875,272	1,011,697
- later than five years	4,800	-
	1,390,360	1,516,382
Less: Future interest charges	(74,696)	(126,171)
Present value of lease liabilities	1,315,664	1,390,211
Represented by:		
Current:		
- not later than one year	469,768	443,454
Non-current:		
- later than one year and not later than five years	841,152	946,757
- later than five years	4,744	-
	845,896	946,757
Present value of lease liabilities	1,315,664	1,390,211

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

16. LOANS AND BORROWINGS (CONT'D)

16.1 Lease liabilities (Cont'd)

Lease arrangement for leased buildings and motor vehicles of the Group are disclosed in Note 5 to this financial statements.

The incremental borrowing rate and interest rate implicit in lease applied by the Group to lease liabilities are ranging between 3.20% to 5.50% and 4.24% to 5.62% (2020: 5.35% to 5.50% and 4.66% to 5.62%).

16.2 Term loans

	2021 RM	2020 RM
Group		
Current:		
- not later than one year	663,687	641,435
Non-current:		
- later than one year and not later than five years	2,885,790	2,789,028
- later than five years	7,733,713	8,525,540
	10,619,503	11,314,568
Total term loans and bank overdraft	11,283,190	11,956,003

The term loans are secured as follows:

i) Assignment of Mortgage Reducing Term Assurance (MRTA) issued by Sun Life Malaysia Assurance Berhad under a Director for the sum insured of RM10,000,000;
ii) First party first legal charge over leasehold land and building as disclosed in Note 5 to the financial statements;
iii) Memorandum of Charge over Fixed Deposits ("FD") in respect of first party fixed deposits of not less than RM3,000,000 together with all interest accruing from time to time in respect of the FDs;
iv) Corporate guarantee provided by holding company;
v) Joint and several guaranteed by certain Directors of the Company; and
vi) Covenant of maintaining gearing ratio not more than 3.0x at all times.

The range of interest rates per annum at the reporting date for the borrowings were as follows:

	2021 %	2020 %
Term loans	3.20 - 3.40	3.20 - 3.40

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

17. DEFERRED TAX LIABILITIES

	2021 RM	2020 RM
Group		
At 1 September	902,184	833,018
Recognised in profit or loss (Note 26)	162,162	69,166
At 31 August	1,064,346	902,184
Taxable temporary differences of:		
- Property, plant and equipment	1,064,346	902,184

18. TRADE PAYABLES

Trade payables are non-interest bearing and the normal credit term granted to the Group ranges from 0 to 180 days (2020: 0 to 180 days).

The currency exposure profile of trade payables are as follows:

	2021 RM	2020 RM
Group		
Ringgit Malaysia	175,354	157,749
Euro	92,967	43,407
United States Dollar	31,090	3,197
Japanese Yen	7,800	882
Singapore Dollar	346	-
Hong Kong Dollar	19,562	-
New Taiwan Dollar	1,754	-
	328,873	205,235

19. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other payables	404,397	835,062	4,627	209,620
Accruals	1,130,909	1,208,858	26,500	5,500
Deposits received	8,100	4,000	-	-
	1,543,406	2,047,920	31,127	215,120

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

19. OTHER PAYABLES AND ACCRUALS (CONT'D)

The currency exposure profile of other payables are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Ringgit Malaysia	374,008	835,062	4,627	209,620
Swiss Franc	30,389	-	-	-
	404,397	835,062	4,627	209,620

Included in other payables is an amount of RM Nil (2020: RM209,620) owing to a company in which certain Directors of the Company have interest. This amount is unsecured, interest free and payable on demand in cash and cash equivalents.

20. AMOUNT OWING TO A SUBSIDIARY

The amount owing to a subsidiary is unsecured, interest free and payable on demand in cash and cash equivalents.

21. AMOUNT OWING TO A DIRECTOR

The amount owing to a Director is unsecured, interest free and payable on demand in cash and cash equivalents. The amount has been fully settled during the financial year.

22. REVENUE

The Group derives revenue from the local and overseas as follows:

	2021 RM	**2020 RM**
Group		
Sales of die cutting mould and related products	29,398,870	27,930,692
Less: Intercompany revenue	(1,171,395)	(1,575,792)
Revenue from external customers	28,227,475	26,354,900
Local	23,751,898	22,559,628
Overseas	4,475,577	3,795,272
	28,227,475	26,354,900
Timing of revenue recognition:		
- At a point of time	28,227,475	26,354,900

23. OTHER INCOME

	2021 RM	2020 RM
Group		
Gain on disposal of property, plant and equipment	18,997	-
Gain on remeasurement of right of use assets	63,029	-
Interest income		
- bank interest received	876	10,334
- fixed deposit interest	87,558	88,016
Investment income	271,714	92,992
Insurance compensation	40,700	-
Realised gain on foreign exchange, net	71,822	138,737
Rental rebate	200	31,595
Sales of scrap	-	37
Others	19,342	6,841
	574,238	368,552

24. FINANCE COSTS

	2021 RM	2020 RM
Group		
Bank overdraft interest	-	11,747
Lease liabilities interest	63,519	79,267
Term loan interest	352,926	480,670
	416,445	571,684

25. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) before tax is arrived at after charging/(crediting):				
Auditors' remuneration	70,500	81,000	12,000	3,000
Bad debts written off	-	20,857	-	-
Change in fair value of other investment	218,306	-	-	-
Depreciation of property, plant and equipment	2,268,421	2,226,360	-	-
Deposit written off	-	2,400	-	-
Employee benefit expenses:				
- Salaries, wages and bonus	5,778,999	5,555,874	-	-
- Social security contributions	87,607	85,587	-	-
- Contribution to defined contribution plan	651,116	553,899	-	-
- Oher staff-related expenses	176,372	183,443	-	-
Inventories written down due to slow-moving	89,546	60,517	-	-
Listing expenses	616,102	-	616,102	-
Net impairment loss/(gain) on trade receivables:				
- Lifetime ECL allowance	3,482	(2,682)	-	-
- Specific allowance	6,589	-	-	-
Property, plant and equipment written off	-	1,375	-	-
Rental of equipment[1]	4,761	4,930	-	-
Rental of hostel[1]	-	5,250	-	-
Unrealised loss on foreign exchange	77,396	66,064	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

25. PROFIT/(LOSS) BEFORE TAX (CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) before tax is arrived at after charging/(crediting): (cont'd)				
<u>Expenses included in cost of sales:</u>				
Depreciation of property, plant and equipment	1,615,757	1,687,442	-	-
Employee benefit expenses				
- Salaries, wages and bonus	4,351,953	4,081,344	-	-
- Social security contributions	65,992	62,728	-	-
- Contribution to defined contribution plan	460,923	399,309	-	-
- Oher staff-related expenses	89,860	96,808	-	-
Inventories written down due to slow-moving	89,546	60,517	-	-
Rental of hostel[1]	-	5,250	-	-

[1] These amounts represent short-term leases and leases for low value underlying assets under MFRS 16.

The number of employees of the Group and of the Company (including Directors) at the end of the year was 151 and 8 (2020: 165 and 8).

26. TAX EXPENSES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Income tax				
Current year	2,211,718	1,916,081	-	-
Overprovision in prior years	(128,515)	(73,156)	-	-
	2,083,203	1,842,925	-	-
Deferred tax (Note 17)				
Current year	33,162	70,166	-	-
Under/(over) provision in prior years	129,000	(1,000)	-	-
	2,245,365	1,912,091	-	-

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit/(Loss) before tax	8,529,243	7,950,006	(653,333)	(11,540)
Malaysian statutory tax rate of 24% (2020: 24%)	2,047,018	1,908,001	(156,800)	(2,770)
Tax effects in respect of:				
Non-taxable income	(70,172)	(22,962)	-	-
Non-allowable expenses	268,034	101,208	156,800	2,770
Overprovision of income tax in prior years	(128,515)	(73,156)	-	-
Under/(over) provision of deferred tax in prior years	129,000	(1,000)	-	-
Tax expenses for the financial year	2,245,365	1,912,091	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

27. EARNINGS PER SHARE

The basic earnings per share ("EPS") are calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue for the financial year.

	2021	2020
Group		
Profit for the financial year attributable to owners of the Company (RM)	6,283,878	6,037,915
Weighted average number of ordinary shares at 31 August (unit)	143,982,970	143,982,873
Basic and diluted EPS (sen)	4.36	4.19

[1] Based on the weighted average number of issued share capital of 143,982,773 ordinary shares after the completion of the acquisition of subsidiaries as disclosed in Note 6 to the financial statements but before the Public Issue.

There is no dilution in earnings per ordinary shares as there is no potential diluted ordinary shares.

28. DIVIDEND PAID

Group	2021 RM	2020 RM
Dividends paid by Hotstar:		
Interim single tier dividend of RM3.20 per ordinary share for the financial year ended 31 August 2020 paid on 20 March 2020	-	2,720,000
Dividends paid by Sharp DCM:		
Interim single tier dividend of RM0.50 per ordinary share for the financial year ended 31 August 2020 paid on 30 May 2020	-	750,000
Dividends paid by Hotstar:		
Interim single tier dividend of RM0.80 per ordinary share for the financial year ended 31 August 2021 paid on 27 October 2020	680,000	-
Dividends paid by Sharp DCM:		
Interim single tier dividend of RM0.80 per ordinary share for the financial year ended 31 August 2021 paid on 27 October 2020	1,200,000	-
Dividends paid by Hotstar:		
Interim single tier dividend of RM1.00 per ordinary share for the financial year ended 31 August 2021 paid on 23 November 2020	850,000	-
Dividends paid by Sharp DCM:		
Interim single tier dividend of RM0.40 per ordinary share for the financial year ended 31 August 2021 paid on 23 November 2020	600,000	-
	3,330,000	3,470,000

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

29. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Fixed deposits with licensed bank	3,504,374	3,416,816	-	-
Cash and bank balances	6,517,432	8,344,115	4,965	10
	10,021,806	11,760,931	4,965	10
Less: Deposits pledged for bank borrowings	(3,504,374)	(3,416,816)	-	-
	6,517,432	8,344,115	4,965	10

The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Ringgit Malaysia	9,725,384	10,942,829	4,965	10
Euro	59,847	9,223	-	-
United States Dollar	236,575	808,879	-	-
	10,021,806	11,760,931	4,965	10

30. CAPITAL COMMITMENT

	Group	
	2021 RM	**2020 RM**
Property, plant and equipment		
Contracted but not provided for	7,920,000	-

31. RELATED PARTY DISCLOSURES

(a) Control relationship

As disclosed in Note 1, the Directors regard CEKD Holding Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia, as the holding company.

(b) Significant related party transactions

In addition to the information detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year and the comparative prior year:

Group	**2021 RM**	**2020 RM**
Others:		
Rental expenses charged by a related party	(19,200)	(21,600)
Rental expenses charged by related party, CEKD Property	(1,600)	(4,800)
Cleaning fees charged by related party, Commercial Edge	(40,800)	(40,800)

31. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

The remuneration of Directors and key management personnel of the Group and the Company for the financial year ended 31 August 2021 and the comparative prior year are as follows:

Group	**2021 RM**	**2020 RM**
Directors' compensation:		
Directors' fee	400,000	320,000
Directors' remuneration and other emoluments	540,016	634,302
Directors' defined contribution plans	74,250	68,213
Directors' social security contribution	4,743	5,269
Directors' other benefits	4,574	21,173
	1,023,583	1,048,957
Key management personnel's compensation:		
Salaries, wages and bonus	185,431	148,851
Social security contributions	2,331	2,273
Contribution to defined contribution plan	26,759	16,521
Other staff-related expenses	2,376	2,990
	216,897	170,635
Company		
Directors' compensation:		
Directors' remuneration and other emoluments	12,000	-

32. SEGMENT INFORMATION

The Group has two reportable operating segments – Manufacturing and Trading.

<u>**Operating segments**</u>	<u>**Nature**</u>
Manufacturing	Manufacturing of die cutting moulds.
Trading	Trading of related consumables, tools and accessories.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

32. SEGMENT INFORMATION (CONT'D)

Operating segments

Group	Manufacturing RM	Trading RM	Eliminations RM	Total RM
31 August 2021				
Revenue:				
Revenue from external customers	23,585,088	4,642,387	-	28,227,475
Inter-segment revenue	299,117	872,278	(1,171,395)	-
	23,884,205	5,514,665	(1,171,395)	28,227,475
Segment profit	13,349,457	983,084	-	14,332,541
Other income				574,238
Unallocated expenses				(5,961,091)
Finance costs				(416,445)
Income tax expense				(2,245,365)
Profit for the financial year				6,283,878
Results:				
Included in the measure of segment profit are:				
Depreciation of property, plant and equipment				1,615,757
Employee benefit expenses				4,968,728
Inventories written down due to slow-moving				89,546
31 August 2020				
Revenue:				
Revenue from external customers	22,662,516	3,692,384	-	26,354,900
Inter-segment revenue	442,971	1,132,821	(1,575,792)	-
	23,105,487	4,825,205	(1,575,792)	26,354,900
Segment profit	12,618,231	670,335	-	13,288,566
Other income				368,552
Unallocated expenses				(5,135,428)
Finance costs				(571,684)
Income tax expense				(1,912,091)
Profit for the financial year				6,037,915
Results:				
Included in the measure of segment profit are:				
Depreciation of property, plant and equipment				1,687,442
Employee benefit expenses				4,640,189
Inventories written down due to slow-moving				60,517
Rental of hostel				5,250

32. SEGMENT INFORMATION (CONT'D)

Geographical segments

Revenue of the Group based on geographical location of its customers are as follows:

Group	2021 RM	2020 RM
Malaysia	23,751,898	22,559,628
Outside Malaysia	4,475,577	3,795,272
	28,227,475	26,354,900

Major customers

The Group does not have any customers with revenue equal or more than 10% of the Group's total revenue of the current financial year and the comparative prior year.

33. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The table below provides an analysis of financial instruments of the Group and of the Company in the statements of financial position by the classes and categories of financial instruments to which they are assigned and therefore by the measurement basis, as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
(i) Financial assets carried at amortised cost				
Trade receivables	5,533,674	6,486,313	-	-
Other receivables and deposits	1,529,729	324,004	-	-
Fixed deposits with licensed banks	3,504,374	3,416,816	-	-
Cash and bank balances	6,517,432	8,344,115	4,965	10
	17,085,209	18,571,248	4,965	10
(ii) Financial assets carried at fair value				
Other investments	6,281,138	2,859,980	-	-
(iii) Financial liabilities carried at amortise cost				
Trade payables	328,873	205,235	-	-
Other payables and accruals	1,543,406	2,047,920	31,127	215,120
Amount owing to a subsidiary	-	-	804,044	-
Amount owing to a Director	-	32,508	-	32,508
Loans and borrowings	12,598,854	13,346,214	-	-
	14,471,133	15,631,877	835,171	247,628

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group and the Company is exposed to financial risk arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors review and agree policies and procedure for the management of these risks, which are executed by the Managing Director. The Group's and the Company's financial risk management policies are to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing their credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board of Directors.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of those risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from its trade and other receivables, fixed deposits with licensed bank and bank balances.

The Group trades only with creditworthy third parties. Customers' credit terms are assessed on case by case basis.

The management has in place a credit procedure to monitor and minimise the exposure of default. Receivables are monitored on a regular and an ongoing basis.

For other financial assets (including bank balances), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

a. Trade receivables

<u>Credit risk concentration profile</u>

At the end of the reporting period, 20% (2020: 29%) of the Group's trade receivables were due from 5 major customers.

<u>Exposure to credit risk</u>

At the end of financial year, the Group's maximum exposure to credit risk is represented by the carrying amount of trade receivables recognised in the statements of financial position.

<u>Impairment of trade receivables</u>

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group categorised trade receivables for as impaired when a debtor fails to make contractual payments more than 365 days (2020: 365 days) past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group provides for lifetime expected credit losses for all trade receivables. The loss allowance provision as at 31 August 2021 and the comparative year is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will increase over the next year, leading to a decrease in the number of defaults.

33. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Credit risk (Cont'd)

a. Trade receivables (Cont'd)

Impairment of trade receivables (Cont'd)

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for trade receivables.

Group	Current	More than 30 days past due	60 days past due	90 days past due	90 days past due	Total
2021						
Loss rate (%)	0.02	0.02	0.04	0.66	3.66	
Gross carrying amount (RM)	3,053,675	1,277,646	483,682	365,121	370,476	
Loss allowance (RM)	477	294	213	2,395	13,547	16,926
Impaired receivables (RM)						6,697
Total impairment (RM)						23,623
2020						
Loss rate (%)	0.01	0.02	0.07	0.91	3.69	
Gross carrying amount (RM)	3,840,807	1,305,430	667,872	464,294	221,354	
Loss allowance (RM)	334	222	470	4,241	8,177	13,444
Impaired receivables (RM)						2,869
Total impairment (RM)						16,313

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Credit risk (Cont'd)

b. Other receivables

Exposure to credit risk, credit quality and collateral

Other receivables balances are monitored on an ongoing basis.

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of other receivables as at the end of the reporting period.

Ageing analysis of other receivables and impairment losses

The Group does not maintain ageing analysis for other receivables. Based on past experience, the management determines that no impairment is necessary in respect of other receivables. There had been no allowance for impairment losses on other receivables during the financial year and previous financial year.

c. Other financial assets (Including other investments, fixed deposits with licensed bank and cash and bank balances)

Other financial assets are held with licensed financial institutions. The Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk, credit quality and collateral

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meets its obligations. As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount other investments, fixed deposits with licensed banks and cash and bank balances in the consolidated statements of financial position.

Impairment losses

The credit risk for other financial assets are low as those assets are held with licensed financial institutions which are reputable banks and with high quality external credit ratings. Consequently, the Group and the Company are of the view that loss allowance is not material and hence it is not provided for.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company maintain a level of cash and cash equivalents 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.

33. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

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

Group	Carrying amount RM	Undiscounted contractual cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
2021					
Trade payables	328,873	328,873	328,873	-	-
Other payables and accruals	1,543,406	1,543,406	1,543,406	-	-
Loans and borrowings	12,598,854	15,481,596	1,535,964	4,977,976	8,967,656
	14,471,133	17,353,875	3,408,243	4,977,976	8,967,656
2020					
Trade payables	205,235	205,235	205,235	-	-
Other payables and accruals	2,047,920	2,047,920	2,047,920	-	-
Amount owing to a Director	32,508	32,508	32,508	-	-
Loans and borrowings	13,346,214	16,681,475	1,530,745	5,115,937	10,034,793
	15,631,877	18,967,138	3,816,408	5,115,937	10,034,793
Company					
2021					
Other payables and accruals	31,127	31,127	31,127	-	-
Amount owing to a subsidiary	804,044	804,044	804,044	-	-
	835,171	835,171	835,171	-	-
2020					
Other payables and accruals	215,120	215,120	215,120	-	-
Amount owing to a Director	32,508	32,508	32,508	-	-
	247,628	247,628	247,628	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its floating rate instruments.

Management does not enter into interest rate hedging transactions as the cost of such instruments out weights the potential risk of interest risk fluctuation.

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

The interest rate profile of the Group's significant interest bearing financial instruments, based on the carrying amounts as at the end of the financial year was:

	2021 RM	**2020 RM**
Group		
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed bank	3,504,374	3,416,816
Financial liability		
Lease liabilities	(1,315,664)	(1,390,211)
	2,188,710	2,026,605
Floating rate instruments		
Financial liabilities		
Term loans	(11,283,190)	(11,956,003)

Interest rate risk sensitivity analysis

Sensitivity analysis is not disclosed on fixed rate instruments as fixed rate instruments are not exposed to interest rate risk and are measured at amortised cost.

A 50 basis points strengthening in the interest rate of floating rate instruments as at the end of the reporting period would have decreased in the Group's profit before tax by RM56,416 (2020: RM59,780). A 50 basis points weakening would have had an equal but opposite effect on the profit before tax. This assumes that all other variables remain constant.

33. FINANCIAL INSTRUMENTS (CONT'D)

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

(iv) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that were denominated in foreign currencies. The currencies gave rise to this risk were primarily in Swiss Franc ("CHF"), New Taiwan Dollar ("TWD"), Hong Kong Dollar ("HKD"), Euro ("EUR"), Singapore Dollar ("SGD"), United States Dollar ("USD") and Japanese Yen ("JPY"). Foreign currency risk was monitored closely and managed to an acceptable level. The Group's exposure to foreign currency are as follows:

	CHF RM	TWD RM	HKD RM	EUR RM	SGD RM	USD RM	JPY RM	Total RM
Group								
2021								
Trade receivables	-	-	-	121,664	8,623	692,929	-	823,216
Cash and bank balances	-	-	-	59,847	-	236,575	-	296,422
Trade payables	-	(1,754)	(19,562)	(92,967)	(346)	(31,090)	(7,800)	(153,519)
Other payables	(30,389)	-	-	-	-	-	-	(30,389)
	(30,389)	(1,754)	(19,562)	88,544	8,277	898,414	(7,800)	935,730
2020								
Trade receivables	-	-	-	80,094	52,189	996,818	-	1,129,101
Other receivables	-	-	-	-	-	63,522	-	63,522
Cash and bank balances	-	-	-	9,223	-	808,879	-	818,102
Trade payables	-	-	-	(43,407)	-	(3,197)	(882)	(47,486)
	-	-	-	45,910	52,189	1,866,022	(882)	1,963,239

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. FINANCIAL INSTRUMENTS (CONT'D)

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

(iv) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in CHF, TWD, HKD, EUR, USD, SGD and JPY exchange rate against Ringgit Malaysia ("RM"), with all other variables held constant.

	2021 (Decrease)/ increase RM	2020 (Decrease)/ increase RM
Group		
CHF against the RM		
- strengthens 5%	(1,519)	-
- weakens 5%	1,519	-
TWD against the RM		
- strengthens 5%	(88)	-
- weakens 5%	88	-
HKD against the RM		
- strengthens 5%	(978)	-
- weakens 5%	978	-
EUR against the RM		
- strengthens 5%	4,427	2,296
- weakens 5%	(4,427)	(2,296)
SGD against the RM		
- strengthens 5%	414	2,609
- weakens 5%	(414)	(2,609)
USD against the RM		
- strengthens 5%	44,921	93,301
- weakens 5%	(44,921)	(93,301)
JPY against the RM		
- strengthens 5%	(390)	(44)
- weakens 5%	390	44

33. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments

(i) Financial instruments not carried at fair value

Financial assets and financial liabilities not carried at fair value are disclosed in Note 33 (a) (i) and (iii) to the financial statements. These financial instruments are carried at the amounts approximate of their fair values on the statements of financial position of the Group and of the Company due to the relatively short term maturity of these financial instruments and the Group and of the Company do not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

As at the end of each financial year, the carrying amounts of floating rate term loans approximate their fair values as their effective interest rates change accordingly to movements in the market interest rates.

(ii) Financial instruments carried at fair value

Financial assets carried at fair value are disclosed in Note 33 (a) (ii) to the financial statements. The fair value of unit trusts investments is a Level 2 fair value derived from input other than quoted prices included within Level 1 that are directly observable. There was no material transfer between Level 1, 2 and 3 during the financial year.

34. Capital management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group and the Company manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust capital structure, the Group and the Company may adjust the dividend payment, returning of capital to shareholders or issuing new shares.

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Loans and borrowings (Note 16)	12,598,854	13,346,214	-	-
Less: Cash and cash equivalents (Note 29)	(10,021,806)	(11,760,931)	(4,965)	(10)
Net debt	2,577,048	1,585,283	(4,965)	(10)
Total equity	40,459,274	37,505,383	33,576,562	(38,018)
Total net debt and equity	43,036,322	39,090,666	33,571,597	(38,028)
Net debt to total net debt and equity ratio	0.06	0.04	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

35. COMPARATIVE FIGURES

The acquisition of the entire issued share capital of Sharp Die Cutting Mould Sdn. Bhd. and Hotstar (M) Sdn. Bhd. by the Company, as disclosed in Note 6 to the financial statements, is a business combination involving entities under common control as defined by Note 3.1 (iii) to the financial statements. Accordingly, the Group is a continuation of the acquired entities and are accounted for as follows:

(a) the assets and liabilities of the acquired entities are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
(b) the retained earnings and other equity balances of acquired entities immediately before the business combination are added to those of the Group; and
(c) the equity structure reflects the equity structure of the Company and the difference arising from the change in equity structure of the Group is accounted for in the merger reserve in the consolidated financial statements.

As explained above, the comparative figures in the Group's financial statements are presented as if the acquisition of subsidiaries had occurred before the start of the earliest period presented.

36. SIGNIFICANT AND SUBSEQUENT EVENTS DURING THE FINANCIAL YEAR

(a) The Coronavirus disease 2019 "COVID-19" pandemic

The World Health Organisation declared the novel coronavirus ("COVID-19") a global pandemic on 11 March 2020. To curb the spread of COVID-19 outbreak in Malaysia, the government imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into various phases of the MCO, which has been further extended until the conditions set by the Government of Malaysia for the various phases of the National Recovery Plan are achieved. Various measures to prevent the spread of the virus such as restricted movement, overseas and interstate travel bans, closure of businesses and education institutions and work-from-home arrangements have impacted consumer spending power and pattern and brought about significant economic uncertainties in Malaysia.

The restrictions imposed have not, however, negatively impacted the Group's and the Company's financial performance as its main manufacturing facilities were allowed to operate throughout the MCO, under restrictions set by the Ministry of International Trade and Industry ("MITI").

As at the Group's activities are considered to be essential services, the management had considered the operational and financial impact of the pandemic and had concluded that the Group's and the Company's financial position, performance and cash flows for the financial year ended 31 August 2021 had not been materially impacted by the COVID-19 pandemic.

With the rolling out of vaccines under the National COVID-19 Immunisation Program by the Government in February 2021, it is expected to help boost market sentiments although the economic recovery is expected to be gradual and aided by the economic stimulus initiatives undertaken by the government.

As the situation is still evolving as at the date of this financial statements, the Group will continue to monitor the situation surrounding the pandemic so as to be able to formulate appropriate measures swiftly and decisively to minimise potential adverse impact arising from development of the pandemic.

36. SIGNIFICANT AND SUBSEQUENT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(b) Acquisition of subsidiaries

(i) On 7 December 2020, the Company entered into a conditional share sale agreement with CEKD Holding Sdn. Bhd. to acquire the entire equity interest in Sharp Die Cutting Mould Sdn. Bhd. ("Sharp DCM") for a total purchase consideration of RM28,634,400 to be satisfied by issuance of 120,312,605 new ordinary shares in the Company at an issue price of RM0.238 per share.

(ii) On 7 December 2020, the Company entered into a conditional share sale agreement with CEKD Holding Sdn. Bhd. to acquire the entire equity interest in Hotstar (M) Sdn. Bhd. ("Hotstar") for a total purchase consideration of RM5,633,500 to be satisfied by issuance of 23,670,168 new ordinary shares in the Company at an issue price of RM0.238 per share.

On 21 June 2021, pursuant to the share sale agreements, the Company issued and allotted 143,982,773 new ordinary shares of RM0.238 each to CEKD Holding Sdn. Bhd.to acquire the entire equity interest in Sharp DCM and Hotstar. Thereafter, Sharp DCM and Hotstar become wholly-owned subsidiaries of the Company.

(c) On 11 May 2021, Hotstar entered into a Sale and Purchase Agreement to acquire a piece of freehold land together with factory erected for a purchase consideration of RM8,800,000. A total cash deposit of RM880,000 was paid and the balance of purchase consideration was financed by bank borrowings which drawdown on 27 September 2021. The acquisition was completed on 11 October 2021.

(d) On 28 September 2021, the Company issued and allotted 50,590,227 new ordinary shares at an issue price of RM0.48 each for a total cash consideration of RM24,283,200 for cash pursuant to its Initial Public Offering exercise.

(e) On 11 May 2021, the Company obtained approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad. The ordinary shares of the Company were listed on the ACE Market of Bursa Malaysia Securities Berhad on 29 September 2021.

(f) On 26 October 2021, Focuswin Diecutting Mould Sdn. Bhd., a subsidiary of the Company, declared an interim single-tier dividend of RM2.50 per ordinary share totaling RM1,000,005 in respect of the financial year ended 31 August 2021, which is payable on 29 October 2021. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 August 2022.

ANALYSIS OF SHAREHOLDINGS
AS AT 30 NOVEMBER 2021

Total Number of Issued Shares	: 194,573,000
Issued and Fully Paid-up	: RM 58,551,122.70
Class of Shares	: Ordinary Shares
Voting Rights	: One (1) Vote per Ordinary Share

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	3	0.105	100	0.000
100 - 1,000	610	21.344	443,800	0.228
1,001 - 10,000	1,601	56.018	8,014,300	4.119
10,001 - 100,000	576	20.154	16,843,000	8.657
100,001 – 9,728,649 (*)	67	2.344	25,288,800	12.997
9,728,650 and above (**)	1	0.035	143,983,000	73.999
	2,858	100.00	194,573,000	100.00

Remarks:
(*) Less than 5% of issued shares holdings
(**) 5% and above of issued shares holdings

Substantial Shareholders (Based on the Register of Substantial Shareholders)

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
CEKD HOLDING SDN BHD	143,983,000	73.999	-	-
YAP TIAN TION (1)	-	-	143,983,000	73.999
YAP KAI NING (2)	-	-	143,983,000	73.999
LIM BEE ENG (2)	-	-	143,983,000	73.999
YAP KAI JIE (2)	-	-	143,983,000	73.999
YAP KAI MIN (2)	-	-	143,983,000	73.999

Notes:
(1) Deemed interest by virtue of the shareholdings of his family in CEKD HOLDING SDN BHD pursuant to Section 8 of the Companies Act 2016.
(2) Deemed interest by virtue of their shareholdings in CEKD HOLDING SDN BHD pursuant to Section 8 of the Companies Act 2016.

Directors' Shareholdings (Based on the Register of Directors' Shareholding)

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
DATO' ZULKIFLI BIN ADNAN	300,000	0.154	-	-
DATUK MAK FOO WEI	300,000	0.154	-	-
CHONG CHIN LOOK	300,000	0.154	-	-
YAP TIAN TION (1)	-	-	143,983,000	73.999
YAP KAI NING (2)	-	-	143,983,000	73.999

Notes:
(1) Deemed interest by virtue of the shareholdings of his family in CEKD HOLDING SDN BHD pursuant to Section 8 of the Companies Act 2016.
(2) Deemed interest by virtue of her shareholdings in CEKD HOLDING SDN BHD pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS
AS AT 30 NOVEMBER 2021 (CONT'D)

Chief Financial Officer's Interest in Shares

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
PEARLY HIEW PEI LI	200,000	0.103	-	-

List of Top Thirty (30) Largest Shareholders

No.	Name of Shareholders	Total No. of Shares Held	%
1	CEKD HOLDING SDN BHD	143,983,000	73.999
2	ABD AZIS BIN MOHAMAD	5,250,000	2.698
3	KINTAN CAPITAL SDN BHD	3,160,000	1.624
4	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD HIEW SYN CHOI (SDK)	1,083,000	0.556
5	TAN SOO ENG	1,000,000	0.513
6	YEO SOO KIM	890,000	0.457
7	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR PMB SHARIAH TNB EMPLOYEES FUND	800,000	0.411
8	AMANAHRAYA TRUSTEES BERHAD PMB DANA AL-AIMAN	700,000	0.359
9	OOI ENG BEE	500,000	0.256
10	TEOH YEE LUN	500,000	0.256
11	AMANAHRAYA TRUSTEES BERHAD PMB DANA BESTARI	436,000	0.224
12	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	371,800	0.191
13	KHAW CHAI LEOW	343,000	0.176
14	TAN POH SHOON	330,000	0.169
15	CHIA HIANG NOOI	300,000	0.154
16	MAK FOO WEI	300,000	0.154
17	ONG TECK LOONG	300,000	0.154
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG CHIN LOOK (E-TCS)	300,000	0.154
19	TAN KEAN HOCK	300,000	0.154
20	ZULKIFLI BIN ADNAN	300,000	0.154
21	GERALD ATONG ANAK PETES	280,000	0.143
22	PHANG MIOW SIN	279,000	0.143
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KHOON BENG (E-KLG)	260,000	0.133
24	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT PHANG MIOW SIN	260,000	0.133
25	YONG SUI MOK	248,000	0.127
26	YEO SOO SIA @ YEO SOO SENG	240,000	0.123
27	MOHAMMED YASIN BIN MYDIN	220,000	0.113
28	KOH HEOK TEO	215,000	0.110
29	LEONG KOK KIANG	210,000	0.107
30	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POH THIAM SEONG (7003558)	200,800	0.103

LIST OF PROPERTIES

No.	Title No.	Property Address	Tenure	Description of property/ Existing use	Category of land use/ Land area/ Built-up area (s.q. metre)	Acquisition Date	Approximate Age of Building	Audited Net Book Value as at 31 August 2021 (RM)
1	PN 4606 Lot 30837, Mukim Petaling Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	10, Jalan 1/137B Resource Industrial Centre Batu 5, Jalan Kelang Lama 58200 Kuala Lumpur	Leasehold, 99 years expiring on 29 March 2065 (45 remaining years)	6-storey detached factory and office building/ Own use for business operations	Industrial/ 23,896/ 71,910	17/12/2018	1 year (1)	18,891,389
2	GRN 149634 Lot 3683, Mukim 06 Daerah Seberang Perai Tengah Negeri Pulau Pinang	81, Jalan Nagasari 1 Taman Nagasari 13600 Prai Penang	Freehold	Intermediate 2-storey light industrial shoplot/ Own use for business operations	Industrial/ 2,314/ 3,277	2/12/1999	1 year (1)	173,528
3	GRN 149633 Lot 3682, Mukim 06 Daerah Seberang Perai Tengah Negeri Pulau Pinang	83, Jalan Nagasari 1 Taman Nagasari 13600 Prai Penang	Freehold	Intermediate 2-storey light industrial shoplot/ Own use for business operations	Industrial/ 2,335/ 3,090	31/5/2004	1 year (1)	230,236

Note:

(1) The approximate age of building is computed based on date of Certificate of Completion and Compliance (“CCC”) which obtained in year 2020 in line with the IPO exercise.

NOTICE OF FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting ("**4th AGM**") of CEKD Berhad ("the Company") will be held virtually through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Tuesday, 22 February 2022 at 10.00 a.m. for the following purposes:-

A G E N D A

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 August 2021 together with the Reports of the Directors and Auditors thereon. ***[Please refer to Explanatory Note 1]***

2. To approve the payment of Directors' benefits amounting to RM12,000.00 payable to the Non-Executive Directors of the Company for the financial year ended 31 August 2021. ***[Please refer to Explanatory Note 2] Ordinary Resolution 1***

3. To approve the payment of Directors' fees amounting to RM275,000.00 payable to the Non-Executive Directors of the Company for the period from 1 September 2021 until the next Annual General Meeting of the Company. ***[Please refer to Explanatory Note 2] Ordinary Resolution 2***

4. To approve the payment of Directors' benefits (excluding directors' fees) for an amount up to RM15,000.00 payable to the Directors of the Company for the period from 1 September 2021 until the next Annual General Meeting of the Company. ***[Please refer to Explanatory Note 2] Ordinary Resolution 3***

5. To re-elect the following Directors who retire pursuant to Clause 84 of the Company's Constitution and being eligible, have offered themselves for re-election: -

   (i) Datuk Mak Foo Wei; and ***Ordinary Resolution 4***
   (ii) Yap Tian Tion. ***Ordinary Resolution 5***

6. To re-elect Ms Choo Yem Kuen, the Director who retires pursuant to Clause 91 of the Company's Constitution and being eligible, has offered herself for re-election. ***Ordinary Resolution 6***

7. To re-appoint Messrs. Ecovis Malaysia PLT as the Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 7***

AS SPECIAL BUSINESS

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

8. **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** ***[Please refer to Explanatory Note 3] Ordinary Resolution 8***

   "**THAT** subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company at any time to such persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution must not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time ("Proposed 20% General Mandate").

   THAT such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2022.

   AND THAT with effect from 1 January 2023, the general mandate shall be reinstated from a 20% limit to a 10% limit pursuant to Rule 6.04 of the AMLR of Bursa Securities provided that the aggregate number of such new shares to be issued by the Company from time to time, at such price, to such persons and for such purposes and such terms and conditions as the Directors may in their absolute discretion deem fit, pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 10% General Mandate").

NOTICE OF FOURTH ANNUAL GENERAL MEETING
(CONT'D)

AND THAT such approval on the Proposed 10% General Mandate shall continue to be in force until:

a) the conclusion of the next Annual General Meeting of the Company held after the approval was given;
b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

(The Proposed 20% General Mandate and Proposed 10% General Mandate shall hereinafter refer to as "Proposed General Mandate")

AND THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued on Bursa Securities;

AND THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

9. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act 2016.

BY ORDER OF THE BOARD

TEO SOON MEI (SSM PC No. 201908000235) (MAICSA 7018590)
LIM JIA HUEY (SSM PC No. 201908000929) (MAICSA 7073258)
Company Secretaries

Kuala Lumpur
Dated: 30 December 2021

Explanatory Notes on Ordinary and Special Businesses:

1. **Item 1 of the Agenda**

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

2. **Items 2, 3 and 4 of the Agenda**

Section 230(1) of the Companies Act 2016 provides that the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company is seeking the shareholders' approval for the payment of Directors' benefits for an amount of RM12,000.00, payable to the Non-Executive Directors of the Company for the financial year ended 31 August 2021 under Ordinary Resolution 1. The Directors' benefits for the financial year ended 31 August 2021 is accruals for the services rendered by the duly appointed Directors from the date of appointment on 7 February 2020 to 31 August 2021.

The Company is also seeking the shareholders' approval for the payment of Directors' fees and benefits for an amount of RM275,000.00 and an amount up to RM15,000.00 respectively, payable to the Directors of the Company for the period from 1 September 2021 until the next Annual General Meeting of the Company under Ordinary Resolutions 2 and 3 respectively.

The estimated Directors' fees and benefits proposed for the period from 1 September 2021 until the next Annual General Meeting of the Company are derived based on the current Board size and number of scheduled Board and Board Committees meetings to be held. These Resolutions are to facilitate payment of Directors' fees and benefits for the financial year 2022/2023.

NOTICE OF FOURTH ANNUAL GENERAL MEETING
(CONT'D)

3. Item 8 of the Agenda

Bursa Securities had vide its letters dated 16 April 2020 and 23 December 2021 respectively, allowed and extended the implementation period of the increased general mandate of not more than twenty per centum (20%) of the total number of issued shares (excluding treasure shares) for new issue of securities. The Ordinary Resolution 8 is to seek a new general mandate for issuance and allotment of shares by the Company from time to time pursuant to the Companies Act 2016 at the 4th AGM of the Company provided that aggregate number of shares allotted pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed 20% General Mandate") up to 31 December 2022. With effect from 1 January 2023, the Proposed 20% General Mandate will be reinstated to a 10% limit ("Proposed 10% General Mandate") according to Rule 6.04 of the AMLR of Bursa Securities.

The authority for the Proposed 10% General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The Board of Directors of the Company is of the view that the Proposed 20% General Mandate is in the best interest of the Company and its shareholders as the Proposed 20% General Mandate will give the Directors the flexibility and cost effectively to raise funds quickly and efficiently during this challenging time to ensure the long term sustainability of the Company and safeguard the interest of the Company and the shareholders.

The purpose of this new general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or such other purposes as the Directors may deem fit in the best interest of the Company.

Virtual Annual General Meeting:

*i. As part of the measures taken by the Company to curb the spread of COVID-19 and taking into consideration the paramount safety and well-being of the members of the Company, the 4th AGM of the Company will be held as virtual meeting via live streaming and online remote voting using the Remote Participation and Voting Facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") through its website at https://tiih.online. This is also in line with the revised Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021 (including any amendments that may be made from time to time) ("**Guidance Note**") to allow general meetings under National Recovery Plan to be conducted virtually. Please follow the procedures as set out in the Administrative Guide which is available at the Company's website at http://www.cekd.com.my/ .*

*ii. Pursuant to the Guidance Note and the Frequently Asked Questions on virtual general meetings issued by Suruhanjaya Syarikat Malaysia ("**SSM FAQs**"), an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia and that an online meeting platform shall be deemed to be in Malaysia if the registered domain name is registered with MYNIC Berhad.*

*iii. Members and/or proxy(ies) and/or corporate representative(s) and/or attorneys are to attend, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 4th AGM via the RPV facilities provided by Tricor at https://tiih.online.*

Notes:

*i. In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 February 2022 ("**General Meeting Record of Depositors**") shall be eligible to participate at this 4th AGM.*

ii. A member of the Company who is entitled to participate at this 4th AGM shall be entitled to appoint not more than two (2) proxies to participate and vote on his/her behalf at the same meeting. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company, and a Member may appoint any person to be his proxy.

*iii. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**"), he/she may appoint at least one (1) proxy but 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. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of his/her shareholding to be represented by each proxy.*

*iv. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

v. The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of the appointer or a copy of that power of attorney, certified by an advocate and solicitor, or where the member is a body corporate, either under its seal or by the hand of an officer or attorney duly authorised. Any alteration in the form of proxy must be initialled.

NOTICE OF FOURTH ANNUAL GENERAL MEETING
(CONT'D)

vi. *The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 4th AGM or at any adjournment thereof at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid: -*

(a) *In Hardcopy Form*

*The Form of Proxy shall be deposited at the **Share Registrar's office, 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, Malaysia** or **alternatively, at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia**.*

(b) *By Electronic Means*

The form of proxy can be electronically submitted via Tricor's Online website at https://tiih.online. Kindly refer to the Procedure for Electronic Submission of Form of Proxy or via email at the Share Registrar's email address at is.enquiry@my.tricorglobal.com.

Kindly refer to the Administrative Guide for the 4th AGM for the procedures on RPV.

vii. *Pursuant to Rule 8.31A(1) of the AMLR of Bursa Securities, all the resolutions set out in this Notice of Meeting will be put to vote by poll.*

viii. *Those proxy forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 4th AGM and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the 4th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 4th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and
(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF 4TH ANNUAL GENERAL MEETING ("AGM")

1. STATEMENT RELATING TO THE RE-ELECTION OF DIRECTORS

Ordinary Resolution 6 on the Re-election of Directors

The details of Ms Choo Yem Kuen, the retiring Director who is seeking for re-election at the 4th AGM under ordinary resolution 6 is set out on page 9 of the Annual Report of the Company.

2. STATEMENT RELATING TO THE GENERAL MANDATE FOR ISSUANCE OF SECURITIES

Ordinary Resolution 8 on the general mandate for the issuance of securities

Statement relating to a general mandate for the issuance of securities in accordance with Paragraph 6.04(3) of the AMLR of Bursa Securities. Please refer to the Explanatory Note 3 of the Notice of the 4th AGM set out on page 125.

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FORM OF PROXY

(before completing this Form of Proxy, please refer to the notes below)

Number of Shares Held			CDS Account No.	

*I/We ____ NRIC No./Passport No./Company No. ______________

(FULL NAME IN BLOCK LETTER)

of ____

(FULL ADDRESS)

with email ____ and mobile phone no. ____________________,

being a *member/members of **CEKD BERHAD**, do hereby appoint(s):-

Full Name (in Block) [Proxy 1]	**NRIC/Passport No.**	**Proportion of shareholding**	
		No of shares	**%**
Address:			
Email Address:			
Mobile Phone No.:			

and

Full Name (in Block) [Proxy 2]	**NRIC/Passport No.**	**Proportion of shareholding**	
		No of shares	**%**
Address:			
Email Address:			
Mobile Phone No.:			

or failing whom, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Fourth Annual General Meeting ("**4th AGM**") of the Company to be held virtually through live streaming from the Broadcast Venue at Tricor Business Centre, Gemilang Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia provided on Tuesday, 22 February 2022 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an "**X**" in the spaces provided below on how you wish your votes to be cast. If no specific instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	ORDINARY RESOLUTIONS	**FOR**	**AGAINST**
1	Approval of the payment of Directors' benefits amounting to RM12,000.00 payable to the Non-Executive Directors of the Company for the financial year ended 31 August 2021.		
2	Approval of the payment of Directors' fees amounting to RM275,000.00 payable to the Non-Executive Directors of the Company for the period from 1 September 2021 until the next Annual General Meeting of the Company.		
3	Approval of the payment of Directors' benefits (excluding directors' fees) for an amount up to RM15,000.00 payable to the Directors of the Company for the period from 1 September 2021 until the next Annual General Meeting of the Company.		
4	Re-election of Datuk Mak Foo Wei, the retiring Director of the Company, who retires pursuant to Clause 84 of the Company's Constitution and being eligible, has offered himself for re-election.		
5	Re-election of Mr. Yap Tian Tion, the retiring Director of the Company, who retires pursuant to Clause 84 of the Company's Constitution and being eligible, has offered himself for re-election.		
6	Re-election of Ms. Choo Yem Kuen, the retiring Director of the Company who retires pursuant to Clause 91 of the Company's Constitution and being eligible, has offered herself for re-election		
7	Re-appointment of Messrs. Ecovis Malaysia PLT as the Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
SPECIAL BUSINESS		**FOR**	**AGAINST**
8	Authority to issue shares pursuant to the Companies Act, 2016		

*Strike out whichever is not applicable.

Dated this ____ day of __________, 2022

____

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

For appointment of two proxies, percentage of shareholdings to be represented by the proxies		
	No. of shares	**Percentage**
Proxy 1		
Proxy 2		
Total		100%

Virtual Annual General Meeting:

i. As part of the measures taken by the Company to curb the spread of COVID-19 and taking into consideration the paramount safety and well-being of the members of the Company, the 4th AGM of the Company will be held as virtual meeting via live streaming and online remote voting using the Remote Participation and Voting Facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") through its website at https://tiih.online. This is also in line with the revised Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021 (including any amendments that may be made from time to time) ("Guidance Note") to allow general meetings under National Recovery Plan to be conducted virtually. Please follow the procedures as set out in the Administrative Guide which is available at the Company's website at http://www.cekd.com.my/ .

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*iii. Members and/or proxy(ies) and/or corporate representative(s) and/or attorneys are to attend, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 4th AGM via the RPV facilities provided by Tricor at https://tiih.online.*

Notes:

i. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 February 2022 ("**General Meeting Record of Depositors**") shall be eligible to participate at this 4th AGM.*

ii. *A member of the Company who is entitled to participate at this 4th AGM shall be entitled to appoint not more than two (2) proxies to participate and vote on his/her behalf at the same meeting. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company, and a Member may appoint any person to be his proxy.*

iii. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**"), he/she may appoint at least one (1) proxy but 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. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of his/her shareholding to be represented by each proxy.*

iv. *Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

v. *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of the appointer or a copy of that power of attorney, certified by an advocate and solicitor, or where the member is a body corporate, either under its seal or by the hand of an officer or attorney duly authorised. Any alteration in the form of proxy must be initialled.*

vi. *The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 4th AGM or at any* adjournment thereof at which *the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid: -*

(a) *In Hardcopy Form*
The Form of Proxy shall be deposited at the ***Share Registrar's office, 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, Malaysia*** *or* ***alternatively, at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.***

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Kindly refer to the Administrative Guide for the 4th AGM for the procedures on RPV.

vii. *Pursuant to Rule 8.31A(1) of the AMLR of Bursa Securities, all the resolutions set out in the Notice of Meeting will be put to vote by poll.*

viii. *Those proxy forms which are indicated with "√" in the spaces provided to show how the votes are to be cast will also be accepted.*

Personal data privacy:
By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 4th AGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of the 4th AGM dated 30 December 2021.

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AFFIX
STAMP

The Share Registrar of
CEKD BERHAD
[Registration No. 201801023077 (1285096-M)]
c/o: TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No.8, Jalan Kerinchi,
59200 Kuala Lumpur, Wilayah Persekutuan,
Malaysia

Please fold here

CEKD

CEKD BERHAD
[Registration No. 201801023077 (1285096-M)]

10, Jalan 1/137B
Resource Industrial Centre
Batu 5, Jalan Kelang Lama
58200 Kuala Lumpur, Malaysia

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Tel:+6017 988 6450

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www.cekd.com.my